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OFFICIAL REPORT
(HANSARD)

Tuesday, June 4, 2002
(Part A)

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, June 4, 2002

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1000)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Geoff Regan (Parliamentary Secretary to the 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 two petitions.

* * *

•(1005)

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I have the honour to present, in both official languages, the 23rd report of the Standing Committee on Public Accounts in chapter 7, "Canada Customs and Revenue Agency—International Tax Administration: Non-residents Subject to Canadian Income Tax", of the December 2001 report of the Auditor General of Canada.

I also have the honour to present, in both official languages, the 24th report of the Standing Committee on Public Accounts in chapter 2, "Recruitment for Canada's Future Public Service: Changing the System"; and chapter 3, "Recruitment for Canada's Future Public Service: Changing the Practices", of the December 2001 report of the Auditor General of Canada.

Pursuant to Standing Order 109 of the House of Commons, the committee requests that the government table a comprehensive response to these two reports.

* * *

[*Translation*]

PETITIONS

GOVERNMENT CONTRACTS

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, for the second day in a row, I rise to table a petition in the House. This morning again 35 people consider this government to be corrupt.

The petitioners are asking that parliament call a public inquiry to get to the bottom of the whole issue of sponsorships in Canada, and the companies involved such as Groupaction. Recent statements show that they are not totally beyond reproach.

So here are 35 more people who join previous petitioners in calling on the government to hold that public inquiry.

•(1010)

[*English*]

CHILD PORNOGRAPHY

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36, I have three petitions to present today. Two of the petitions deal with the issue of protecting our children in Canada.

The petitioners call upon parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sadomasochistic activities involving children are outlawed.

One petition contains 50 names and the other contains 44 names.

MARRIAGE

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, I would like to table another petition with 125 names. It calls upon parliament to uphold the motion presented some time ago that reaffirmed that marriage must be between a male and a female.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 147 and 148.

[*Text*]

Question No. 147—**Mr. Brian Fitzpatrick:**

Regarding the current trade issues with the United States with respect to the Canadian Wheat Board (CWB): (a) what percentage or proportion of the legal fees and costs incurred by the CWB will the federal treasury absorb; (b) is there any portion not covered by the federal treasury; and (c) is this consistent with the federal government's position with respect to other industries and sectors such as Bombardier?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): (a) Nil.

(b) Yes.

Points of Order

(c) The federal government's policy is that Canadian stakeholders that participate with the government in foreign trade law cases assume their own legal costs. Thus, the Canadian Wheat Board has assumed any legal costs it might have incurred related to its participation in the recently completed section 301 investigation by the United States, while the federal government assumed its own legal costs incurred during that investigation. A trading partner that wished to challenge Canada's trade policies in respect of the Canadian Wheat Board would bring its challenge against the Government of Canada as the signatory to the relevant international trade agreement.

Question No. 148—**Mr. Brian Fitzpatrick:**

With regard to the provision of certain paid prescription drugs by Indian Affairs and Northern Development Canada for aboriginals in Canada: (a) why have certain drugs been delisted; (b) is there a plan to coordinate with the various stakeholders to ensure that Treaty Indians receive coverage through alternative sources such as provincial health plans; (c) if not, is this consistent with the government's commitment to ensuring that all Canadians have access to essential health services?

Hon. Anne McLellan (Minister of Health, Lib.): Drugs are delisted from the non-insured health benefits, NIHB, drug benefit list when:

(a) the drug has been discontinued from the Canadian market; new products possessing clearly demonstrated therapeutic and safety advantages or improvements have been listed; new toxicity data shift the risk-benefit ratio to make the continued listing of the product inappropriate; new information demonstrates that the product does not have the anticipated therapeutic benefit; the purchase cost is disproportionate to the benefits provided; and, the drug has a high potential for misuse or abuse.

(b) The NIHB program was established to assist in addressing the poor health status of first nations and Inuit people. Where the provinces/territories have not specifically excluded first nations and Inuit from drug plans and programs, AIDS, Methadone, the program does co-ordinate the funding.

(c) The provision of drug benefits to first nations and Inuit groups, as stated in the 1979 Indian health policy, is a shared responsibility between the federal, provincial, territorial governments and first nations and Inuit. The provinces and territories, through their drug plans, ensure access for provincial residents. The NIHB program meets that responsibility for first nations and Inuit people. We work closely with the provincial and territorial drugs plans in the listing of benefits, and through activities such as the common drug review announced by the premiers in January 2002. In doing so the premiers directed their health ministers to develop common recommendations for the approval of all new drugs to be covered under federal, provincial and territorial plans by the end of August 2002.

[*English*]

Mr. Geoff Regan: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

POINTS OF ORDER

STANDING COMMITTEE ON TRANSPORT

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I rise on a point of order regarding a notice of a meeting of the newly created transport committee. The notice has the committee meeting this morning at 11 a.m.

As you are aware, the transport committee was established on May 27 via a motion that created two committees, the transport committee and the estimates and government operations committee.

The motion provided for the procedure and House affairs committee to prepare and report to the House, within five sitting days of the adoption of the order, lists of members to compose the new standing committees. Such a list has not been prepared or reported to the House.

As you are aware, committees meet at the call of the clerk when an organization committee is required, by the call of the chair, or when a committee so desires to meet. The meeting is not an organization meeting and if it is there is no membership. Also, 48 hours' notice is required. It cannot meet by the call of the chair because it has no chair. It cannot meet by a decision of the committee because the committee has never met.

I can only conclude from this notice that Liberal arrogance is once again at play here and its disrespect for this institution is confirmed by this notice.

In April the Library of Parliament held a briefing on the estimates. At the briefing, it was stated that there was to be a new committee on the estimates to be chaired by the member for Winnipeg South. How did the library get the impression that such a committee existed one month before the motion establishing the committee was adopted by the House? How did it conclude that the member for Winnipeg South was to be its chairman?

As usual, it is presumed that if the Liberal leadership desires something it is only a matter of formality that the House of Commons gets involved.

Once again it is this dismissive view of the role of this House that is at issue here and it is unacceptable.

The only notice I want to see is one for the organization of the transport committee but I insist on 48 hours' notice. I do not want to be told who the chairman is until the committee decides who the chairman is. That goes for the new estimates committee as well.

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, I listened to the member's point of order and I want to correct one thing. He made reference to the fact that it had been suggested that I would be the chair of that committee. That question was put to me also and I specifically said that was not the case. I have said it twice on television and in other forums.

I was involved in some of the thinking, as were other members, in how this committee might be created and that is all.

Government Orders

The Speaker: The Chair will look into the matter raised by the hon. member for West Vancouver—Sunshine Coast. I appreciate his diligence in bringing this matter to the attention of the Chair. I will examine the situation and report back to the House if necessary in due course. This is a surprise to me and I will have to look into it.

GOVERNMENT ORDERS

●(1015)

[*Translation*]

NUCLEAR SAFETY AND CONTROL ACT

Hon. Don Boudria (for the Minister of Natural Resources) moved that Bill C-57, an act to amend the Nuclear Safety and Control Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I would like to say a few words on Bill C-57, an act to amend the Nuclear Safety and Control Act.

[*English*]

It gives me great pleasure to stand before the House today in support of amending subsection 46(3) of the Nuclear Safety and Control Act. This is a one clause bill. The amendment would clarify the wording in subsection 46(3) of the act.

[*Translation*]

According to the present wording of subsection 46(3), the Canadian Nuclear Safety Commission can order the owner or occupant “or any other person with a right to or interest in the land” to take the prescribed measures to reduce the level of contamination.

This wording is an anomaly that must be corrected. Its consequence, unintended of course, is to require lenders to also assume responsibility for decontamination of the site, the same way as the owners and administrators.

[*English*]

As a result then, this subsection has discouraged the private sector interest from lending to the nuclear industry. Obviously no one ever wanted to create a condition that would deprive the industry from funding to continue to do its work.

The industry is a vital component of the Canadian economy. It includes electrical power plants, uranium mines, refineries, laboratories, universities and hospitals that use nuclear material to diagnose and to treat disease.

[*Translation*]

The proposed amendment clarifies subsection 46(3) by deleting the words I have just mentioned, which I shall repeat, “or any other person with a right to or interest in the land” and replacing them with “who has the management and control of the affected land”.

It also defines the risk for lending institutions. A lender that assumed management and control of a nuclear facility would be subject to this subsection.

[*English*]

No other industrial or power generation sector is encumbered by a federal provision of this nature that discourages its access to bank

lending of any kind. The nuclear industry must have access to commercial credit to finance its needs like any other sector. This amendment would allow the nuclear industry to attract capital markets and equity. At the same time we have all the mechanisms in place to ensure that nuclear facilities are managed in a safe and environmentally sound manner.

[*Translation*]

Since governments encourage the private sector to get more involved in the acquisition and administration of facilities in all sectors of energy, companies operating nuclear facilities must have access to the same sources of financing as do others.

Let us not lose sight of the fact that companies need banks and other financial institutions in order to attract the capital they will need to finance present and future operations.

“Other financial institutions” can sometimes refer to union funds, pension or other funds. These are all capital that might be used for this purpose.

[*English*]

Therefore we must then be fair and consistent. We must ensure that all companies have an equal opportunity to conduct their business and to better position themselves in the marketplace. At the same time we must ensure that these companies are fully responsible for environmental stewardship.

This approach maintains the authority of the Canadian Nuclear Safety Commission to take the necessary measures for site remediation against those who have management and control. That is not removed. I say this so that all hon. members will be aware.

●(1020)

[*Translation*]

It will also not weaken Canada's stringent licensing and control system, which has been designed to protect Canadians' health, safety and security, as well as the environment.

All parties stand to benefit from this bill. The nuclear industry will be on an equal footing with the other industrial and energy production sectors. In parallel, the responsibility for cleaning up a site will be clearly assigned to the owner or those who assume management or control of the site.

[*English*]

Clearly this is a good governance bill and with that in mind I would ask all hon. members to join me in supporting the bill's immediate passing.

Government Orders

If later today members would agree, it would be highly appropriate, given the popularity of this measure for the industry, if we could do more than one stage today. Perhaps we could even entertain to do all stages. I am not proposing that by formal resolution right now in the House. I understand that some hon. members have not yet agreed to this proposal but perhaps upon reflection we could do that later this day. If not, then I hope the bill passes swiftly and after review in committee that we could pass the report stage and third reading, send it to the other place and hopefully have the legislation assented to before the recess, which is likely to come sometime soon.

I thank hon. members in advance for the support they will give to this measure.

Mr. David Chatters (Athabasca, Canadian Alliance): Madam Speaker, I am pleased to rise today to speak to Bill C-57. I am disappointed but not surprised that the bill had to come to the House at all. It should not have been necessary. After all the Liberals have a long tradition of failing to deliver the goods when it comes to the needs of Canadians. We have seen this over and over again. The truth is Canadians deserve better.

Although there are many changes occurring within the ranks of the government and weekly cabinet shuffles, we cannot expect the Liberals to make progress too quickly. Surely it would be simply unheard of for a bill that is as badly needed as this one is to get to the House in a timely fashion, ensuring the due diligence of the legislation has sufficient time.

The government and the industry have been aware of what I will refer to as a mistake for two years now. The government has had two years to correct it. Why the government waited until now to bring it to the House and then ask the House to consider all stages in one day is beyond me. It was not necessary and it should not have happened.

As we have seen with past practices of the government, we are rushing through the legislation at the end of the session, within days or weeks of adjournment for the summer. That puts the opposition in a very difficult position as a result of the government's actions. Either we rush the bill through to ensure its passage before the summer break or we do not comply and the nuclear industry will be unable to achieve the financing it so desperately needs.

The nuclear industry has been waiting two years for a seven word amendment. We find ourselves ignoring the needs for a measured and accountable debate because either the government is embarrassed, as it should be, by this obvious misstep or the government is in a hurry to close business for the summer. Canadians deserve better.

The truly sad thing about this exercise is that in reality the amendment should never have been required. All sorts of justifications have been offered as to why the original legislation includes a problem that could make lenders liable for the clean up of a nuclear spill. The truth is that it was a foolish oversight by the bureaucrats who drafted the bill, a foolish expensive oversight that has cost the nuclear industry millions in delays and/or potential loss of domestic and international financing.

I have long advocated a simple change in this place that would have avoided this. I have referred to this over and over again for the

last nine years. We in this place have a committee process that allows all party committees of the House to examine issues and, if necessary, to call the best expert witnesses from all over the world to testify. After hearing all the expert witnesses and having access to that knowledge and understanding of the issues, the government could have the committee draft the amendment or bill before it comes to this House, with the backup of that expertise and the involvement of the justice department and the bureaucracy of government as well at the committee. If it did that, we would not get into these situations.

Instead committees spend days, weeks, months and sometimes years examining issues. The endangered species legislation and human reproductive technologies are just a couple that come to mind. We spent months examining and listening to the best people who came to committee to talk to us. Then the bills went somewhere into the nameless, faceless bureaucracy where they were drafted, ignoring all that testimony and expertise that was brought to committee.

● (1025)

That should not be. It should not happen that way. It would not need to happen that way if the government was serious about doing the best job it could in this place on behalf of Canadians. I hope somewhere down the road a change takes place and it is done that way. However the way things work around here it will probably be long after all of us are gone. I will come back to the issue a little later in my presentation, but from what I have seen in my nine years here the expression "The more things change, the more they stay the same" is appropriate. It seems to be the only way this place operates.

The current embarrassment is the result of another humiliating embarrassment to the nuclear regulating bodies. There were serious safety problems in Ontario Hydro's nuclear reactors, problems the Canadian nuclear regulator should have known about and taken action to correct. Instead, an American consultant hired by Ontario Hydro identified the problem and has since shut down a number of Ontario Hydro's reactors.

In an effort to rectify the deficiencies in the existing regulatory regime we went through a process two years ago of restructuring the Canadian nuclear safety and control bureaucracy. Bill C-57 is an amendment to the Nuclear Safety and Control Act that would fix the problem with subsection 46(3) of the current act, a problem which should have been recognized by the drafters of the bill at the time.

Subsection 46(3) of the Nuclear Safety and Control Act prevents owners and operators of Canadian nuclear facilities from obtaining debt financing. It represents a significant barrier to any form of domestic or foreign investment in the nuclear industry in Canada. It puts the Canadian nuclear industry at a substantial competitive disadvantage internationally. This is because it provides that where the Canadian Nuclear Safety Commission believes a site may be contaminated in excess of prescribed limits, the commission may conduct a public hearing. After the hearing, if the commission concludes that contamination exists it may take action to:

Government Orders

—order that the owner or occupant of, or any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination.

The subsection means there is unlimited liability for the cleanup of environmental contamination for anyone with a legal right to or interest in the contaminated land or facilities. This includes mortgage lenders and other security holders. The provision is unique to the nuclear industry. It does not appear in any other federal or provincial environmental legislation.

Subsection 46(3) goes so far as to make passive investors such as mutual fund holders, pension fund holders, private shareholders, and lenders such as banks liable for the costs of cleanup. It is obvious why the nuclear industry has been having such a terrible time arranging for financing since the bringing into force of the Nuclear Safety and Control Act two years ago.

Subsection 46(3) of the Nuclear Safety and Control Act goes far beyond the common law principle of liability and the provisions of provincial and federal legislation. In all other such environmental legislation, lenders and other security holders are not exposed to such levels of liability unless they exercise their security and assume management and control of the secured assets.

I find it difficult to believe that the individuals who drafted the original legislation could not foresee this complication in the form of the current act. The problems inherent in the legislation are obvious. The argument has been made that the original wording may have been intended to address the issue of orphaned sites; that is, when companies operating facilities, usually mining, have gone bankrupt and walked away from remediation thus leaving the federal and provincial governments with the cleanup responsibilities.

It strikes me as odd. If this kind of situation is almost exclusively found in the mining industry, why would the government hamstring the nuclear industry with this provision? As we have seen, sometimes the most obvious problems escape the notice of the Liberal government until the problems become so significant it finally is forced into action.

The way to protect the public purse from companies declaring bankruptcy or disappearing and abdicating responsibility for reclamation is to require as part of the licensing process adequate bonding of the company to cover the costs of cleanup in the event the company becomes insolvent.

• (1030)

When we consider the ramifications of subsection 46(3) it is easy to understand why banks and potential investors have been running in the opposite direction at the thought of investing in the Canadian nuclear industry. After all, what bank or lending institution would impose that kind of liability on its shareholders?

The change to the wording of the subsection as proposed in the amendment would bring the Nuclear Safety Control Act in line with other environmental legislation. Changing the phrase “a right to or interest in” to “management and control of” would ensure liability for the cleanup of nuclear spills remained with the owners and producers of nuclear facilities rather than saddling private sector investments and their clients with the uncertainty and potential huge costs of cleanup.

The Canadian Alliance supports private sector involvement in the financing of the nuclear industry to keep government involvement and public funding of such projects to a minimum. I have long had a problem with the conflict situation in which the Canadian government is both the sales agency for Canada's nuclear technology such as the Candu reactor and the sole regulator of the nuclear industry and nuclear research in the country. The situation makes us vulnerable to compromises in the safety and regulatory body in favour of the commercial side of the industry. In the past I sponsored a private member's bill to split responsibility between different ministers and departments.

The Canadian Alliance also supports reducing barriers that impede private sector competitiveness at a time when all forms of cleaner fuel must be considered. If the nuclear industry is to be part of the energy mix of the country it is imperative that it is kept on the same playing field as other energy industries in Canada. I am not convinced nuclear energy is the answer to Canada's clean air challenges but that is a debate for another day.

I support allowing the nuclear industry to attract investors and thereby make investment decisions and plans for the future development of the industry on both the domestic and international fronts. Like many energy industries, the nuclear industry requires a huge amount of funding to remain viable. It must be able to make accurate long term plans to remain stable and attract private sector investment. Continuing uncertainty regarding the availability of financing could jeopardize not only the substantial economic spinoff benefits of such investment for Canadian nuclear manufacturers but also the jobs of thousands of Canadian workers.

Passage of the amendment is critical to the revitalization of Ontario's electrical industry. As the amendment falls in line with Canadian Alliance policy we will be supporting passage of the bill. However although we support the bill we do not support the government's hijacking technique to ensure speedy passage of it. There is no reason the amendment could not have been tabled a month ago, gone through all the appropriate stages of consideration and been passed by session's end.

The government must be embarrassed to feel the need to delay such an important amendment to one of its own acts. Perhaps it is afraid Canadians will notice yet another Liberal attempt to cover up misguided incompetence. Canadians deserve better.

• (1035)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Madam Speaker, Bill C-57, an act to amend the Nuclear Safety and Control Act, was introduced at first reading on Friday of last week. Today is Tuesday; this is only two working days. This is not much.

We have not been informed of all the government's intentions, but the bill might seem fairly straightforward, given its brevity.

Government Orders

It seems fairly straightforward but, on reflection, more information is needed to be able to consider it further. Fortunately, the Internet is available 24 hours a day so I did some research into nuclear issues yesterday evening and part of the night. I do not have a written text but I will take one step at a time.

The bill is only one page long and it consists of one short paragraph. Paragraph 46(3) of the previous legislation reads as follows:

Where, after conducting a hearing, the Commission is satisfied that there is contamination referred to in subsection (1), the Commission may, in addition to filing a notice under subsection (2), order that the owner or occupant of, or any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination.

“With a right to or interest in” has become “who has the management and control of”. This limits the responsibility of financiers a good deal in this connection.

There is already a bill and normally it would be a straightforward matter. This puts me in mind of Cyrano de Bergerac whose reactions would run something like this:

“Oh no, young man, that is a bit brief. One could convey much to the gods just by varying one's tone of voice.

There is curious: But what does this apparently inoffensive simplicity conceal?

Timorous: There are therefore risks if financiers do not wish to commit themselves.

Cavalier: Ah, that is a private matter. We should not concern ourselves with it.

Interrogative: Can we do without nuclear energy?

Affirmative: Nuclear energy is not a greenhouse gas solution.

Provident and considerate: Invest in renewable energy; it will be to your advantage”.

In fact, the arguments of the minister and the backer are fairly simple as well, relying solely on the financial aspects. As an accountant I have often had to assess financial risk. Often such risk was limited to the money invested in or loaned to a company.

The nuclear issue goes beyond nuclear plants, and private sector ownership and investment in nuclear plants. But it seems this is the first time we are debating this provision. I am told they have been working on this for two years. That is rather long for a single section of an act, but when the initial bill was first introduced in its entirety, what was the point of clause 46(3)?

The question begs to be asked. I am told nobody made any comments on this clause, but it is being suggested that the intent was not to move toward the privatization of the nuclear industry. This is the most relevant question that should be asked.

• (1040)

The main user and owner of nuclear plants in Canada is the province of Ontario, with 20 plants. Ontario Power Generation, formerly Hydro Ontario, was the owner of the plants and its was experiencing significant losses. It had to invest enormous amounts just to keep the system working. There had been many disruptions

and serious problems were looming. The situation remains unchanged, nuclear energy being nuclear energy. Nuclear energy is said to be the solution to the greenhouse gas emissions problem but I do not share that view.

It is clear that the minister would like the private sector to invest more in the nuclear industry. Here is a quote from his backgrounder:

With governments encouraging more private sector participation in the ownership and management of facilities in all energy sectors—

Presumably he also favoured the nuclear industry as far as the private sector goes. Obviously this is a matter for the natural resources minister. He has answered many of our questions so that we might readily accept his conclusions.

However, there are also the backers. The backers are the ones making the request and pushing for this because funds were not made available by the lending institutions. The aspects of government policy that backers take into consideration are the following. They say that the current provisions of section 46(3) of the Nuclear Safety and Control Act prevent nuclear power plant owners and operators from having access to financial markets and from obtaining financing. The big Canadian banks have refused to finance power plants and have officially told the Minister of Natural Resources that section 46(3) was the reason behind the refusal.

Once again, for those interested, the current legislation is said to have a negative impact on the ability of private enterprises to invest in nuclear power plants, to the detriment of the development of Canada's nuclear industry.

This is an important element. We are being told that it is to the detriment of the future development of Canada's nuclear industry. What of this? Do we really want to push the development of Canada's nuclear industry even more?

It is worth asking whether or not this is the best way to proceed. We know quite well that this is not the best way to proceed when it comes to greenhouse gas emissions. Obviously, I could come back to this later.

We have also been told that this is unusual, that there are no other similar provisions in other federal or provincial environmental legislation. In other statutes on the environment, the responsibility for compensating for damages caused to the environment is up to the owners, occupants or those who manage or supervise the contaminated site. Lenders and title holders are not exposed to environmental responsibility, unless they have not exercised their rights on the title and are not ensuring that the asset is being managed or monitored.

If at some time possession of the site occurs due to a loan, obviously, then there is responsibility involved. When it comes to this responsibility, the dangers involved in the nuclear industry are far greater than with other energy sources, as far as I am concerned. We know that in oil and gas, contaminants are shamelessly released into the atmosphere. We are told that nuclear energy is clean. However, we know that there is a great deal of waste and risk involved in operating and managing these facilities, and automatically, a great deal of risk in terms of contamination. We also know that when it comes to the management of waste, we recently had the nuclear waste disposal act.

Government Orders

●(1045)

As members know, we were still not in agreement with how this was done. Now, we figure there never was any debate on the advisability of continuing to develop the nuclear industry in Canada and in Quebec. In Quebec, it is not a real issue, because we have hydroelectricity and it is likely that, in the relatively close future, we will not even rely on nuclear energy anymore.

It is also said that the proposed legislative amendments will not reduce the power of the Canadian Nuclear Safety Commission to require owners and operators of nuclear plants to post an adequate guarantee to protect the environment, since the commission will continue to deliver licences to nuclear plants.

Of course, this is not quite the same thing. Amounts of money or guarantees can be provided. However, we can see that, increasingly, the government wants to promote nuclear development through the private sector.

The government's main argument is that the Canadian Nuclear Safety Commission will still be omnipresent and have control over everything. If a place is contaminated, the commission will force its owners or operators to fix the problem.

We all remember that the former Atomic Energy Control Board was created in 1946, shortly after the Hiroshima tragedy. Back then, there were already some serious concerns which triggered a will to promote effective monitoring of atomic energy and, of course, nuclear plants.

The commission's role is to regulate nuclear industry in Canada, so that the development and use of nuclear energy do not pose an unacceptable risk to health, safety and the environment. The commission must also control imports and exports of regulated nuclear substances, equipment and technologies, and help Canada fulfill its domestic and international obligations under the Treaty on the Non-Proliferation of Nuclear Weapons.

In this regard, we are told that the plutonium used to make atomic weapons comes primarily from nuclear plants operated by the private sector.

We know that, for a significant number of Canadians, the Candu reactors operated by electric utilities are the most obvious example of nuclear plants. So, when we talk about funding of nuclear facilities by financial institutions, we are not just talking about reactors, as we know, but the public believes that this is what we are primarily talking about.

For sure there are many fields of research. They are varied. There is uranium processing, naturally; there are also research reactors; nuclear research and test establishments; big irradiators; and, at the end of the spectrum, nuclear weapons of course. Everybody knows we have to strive for nuclear non-proliferation. However, fear may always remain in people's minds regarding all this.

We learned from a former head of the Canadian Nuclear Safety Commission that it was not up to the commission to make decisions on whether to use nuclear power in Canada. She added "However, once such a decision has been made, our role begins—and it does not end until the facility has been successfully decommissioned according the regulatory requirements".

●(1050)

We know the government wants to proceed swiftly, as witnessed by the fact that first reading took place on Friday, second reading today, and that the bill will probably go through committee very quickly and third reading stage before the end of the session.

There has been no update on whether or not to go forward with nuclear energy, which would be very worthwhile, I believe. We are not just trying to prolong proceedings or interfere with financial interests. What is in place today will probably have to stay in place for a while yet. The laws of finance require that equipment be amortized, but we know that if we do amortize our equipment, we produce dangerous nuclear waste in increasingly large quantities. The government is ignoring this fact, it is not paying attention to it, but it is the Damocles sword that hangs over every one of us.

While doing my research, I looked into why private companies are and will be getting increasingly more involved in the nuclear sector. It is the result of deregulating the electricity sector. A case in point is Ontario Hydro and the decision by the provincial government to deregulate the electricity market. It has been very much in the news lately, and Ontario is not the only place where this is happening.

Deregulation of electricity markets is occurring all over the western world. However, Ontario was the first province in Canada to legislate in this area when it passed the Energy Competition Act in 1998. The purpose of this act is to restructure the electricity market and electric power utility. Ontario owns 20 nuclear power stations and is beginning to dispose of them. I think that four of them have gone to Bruce Power.

I also read the Ontario Power Generation reports. There were significant losses. For the first quarter of 2002, losses totalled \$217 million. It is significant.

One has to wonder why an organization that is experiencing losses would want to dispose of some of its assets—it is a form of lease, of course—or to transfer the management or control of these assets to the private sector. First of all, there are substantial sums of money involved, as one can see in the financial statements. Ontario Power Generation is receiving substantial payments.

However, one can question the viability of the private company that will run this nuclear power station. We know all about the maintenance and management of such stations, emergency procedures and control. If there is any decontamination involved, it is even worse. In situations where businesses are struggling, how will they make a profit? For a business that is not making a profit, the risks can be huge.

I will spare you another report that I have read. It is clear that promoters are very good with the rhetoric. They were promoting Ontario Power Generation for the transfer of various facilities so they could manage these facilities themselves. In fact, I think that one or two stations are not operating right now because they do not comply with the commission's regulations.

Government Orders

•(1055)

Earlier, I asked this question: can we do without nuclear energy? This is the fundamental question we should be asking. By amending this section, we are, in effect, handing over to the private increased management of nuclear plants. Therefore, in contributing to the development of nuclear plants and getting the private sector to invest more and more, will we, at some point in time, be building nuclear plants to produce electricity to be sold to the United States, which is increasingly starved for energy? If nuclear plants owned by the private sector in Canada are allowed to proliferate, of more and more nuclear waste will also be produced.

I asked if we could do without nuclear energy. I believe that we can. It all boils down to how we look at the issue. The only question that must be asked is this: is nuclear energy acceptable or not? If it is, then I would be in favour of it. However, like all the people who have seriously examined the issue, I believe that nuclear energy is unacceptable, principally because of the risk of major accidents.

Of course, in our modern societies, we must accept a certain degree of risk. We will not stop travelling by plane because a plane crashed. People do take risks. However, in this case, the banks are not willing to take risks. One must conclude, therefore, that there enormous risks associated with nuclear plants.

The nuclear risk is without parallel. It is completely out of proportion. After a nuclear accident, a whole area would have to be evacuated for centuries, and, for generations, children would be born with all kinds of deformities.

I spoke earlier about the other problem with the burial of radioactive waste. If it is really that safe, why bother to bury it in practically unpopulated areas? Why not closer to big cities? We would like Canadians to know enough about that to wonder about this. Is nuclear energy acceptable or not? As far as I am concerned, it is not. For the population, I think the answer would also be no.

I was also asking a little earlier if nuclear power could be a solution to greenhouse gas emissions. We often hear that nuclear energy is one of the best solutions, if not the only reliable solution to greenhouse gas emissions. The nuclear industry is working very hard to be included in the post-Kyoto negotiations. Nuclear reactors are presented as an alternative that should be taken into consideration in the development of flexibility arrangements, as for emission permit trading or the joint implementation of clean development mechanisms such as wind energy, solar energy and hydroelectricity.

This attempt is seen by these backers as a last chance to revitalize the nuclear industry, which has never reached the level of expansion announced by the pioneers and has even started to show the first signs of decline.

In 1974, the International Atomic Energy Agency was forecasting a worldwide nuclear capacity of 4,450 one thousand megawatt reactors by the end of the century. At the end of 1999, the same agency had only 433 nuclear reactors listed around the world, or only 8% of what had been forecasted.

Nuclear energy is being used in 32 only countries around the world. In 1999, it provided only 7.5% of the commercial primary energy in the world, way behind the fossil fuels, like oil, gas or

natural gas, which produced 40%, 25% and 25% respectively. It represents 17% of commercially produced electricity, but only 2.5% of final energy demand.

•(1100)

In 2000, no reactor was under construction, on order or even in the planning stages in North America or in western Europe. The last order that was not cancelled later on was made in 1973, in the United States, and in 1980, in Europe, except in France, where construction of the last plant began in 1993.

The decline is starting to be seen worldwide. The nuclear park has lost seven units, from its all time record of 440 operating reactors in 1997. And the chances of recovery are slim. Most of the 38 reactors listed by the IAEA as being under construction at the end of 1999 are located in eastern Europe, in the former U.S.S.R.

This record has not prevented nuclear proponents from developing very optimistic scenarios for the recovery of the nuclear industry, and climate change is being given a crucial role in influencing decision makers.

Thus, in early 1999, the OECD Nuclear Energy Agency developed three scenarios for the period extending from 2000 to 2050. While the first one would be the demise of nuclear energy in 2045, both of the others forecast either continued development or a decline, followed by a recovery, which would lead to the same worldwide installed capacity of 1,120 megawatts in 2050. In contradiction with short term outlook, these scenarios would imply an unprecedented building campaign.

The argument generally used by the nuclear lobby is the direct comparison of greenhouse gas emissions from a reactor with those from a coal fired power plant. The very favourable figures that are misleading. In particular, the comparison must cover all the alternatives: gas, which now represents most of the new capacity installed in Europe and which produces 1.5 to 2 times less greenhouse gas emissions than coal, but also alternative energy sources and energy efficiency.

Nuclear plants and nuclear energy are in a decline. This is obvious. Now, there are things that we, in the Bloc Québécois, would still like to point out. Since there has to be a debate on the appropriateness of Canada's continuing to invest and to work at producing energy from nuclear sources, we say that there are major alternatives.

Looking at investments made in the past by the Canadian government in other sources of energy, we realize that direct grants from the federal government into the oil industry since 1970 amount to \$66 billion, compared to \$6 billion in nuclear energy and only \$329 million in renewable energy.

Just imagine what \$66 billion would have done for wind power and solar energy. Most likely this would not even be an issue today. We know that, together, nuclear plants in Canada generate between 16,000 and 17,000 megawatts of energy. However, wind power is also creating a great many jobs. I could get back on this later.

Government Orders

The wind power industry is expanding around the world. Over the last six years the average annual growth of this industry was 30%. With 40 times the installed power capacity of Canada, Germany is the biggest user of this form of energy. Europe alone owns close to 75% of all wind generators in the world.

At the present time the total wind power generated in the countries using this kind of energy is 24,471 megawatts. Canada's contribution is currently 207 megawatts.

•(1105)

I revert to the job creation aspect. According to the U.S. department of energy, wind power creates more jobs by invested dollar than any other technology. It creates over five times more than thermal power produced from coal and nuclear energy.

Let us take a look at the number of jobs created by the wind power industry in Europe: in 1996, for the production of 3,500 megawatts, 72,000 person years of employment were created. Could the same kind of investment in nuclear power have the same impact? I doubt it very much.

In the year 2000, for an installed production capacity of 8,000 megawatts, 512,000 person years of employment were created. According to forecasts for 2020, with 100,000 megawatts installed, 2.4 million jobs directly related to wind power would be created.

As members know, the federal program is very skimpy. The December 2001 federal budget introduced a production incentive for electricity generated from wind energy projects: 1.2 ¢ per kilowatt hour of production from projects commissioned as early as 2002; 1.1 ¢ per kilowatt hour in 2003, and so on, down to 0.8 ¢ per kilowatt hour in 2007. The federal government is far from the 2.7 cents per kilowatt-hour assistance provided in the U.S. Moreover, this program only has an overall budget of \$260 million, spread over 15 years. That is \$17 million a year. That is not even enough to build 15 wind turbines a year.

Instead of asking ourselves questions, trying to encourage the private sector to invest in nuclear energy, when the government has invested close to \$66 billion in the oil industry and a minimum of \$6 billion in nuclear energy since 1970, in other words in the past 30 or so years, imagine what could be done, especially with a large budgetary surplus. Taking Quebec as an example, the Gaspé would be one appropriate place for the development of wind energy. If Quebec were not hampered by the fiscal imbalance, it too might be able to invest in these energy sources, given the federal government's lukewarm interest in investing in wind energy.

Quebec is proposing the creation of a federal program to invest \$700 million in the wind industry over five years. This is the equivalent, on a per capita basis, of federal assistance to Newfoundland for the Hibernia project. The federal government has the means, as witness its \$9.8 billion surplus for the 2001-02 budgetary year.

The goal is to create wind capacity of at least 1,000 megawatts in Quebec, primarily in the Gaspé region. To accomplish this, a strong wind industry must be developed. Such a capacity would have the potential to create 15,000 jobs at the very least. That is why the program will be used to set up plants to manufacture wind turbine components.

We can certainly see the potential for private investment in the nuclear industry. Let us also put some money into renewable energies so that in the future we rely less and less on nuclear energy, and future generations never have to deal with disasters that could strike at any time.

•(1110)

I will repeat, and with no one in particular in mind, what I said at the beginning of my speech. Plutonium used to make atomic bombs mainly originates with civilian nuclear plants that have financial backers. This is strictly a cautionary remark. Let us try to imagine what will happen if the program is continued.

This is why it should focus on the manufacture of wind generators. The project should absolutely include local content and an aspect to encourage the development of regional industry. The region has definitely been affected from the economic point of view. In terms of energy and job creation, there are huge possibilities.

Returning now to my first and most basic ideas, I believe that if financial backers find this too risky an investment, there is no reason for society to react differently.

We believe that the hazards relating to nuclear energy require tighter regulations than for any other type of energy. We also believe that the government should focus its efforts on developing clean energy such as wind power. Where energy is concerned, the Bloc Québécois also demands, first and foremost, ratification of Kyoto.

Why change a section that in my estimation was mainly aimed at blocking private investment in the nuclear energy field? With regard to nuclear energy, we know that the risk increases as use increases. If the government wants to enlist private enterprise in order to increase the production of nuclear energy, I do not see this as the ideal solution as far as the greenhouse effect is concerned. It is erroneous to think that the nuclear approach is the only one with positive effects on greenhouse gases. Wind energy might very well take its place and would have far more significant economic impact than investments in nuclear energy where the risks are too great to warrant any such considerable investment.

•(1115)

[*English*]

Mr. Gerald Keddy (South Shore, PC): Madam Speaker, I listened closely to the comments of my colleague on the particular change to the act proposed by Bill C-57.

My colleagues from Athabasca, Sherbrooke, and although he did not speak yet, my colleague from Windsor—St. Clair, have spoken at length on a number of government nuclear policies and the importance of various pieces of legislation affecting the nuclear industry. We have agreed with many of the policies. I take no exception to the thoughtful comments made by my colleague from Sherbrooke although I expect that at the end of the day on this vote we will probably not be in complete agreement. That does not take away from the importance of what my colleague from Sherbrooke said.

Government Orders

Bill C-57, an act to amend the Nuclear Safety and Control Act, is almost a piece of housekeeping legislation. The difficulty, as has been mentioned already, with housekeeping legislation introduced by the government is that one has to go back and check the entire bill again because there is always something hidden.

In this case I do not think there is anything hidden. It is a pretty straightforward, uncomplicated change contained in a few words in subsection 46(3) of the bill.

The government House leader rose earlier and asked that we pass all stages of the bill. The Progressive Conservative Party is in agreement with that. However, it has been said, and needs to be said again, that this is not timely. The government had an opportunity to bring it forward and did not bring it forward. All of a sudden we have a bill on the table in the dying days of this sitting of the House.

Once again there is an unprecedented urgency that all stages of the bill be passed in unison. Because of the subject matter, I agree, but the point needs to be made that it is not the way legislation or changes to legislation should be brought to the House. We should be more thorough in the original legislation. Part of the problem is the absolute sloppiness of the legislation the government has been passing, and its absolute refusal to make amendments to poorly worded legislation.

Under proposed subsection 46(3) in the Nuclear Safety and Control Act, that measure can be interpreted to extend liability for nuclear site remediation, as it is worded now, to an owner, operator or any other person with a right to, or an interest in, the affected land or place.

Obviously that was a mistake in the original act that should have been picked up. Unfortunately it was not picked up and as a result of that clause banks or other financial institutions are reluctant to lend money to nuclear operators because of potential liability. The cost of the liability could exceed the initial financing to the operator and negatively affect the financial situation of the lending institution. This is unprecedented in any other section of Canadian law or legislation.

Even with the changes it is conceivable that a lending institution could still be liable if it owns the property. If for some reason the original owner forecloses then the lending institution could be held liable. That is a different situation and it is not unforeseen with the changes.

• (1120)

Under the Nuclear Safety and Control Act, the Canadian Nuclear Safety Commission, which is the nuclear control agency, is authorized to conduct investigations to see if nuclear contamination exists onsite if and when any site has been decommissioned. Under subsection 46(3) the commission can order that measures be taken to minimize or eliminate the contamination and that those measures be carried out in a prompt manner, as it should be. However, who is liable for the cost of that clean up?

It was mentioned earlier by my colleague from Athabasca that subsection 46(3) in the original legislation was a section carried over from the mining sector. It was not really meant to affect the operation and control of nuclear reactors. It was meant to deal with mine site reclamation, acid mine drainage and possible tailing ponds

contamination to any area surrounding a mine or a smelter. There are ways to deal with that. It was not meant to hinder or control financiers of the nuclear sector.

This is not about whether one supports nuclear energy or not. This is not about all of the correct things said earlier about our responsibility as legislators to seek more avenues and opportunities for green power, hydroelectricity, wind energy, solar energy and thermal energy. That is not what this is about.

This is about taking away the liability of a lending institution from the responsibility for nuclear onsite contamination. That does not exist if, for example a lending institution suddenly became a service station with onsite gas or diesel contamination which needed to be cleaned up. The lending institution is not responsible for that, nor should it be. This change that has been asked for is not a complicated change.

The amendment to the Nuclear Safety and Control Act addresses a number of issues. The possibility of liability for lending institutions for site remediation impedes nuclear facilities from accessing debt financing. Barriers to financing place nuclear operators at a competitive disadvantage compared to non-nuclear operators where barriers do not exist. The amendment also addresses nuclear facilities able to produce electricity with minimal greenhouse gas emissions.

This is not about whether we are supporters or non-supporters of nuclear energy. Nuclear energy is a fact of life. Nuclear energy reduces greenhouse gas emissions. The government is trying to get public opinion on its side to sign Kyoto. There are good reasons to look at the agreements under Kyoto and it is the government's responsibility to look at those agreements. As Canada attempts to meet its commitments under Kyoto there is no question that we will have to turn to alternative sources of energy, namely nuclear energy.

It is not the job of government to stifle the nuclear sector or to prevent it from being a supplier of clean energy. Nuclear waste is still problematic and has not been dealt with. All opposition parties in the House voted against Bill C-27, an act respecting the long-term management of nuclear fuel waste, because it was a poorly worded, poorly crafted and sloppy piece of legislation. The government has not dealt with the long term storage problems inherent in the nuclear energy sector. However, that does not mean that we should not approve a small change to the legislation which would allow nuclear operators to access debt financing.

Government Orders

•(1125)

It is not apparent to me that there is the legislative intent in the original wording of the Nuclear Safety and Control Act to extend site remediation liability to parties without management or control of operations. I certainly believe that statement. What has happened here is exactly what happened with regard to the storage of nuclear waste in Bill C-27. What happened was that a piece of legislation that was supposed to be housekeeping legislation, just a matter of tying a few loose ends together, became legislation because the government has a huge majority and a huge ego. It could not bear the fact that well-meaning amendments were needed to make that piece of legislation better and to make this piece of legislation better. The government simply voted down the amendments.

It is not about whether the amendments are good or bad, quite frankly. It is about whether or not the Liberals put their majority in place in the committee and vote down amendments because they come from an opposition party. I have made amendments to Liberal government legislation which were voted down at committee and then the government brought back to the House the exact same amendments with the exact same wording and passed them. This is not about passing good legislation. It is all about the ego of a huge majority government that has not done its job.

The next government to come to power will have to go back through all the legislation that the government has passed and improve it. It will not have to change every detail and every word of it but it will have to improve it.

The amendment to the Nuclear Safety and Control Act which we are dealing with today will change the wording of subsection 46(3) to limit liability to those with "management and control" of the affected sites. This will replace the reference to anyone "with a right to or an interest in", which clearly puts the liability of any nuclear contamination upon the person with management or control of that site. There has been some opposition to the idea: that somehow we are helping out the big banks or the big financiers of the world. It does not exclude them from responsibility if in fact they have management or control of that site.

If there were a private nuclear institution, nuclear producers who actually found themselves in financial difficulty and went bankrupt, and the financiers loaning the money to that institution suddenly became the owners or were in management of or control of that institution, they would assume the liability, which they should. That is a different situation and that situation is covered.

However, for a regular institution loaning money, why should the government hamper and burden the nuclear sector under what is really a very strange clause that never should have been there to begin with and is there only because the government side of the House has not passed clear, consistent, well thought out legislation in this piece of legislation or in any other piece of legislation?

The PC Party will support this change to the legislation because it will provide operators of nuclear facilities with the opportunity to access debt financing from private investors. Clearly that is needed. It is important for a number of reasons. It is important to allow nuclear operators to compete equally with other electricity generators and operators and it is important to be consistent with other

environmental legislation. We should not be singling out the nuclear sector as one that is somehow different from other sectors. We have a certain amount of and, I think, a very clear environmental responsibility, which should sit evenly on all sectors. The amendment clarifies the Nuclear Safety and Control Act and limits the liability of banks and other financial institutions providing funding to nuclear facilities, as I believe it should.

•(1130)

In closing, let me say again that this is not about nuclear energy or non-nuclear energy. This is about an amendment that should have been made in the original act, a change that should have taken place in the wording of the original act and never did. It is not about supporting or not supporting alternative sectors. I believe everyone in the House supports more clean energy, more green energy, wherever that green energy is from, including ways of improving the so-called dirty energy sectors, the oil generation, certainly even any hydrocarbon electricity generating stations and coal-fired electricity generating stations. There are many areas where we can do a better job and where we have a responsibility to do a better job. There are all kinds of tidal, wind and deep sea current energy that has yet to be harnessed or utilized in Canada. We can spend \$66 billion, as has been mentioned earlier, to improve our capacity to burn oil. We spent somewhere around \$296 million, which I think was the quote, on types of alternative energy. Something is seriously wrong. It is a completely lopsided agenda that the government has.

Let us take a look at the alternatives, but let us not stifle the nuclear energy sector while we are doing that. This does not take away the government's responsibility to deal with nuclear waste, which it has not done. This does not take away the responsibility of the nuclear sector to be a very good guardian of the planet, to prevent nuclear contamination and to prevent any form of radioactive contamination. However, for the purposes of the bill, for a very simple change in the wording, we support the piece of legislation. It is not timely, being brought in at the end of the session, but it is needed and the PC Party will support it.

Mr. Julian Reed (Halton, Lib.): Madam Speaker, I wonder if my hon. friend realizes that the reason for introducing these amendments at this time is that for the first time in the history of Canada nuclear power will be controlled privately. Prior to this, clauses of this nature were not necessary because funding did not come from private sources.

Does my hon. friend understand that? It is not that the bill was imperfect but simply that this is the first time in our history that funding will come from private sources. These amendments would allow the lender to not be liable but would still keep liability with the generating company and, in the case of Ontario, with the government of Ontario as the backstop for liability.

Mr. Gerald Keddy: Madam Speaker, the way the member brought his comments out is interesting. He made a comment that I would tend to agree with and then he reiterated that comment and said, no, that was not correct.

Government Orders

I disagree with the member's statement. What the member said is that somehow or another this has been brought out because the government has decided to allow private lenders to the nuclear sector or privately owned reactors and privately owned generators.

The way the original wording under the Nuclear Safety and Control Act read under subsection 46(3) had nothing to do with preventing private ownership of nuclear reactors and private generators of nuclear electricity. That was not what it was about. It was a mistake in the legislation. It states "any other person with a right to or an interest in".

That clause was not put in there to prevent private lenders to nuclear institutions. That was put in there because the Liberals did not know what they were doing at the time. This is just another example of poorly crafted, poorly worded legislation. It was not anything about preventing private ownership of nuclear facilities. It had nothing to do with it.

• (1135)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Madam Speaker, I would like to ask my colleague a technical question that has to do with allowing businesses to obtain financing.

The original subsection of the act did not necessarily prevent the private sector from investing in nuclear plants. I suppose that if my colleague, who is a wealthy man, decided to buy a nuclear plant he would pay cash and would not have to seek financing.

However, someone who wishes to share a risk must know that nuclear plants represent a significant risk. Someone wishing to invest in a nuclear plant would want to reduce his risk and share it with financial institutions. When the original section was drafted and considered in committee—and we know how things are done in committee at section by section stage and how things are analyzed—we knew perfectly well that financial institutions would not invest and hence that there would be no investment by the private sector.

The changes proposed today greatly favour privatization of nuclear plants. In view of this, does my colleague still agree with increasing private sector investment, in spite of the risks involved?

[*English*]

Mr. Gerald Keddy: Madam Speaker, that is a different angle and a different question. I still question whether or not it is the correct angle or interpretation. The original wording, and again I would categorically state that it was simply a mistake and poorly crafted legislation, states "any other person with a right to or an interest in". The change to subsection 46(3) states "management and control of". I do not believe that leaves investors out of the loop.

There is a difference between someone who has a direct investment in a company or business and is making a profit out of that investment and a financial institution that is simply a loner and has nothing to do with the management and operation and control of a particular facility. I separate the two. I think there is a clear separation and I think there is a clear delineation in the liability. It is still a point that needs to be examined more closely and is certainly a point that we have to take into consideration, but if we take a very clear reading of the legislation, at the end of the day I do not really think it is a valid point.

[*Translation*]

Mr. Serge Cardin: Madam Speaker, I have another question for my colleague.

Instead of favouring private sector investment in the nuclear industry, should the government not implement various incentives to develop renewable energies like solar energy and wind power?

[*English*]

Mr. Gerald Keddy: Madam Speaker, I can answer that question directly with a brief explanation.

The government has to do both. I believe the bill finds a way to facilitate investment into the nuclear sector. At the time my colleague from Sherbrooke made his speech I believe he said that \$66 billion had been invested into oil fired hydroelectric development in this country, that somewhere around \$6 billion had been put into the nuclear sector and that only about \$290 million or \$296 million had been put into other green energy forms, such as wind energy.

Without question the government has a responsibility. It has had ample opportunities to do it and has refused to do it. We need to invest more dollars into solar energy and into thermal electricity. We need to invest more dollars into harnessing the deep sea ocean currents, many of which move at 30 to 40 knots. It is a tremendous source of energy once we find a way to harness it.

We can do more with tidal. We can do more with hydroelectricity. If we cut down the power drop in electrical power lines we can increase the electrical output of this country by a huge margin, simply by finding a better way to move that electrical current from point *A* to point *B*.

There are all kinds of avenues for the government to invest in. That does not mean that it does not have a responsibility and that we do not have a responsibility to clear up what was a blatant mistake in the original legislation.

• (1140)

Mr. Joe Comartin (Windsor—St. Clair, NDP): Madam Speaker, this is an interesting bill because it is being camouflaged as just a minor amendment to protect financiers. However it is really about the Liberal government getting in bed with the Ontario Conservative government to cover up a huge mistake it made when it moved to privatize Bruce Power and British Energy about a year and a half ago. It missed a little section.

However the bill is about the future of the nuclear industry as far as generating power for the country.

Those are the two issues and both are very important issues in the short term and may be more important for the long term environmental health of the country. Therefore, to suggest, as the government has, that we just need to slide this through to deal with a little technical problem is really a sham.

Let us look at what happened around the whole issue of privatization. We had a very right wing Conservative government elected in the province of Ontario and one of its mandates as it interpreted it was to downsize government. It looked at a number of areas to do that and one of them was in the field of production of hydroelectric power and energy more generally.

Government Orders

We have heard some of the recent boondoggles around the Ontario government trying to sell off Hydro One that in effect was stopped by the courts. There is a real analogy here. The Ontario government thought it had the ability to do it. What really happened was that it had not looked at the legislation. There was no empowerment legislation in Ontario that would allow that government to sell off Hydro One.

Now the courts have told the Ontario government that it does not have the authority to sell Hydro One. The Conservative government recently introduced a bill in the house to allow it to go ahead with the sale although it is obvious that the new premier of Ontario is getting cold feet because of all the opposition from Ontario to privatize. It looks like he may be backing off.

It is clear that the Ontario government did not know what it was doing. It is also clear, as more and more analysis falls on the deal that was made by the Ontario government with British Energy to let it manage and control Bruce Power, that it was a very favourable deal to British Energy. Much like this legislation, it was drafted in such a way that ultimately, if things do not go so well for British Energy, the Ontario government and obviously the Ontario taxpayer will be left to pay the tab. That is such a consistent pattern with the nuclear industry, not just in Canada but across the globe.

Over the last few months, as British Energy looked to expand and re-open part of Bruce Power, it was being told by its financiers about this section in the act. In spite of some of the allegations we have heard in the House that somehow we were just going to treat those financiers of nuclear power the same as we treat everybody else, the opposite is true.

I am not clear whether this is true in Quebec but as it sits in the common law in the rest of Canada, if an operation is financed, whether it be a mortgage or some other security against land, buildings, equipment, and the company defaults on its payment, the lender is responsible for the cleanup.

• (1145)

I will bring this down to a basic level. If I were to purchase a home only to find out later that there was a problem with toxic waste on the site, I, as the subsequent purchaser of that home, and my mortgage company would be responsible for the cleanup. That is the law in Canada with, as I say, perhaps the exception of Quebec, because I do not know that.

We are not rectifying some discrimination here against lenders who want to lend to the nuclear industry. The law, as it sits now, treats them no differently than they are treated in every other aspect of their lending.

What is really offensive, other than this attempt to cover up the mistake made by the Ontario government, which the Liberals seem to be willing to help out with, is that we have favoured the nuclear industry for a long time. Our Prime Minister runs around the globe as a salesperson for it. He is its biggest booster. We give it all sorts of breaks, and by that I mean royalties, tax breaks, any number of things. It is also subsidized at the provincial government level.

If the Ontario government privatizes Ontario Hydro a huge debt will be left behind. The vast majority of that debt, somewhere in the neighbourhood of 75% to 80%, was accumulated through its

overspending when it first opened some of the nuclear plants in Ontario. Cost estimates ran 200%, 300% and, in some cases, almost 400% over what the original estimates were. We in Ontario will be paying for that.

What we are now doing is saying that we will give the industry another break. We cannot do that. This is an opportunity for the government and the country to say that we have been wrong about nuclear power all along. We need to face the fact that this is not a sustainable industry and, as have a number of other countries, we have to look at phasing out the industry.

We are sitting with a huge bill that we will need to pay somewhere down the road. How will we deal with the existing waste, which we are continuing to produce, and then the decommissioning of the nuclear power plants in the country?

In the fall and early winter we went through a review of the nuclear waste disposal bill. In spite of the fact that there are some trust funds being established to deal with that, they are grossly inadequate.

What we are doing here today as we look at this bill is burying our heads in the sand and pretending that we can let the financiers of this industry off the hook. We can pretend that the government does not have to assess this industry with the same type of risk assessment it uses for every other industry.

Before I was elected I sat as a member on a credit union board. We gave out fairly substantial commercial loans. We had to do risk assessments. Certainly one of the risk assessments we had to do was environmental. We needed to know if we were taking on a piece of property as security for a loan that could potentially end up back in our laps. We were no different about this. Every credit union and financial institution in the country does the same thing. Therefore we now regularly do an environmental assessment of the site.

• (1150)

If we do not impose the same standard, we again are pretending that the nuclear industry is risk free from an environmental standpoint. That is what we are saying to the financiers and the financial community. We are saying that it is okay, that they do not have to treat this industry like they treat every other sector of the economy when they are considering advancing funds, either by way of investment or loans. That is what the amendment to the act would do and it is wrong. That is not what we should be about as a country. We should not be facilitating either the privatization or the expansion of this industry, which this amendment would allow.

Again, to suggest that there are no particular major issues here is an attempt on the part of the government to grossly mislead the House. It is really about going back and covering up the mistake that was made. It is pretending on an ongoing basis that the nuclear industry does not have these costs associated with it. That is in fact how we have conducted public business in Canada for the better part of five decades. It is time for that to stop. We cannot allow ourselves to continue on in this way. We talk a lot about sustainable development. This industry is not sustainable.

Government Orders

We have heard where we will go with this. I just want to say one more thing about privatization. If we allow the amendment to go through, it would open the door to privatization. By that I mean turning over either ownership and control or control of every nuclear plant to the private sector because the private sector would not have to worry about its liability and it would not have to do that risk assessment.

I want to be very clear about this. We could say that maybe to be fair to the financiers we should not impose this on them. We should think about it from the other angle. We are private sector persons. We have entered into an arrangement where we have taken over either ownership or management of a plant. We know now that we can go out into the financial community, because this amendment has been passed, and say to the financiers that they should not worry about liability because it all rests with us.

There is no accountability. There are no standards for operators. The operators do not have to worry about it. They would have their financing from the financiers because they did not have to worry about any liability. They could expand plants without doing all the safety things. They could cut some corners here and there to save some money and make greater profits. At the end of the day they could shut down the plants and walk away.

Before anybody tells me I am crazy and says that this does not happen, we should think about how many mining industry sites, including uranium mines, have been abandoned and sitting with tailings. I just came from committee this morning. We heard about tailings that had been dumped from uranium mining and how they were now leaching into waterways in Saskatchewan and up in the territories. It has happened specifically in this industry and we know it has happened in a number of others. We should think about all the brown sites in our cities, toxic sites from which people have walked away. It does happen and the costs with regard to nuclear are so phenomenal. We should be doing absolutely nothing that would make it easier for those operators.

Quite frankly, if we look at the specific operator at Bruce go back and look at its history in England, we will see that it is not a very good one. There have been some monumental problems. Major fines have been levied against it because of the its operation of some of the plants.

• (1155)

I just want to deal with costs for a minute and what we will be looking at if that type of scenario develops. I will use as an example a project that has just been funded by the U.S. congress with taxpayer dollars to the tune of \$7.5 billion because the site is contaminated. The engineering firm that developed the methodology to clean it up just won an international award. The end result is that the site will be cleaned up and it will no longer be radioactive. However that waste will be run through another nuclear plant in South Carolina. At the end of the day there will still be nuclear waste. That one site will cost the American taxpayer \$7.5 billion.

Right now we are on a curve to produce more nuclear waste by 2010 than will be produced at that time in the United States. We will have by that time more waste than in the United States. That is what we are talking about in terms of this industry.

As my friend from the Bloc, the hon. member for Sherbrooke, has pointed out, we have alternatives. If someone asked he and I if our proposal was that we not do this and that the nuclear industry should be phased out, we both would say yes. If someone then said to us that we did not have an alternative, our answer would be that we did have alternatives. The hon. member enunciated a number of them such as wind.

Canada has the ability and potential to create more wind energy than any other country in the world. That would be wind energy drawn from onshore and offshore turbines. It is interesting that I know this and it is not because of any work done by the government. It is through analyses that have been done by companies and countries in Europe.

One of the great sacrileges is because the government has dawdled on this for so long, we are now at least a decade behind Europe in technology for offshore development of wind power. The British Columbia government has entered into a short term and potentially long term contract with Germany. It bought the technology from Germany to provide one of the first offshore wind generated power plants in the country.

A small country like Ireland, with a population of 3.5 million to 5 million people, opened the largest offshore wind generating plant in the world last fall. England is about to open one in the next 12 months that will be even larger. We do not have that technology. We will have to buy it, which will cost us cost us more money.

We should be moving into that area as rapidly as we can. If we are going to subsidize any industry with regard to energy, it should be renewable energy sources, not these industries that are dead or dying. The bill simply contributes to that.

There are alternative sources. Let us take a look at ethanol and using it as a power source. We have the potential to do great things in that area. Some very interesting experiments are going on right now and they are ready to be used. Again, there has been a lack of government policy either to provide subsidies or to provide the economic infrastructure that would facilitate, encourage and enhance these industries.

The government announced a week ago, 10 years too late, substantial funding and methodology. However it is way behind and it is not enough. We have to move faster and more extensively than that proposal allows.

We have the ability to develop solar energy. We heard from my friend from the Conservative Party who comes from the maritimes about our ability to develop energy from wave power and underwater currents. The indications we have at this point are that we can do that without causing environmental damage while at the same time create substantial sources of new renewable energy.

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•(1200)

It is in fact possible to phase out the nuclear industry. It will not be done tomorrow or probably for a long time. However we have to plan for the decommissioning of the plants and how we will deal with the waste produced by that time, including what will be left over from the decommissioning. By that I mean we will have to consider how we will treat the people who work in those plants and that industry.

I want to acknowledge the work done by the Canadian Labour Congress and a number of the other individual unions to develop some standards and methodologies, which is generally referred to as just transitions, and how we will deal with that.

If we continue to hide our heads in the sand and ignore the reality that these plants will have to be shut down and phased out at some point, the real risk is that workers and communities will be very negatively impacted. We have to plan for that now. That concept of just transitions has to be applied to both the employees within that sector and the communities that rely on this industry so that over a period of time they can find new employment in other sectors within the economy and communities can be provided stability.

Members heard my friend from the Bloc, the member for Sherbrooke, talk about the experience of Denmark and Germany with the development of wind power in those countries. It shows very clearly that we can also do that. We can produce a lot of jobs for a new sector of the economy.

I could go on for another 20 minutes on this topic, but I will conclude by saying this is not a simple amendment. It has very severe complications to it.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Madam Speaker, I would like to congratulate the member for Windsor—St. Clair for his position.

Elected officials must demonstrate political courage to separate themselves from this nuclear leash that we wear. We know that citizens are very sensitive to nuclear issues. Obviously, we must act, educate people and build a movement that will succeed in proposing other ways to supply the planet with its energy needs.

I think that my colleague shares the same apprehensions and fears that I have as regards the development of nuclear energy and the fact that the private sector can invest more and more in this area.

Personally, I am afraid. Some may say that I am paranoid. However, we know that the thirst for energy in the United States is steadily increasing. Given the fact that there could be nuclear power plants popping up all over Canada and increased investment by the private sector, is there not a danger that we may one day end up as the energy supplier to the United States? I do not know if my colleague shares this fear.

•(1205)

[*English*]

Mr. Joe Comartin: Madam Speaker, I thank the member for Sherbrooke for his question.

It is a fear that I have. I have it in a number of other areas with regard to the huge, black hole across the boundaries with the United States and its demand for power. We cannot pretend any innocence here. We actually consume more energy than the Americans do on a per capita basis, so we have a tough time pointing a finger at them.

It is a real concern around the whole issue of privatization. I see it not only with the nuclear industry, but quite frankly, and I feel this personally because of the region of the country I come from, I see it with the attempt on the part of the Ontario government to sell off coal-fired plants. I am concerned about that in terms of it being privatized because of the temptation for both those industries if the demand is there.

I want to be clear about this. The demand in the United States will be there and it will be at a value greater than what we are paying for energy in Canada right now. There will be great incentive for private operators to increase production in the existing plants. Corners may be cut in coal-fired plants where a number of those plants have alternative fuel sources. In some cases they will be able to use natural gas and in others they will use coal.

The demand will be there. For example, if Chicago were to have a hot summer Illinois Power would say to Ontario that it needs an extra thousand megawatts. We would dump more coal into those plants and crank it up, or if it were a nuclear plant, we would say that we probably should not be reactivating it because there are a couple of problems but we will do it anyway because we will make so much money.

There is a real fear that with privatization that type of conduct will be coming because of the profit incentive that is built into those private plants.

Mr. David Chatters (Athabasca, Canadian Alliance): Madam Speaker, I cannot help but express disappointment that the NDP has chosen to turn this debate on a simple seven word amendment to the Nuclear Safety and Control Act into a debate on the future of nuclear power in this country.

I have many of the same concerns with nuclear power and its place in Canada that have been expressed here today, but it is a gross exaggeration to turn this seven word amendment to limit the liability of a nuclear power plant into a debate on the viability and the future of nuclear power. To suggest that it is no different than the bank that holds a mortgage on my house being responsible should I contaminate that house or property simply is not true. That is not factual, particularly if I do not go bankrupt.

Quite frankly Bruce Power still belongs to the government of Ontario and will continue to belong to the government of Ontario. It is entering into an agreement to refurbish and to operate the plant with British Energy. Every nuclear power plant in this country belongs to a government. The chances of a government going bankrupt and therefore passing that liability on is a far stretch.

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I suggest that the debate seems to be more about the philosophy of private sector versus public sector ownership of the industry and how that affects people. I suggest that the NDP should consider the protection that the bill would provide to union pension funds that might be invested in the industry, or the jobs of the thousands of workers at Bruce Power who depend on the refurbishing of the plant. It seems to me that the issue is being broadened far further than it should.

• (1210)

Mr. Joe Comartin: Mr. Speaker, I am not sure if there was a question in the member's comments, but allow me respond to the commentary with a comment of my own.

I reject the argument or the fearmongering about the loss of thousands of jobs in the member's statement. The reality is that no jobs will be lost if the bill does not pass. Bruce Power is operating now and employees who are presently there will continue to be there. The member is correct that if funds were being advanced and the expansion was to take place there would be a relatively modest increase in the number of jobs.

To suggest that we should be concerned about pension funds is again fearmongering. As it is right now, those pension funds invested in the British Energy arrangement are about 2% of the operation. Those are secured funds. If this were not to go ahead the funds would not be any less secure because they would have already been taken care of. It would prevent the industry, which is a good idea, from putting more money into this type of operation because I do believe this industry is dying and eventually will be phased out.

[*Translation*]

Mr. Serge Cardin: Mr. Speaker, I would like to comment on the remarks made by the member for Athabasca and also refer to the comments made by the member for Windsor—St. Clair.

The member mentioned earlier that his mortgage lender was not responsible if he contaminated his land. He used this as an example.

However, I have news for him. If, throughout his lifetime, he did oil changes that he dumped on his land, and at some point he went bankrupt and left, the mortgage lender, when taking over his assets, would automatically be required to decontaminate the land. However, I know that this would never happen, since I doubt that the member is a polluter. So, he will not have a problem with this.

However, I would like to come back to the section that existed before. I would like to know from the member for Windsor—St. Clair if he thinks it was truly the legislators' intent to limit private investment in this way.

[*English*]

Mr. Joe Comartin: Mr. Speaker, that is a difficult question to answer. The concept of privatizing the nuclear industry did not exist in this country at the time the bill was originally passed. I do not think there is any way of determining what was in the mind of the government when it passed the legislation at that time.

There are a number of wells in my constituency that have been drilled in the farming area so farmers are faced with this problem and there are lenders. If we were to look at the way the law was generally applied in Canada I would say it was contemplated that the industry

would be treated the same and it would be liable if it were a lender, and it borrowed or defaulted.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, members must have noticed that the exchange in the last few minutes between the members for Windsor—St. Clair and Athabasca puts the focus on the crux of the question behind the bill.

The question behind the bill is: Should a private investor in the nuclear industry be exempted from responsibility should there be a contamination if that private investor has invested in a nuclear plant? That is the crux and the difficulty of the question.

It seems to me that an investment in a nuclear industry cannot be compared to an investment in a water bottle plant or in a plant that produces clothing or shoes or most other articles which do not imply in their production any dangerous activity to human health. We are talking about an industry which not only has been heavily subsidized by the government over the years, as everyone probably knows, but an industry that is engaged in the production of a type of electricity that has potential dangers involved in its activity.

It is not only implicit but actually explicit because the explanatory note in the bill itself refers to the fact that there may be situations where the level of contamination might have to be reduced. It would aim at exempting investors from this type of responsibility.

Upon reflection it becomes clear that this type of exemption is not desirable, quite frankly. We are dealing with an industry that has played quite a role in the development of energy and electricity in Canada. There are good reasons why the bill has been drafted in the manner that it has.

The legislation as it is presently drafted has merits over the proposed amendment. I would suggest that an amendment of this kind would draw away investments from other forms of energy investments, particularly the ones that have been referred to by my other colleagues in the field of renewable energy, for instance, where the returns may be slow in coming but an industry that requires a strong injection of investments if we are to reduce our dependence on fossil fuels and nuclear energy.

A measure of this kind, as the member for Athabasca pointed out, is a narrow one and should only be taken in its limited scope. A measure of this kind in the long run would actually not be a desirable one if we consider the fact that we are increasingly receiving representations at our environment committee, for instance, by groups of citizens who are extremely disturbed by the fact that the establishment of nuclear waste at the Bruce plant in recent years has not received the proper in depth environmental assessment that should have been given to it. In addition to that, the organization that appeared before our committee went so far as to establish serious epidemiological links between the plant and its nuclear waste storage facility and the health of children, particularly those now affected by leukemia.

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•(1215)

Bill C-57 should therefore be seen in a much broader context than merely as a measure to facilitate investment in a certain industry, an industry which, as I mentioned earlier, has enjoyed phenomenally high levels of investment over the decades. A few points need to be made with respect to the bill. First, the legislation as it is worded is not bad at all and should be retained.

Second, if the bill were passed it would encourage investment in the nuclear industry and draw away potential investment from renewable energy alternatives.

Third, we have already had a warning by the auditor general. A few years ago the auditor general made repeated references to the necessity of including the cost of decommissioning nuclear plants in the price of electricity. The fact that we seem to exclude from the cost of energy certain aspects and steps required by the nuclear industry needs to be addressed.

I would submit, as the former auditor general did so well in his report, that the cost of decommissioning plants is becoming a reality as existing plants become older. In addition to that there is the cost of short term storage which, in the language of the people at the commission, means something up to 50 years.

The costs of storage and decommissioning do not seem to make their way into the cost of electricity in the marketplace. These are two serious shortcomings from an economic point of view. It is true that the cost of energy should reflect exactly the cost of producing it. However because of its unique character nuclear energy should include the cost of materials which are used, stored for a while and then put away permanently, probably underground, at considerable expense. The issue has not yet been resolved despite the fine work of the Seaborn commission. Finally, there is the cost of decommissioning plants.

We are talking about much more than a little amendment. We are talking about a complex process that deserves the attention of parliament if the industry is to attract further investment.

The issue of temporary and safe storage is still with us, as has been registered forcefully by witnesses at committee in recent weeks. The issue of alternate storage is unresolved despite the efforts of the Seaborn commission. The costs of decommissioning and storage are not yet clear. It has not been clearly established whether they are included in the cost of a kilowatt hour. It is therefore inevitable that an amendment of this kind would trigger all these interventions by members concerned with the larger picture.

•(1220)

The larger picture leads to the issue of energy because we are talking about human requirements for energy and whether we need a new energy policy in Canada. I would submit, and I am sure many members in the House think the same way, that we badly need a new approach to energy policy because energy policy and the Kyoto agreement are intimately related.

The need for a new energy policy should force us to think about our consumption levels, our demand and our supply. It should force us to ask ourselves difficult questions: Should we not be more careful in our use of energy? Should we not be more innovative?

Should we not, as other members have said so eloquently, intensify and accelerate the shift from non-renewable to renewable sources of energy? Should we not redesign our taxation system to achieve the goals of our energy policy?

A wide range of measures need to be contemplated for this type of major undertaking, an undertaking which is being resisted because of the energy policy of the early 1980s and the fear that a new policy may have negative political repercussions. However I am convinced that an honest and thorough effort on the part of the government to launch a new energy policy would be extremely well received by Canadians. It would involve all sectors of society and facilitate efforts to reach the objectives of the Kyoto protocol which we hope will be ratified soon.

Coming back to Bill C-57, we should not be too bold in commenting on it beyond what has already been said. If there is a prorogation this summer and we go into a new session perhaps the best thing to hope for is that it dies on the order paper. We may then see a much broader approach to the nuclear question.

I would be remiss if I did not mention that the bill brings to mind the question of nuclear liability. If I remember correctly, we are still suffering from a nuclear liability rate or insurance limit that is set at \$75 million. In other words, in the case of a major disaster the liability would be set only at that amount. As members are probably aware, the Vienna convention and another convention, I do not remember which, set the minimum liability many years ago at \$600 million in case of a disaster. We are now at \$75 million. An amendment to the act, not the Nuclear Safety and Control Act but the Nuclear Liability Act, is therefore urgent and necessary if we are to have preventive measures in place should, perish the thought, something happen.

The debate on Bill C-57 is forcing us to think about the broader issue of nuclear energy production and the various issues related to it. These include the cost of electricity, appropriate liability levels, the importance of drawing investment to the renewable sector, the need to reorganize our taxation system, and a host of other measures I am sure members have already covered or will cover in the course of the debate.

•(1225)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I would like to take this opportunity to congratulate the member for Davenport.

The member for Davenport is right. Contrary to what the minister for natural resources seems to be saying, this is not a purely administrative amendment.

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This bill, which we believe to be a mere housekeeping measure, will open a real Pandora's box. We are opening up the whole issue of nuclear energy and the storage and processing of the radioactive waste buried on site at nuclear plants. We are also opening up the issue of the proliferation of nuclear energy. We are wiping out any possibility of investment in wind energy and renewable energies.

I would like to ask the following question to my colleague, the member for Davenport, because of the important speech he just made and because of his great wisdom. Does he not think that his government should withdraw Bill C-57 and say "say that it will examine the whole issue of nuclear energy and start all over, in the interests of Canadians"?

• (1230)

Hon. Charles Caccia: Mr. Speaker, there is no great wisdom on this side. I only gave my point of view and I am sure the government will carefully listen to the comments by all members, including those of the member for Jonquière.

Naturally, as always, I will listen and pay close attention to what the member has to say when she decides to participate in this debate.

[*English*]

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, I commend the hon. member for Davenport for his analysis. He said lending money to the nuclear industry may take it away from other energy sectors where it may well be needed. It brought to mind a company whose representatives I talked to at a show. The company was trying to develop an industry around wave power but could not get financing in Canada. It is an excellent point.

Is the hon. member concerned that if we provide an exemption for financiers in the nuclear industry we may be faced with a series of requests from lenders who want to lend to pesticide companies or chemical companies and are concerned about liability? Is he concerned that we would be developing a trend?

Hon. Charles Caccia: Mr. Speaker, I must admit I have not thought that far. However it would not be the first time the hon. member for Windsor—St. Clair has been light years ahead of me in anticipating certain situations.

I can only repeat what I said earlier. Investors in the nuclear industry have a special responsibility because it is not like any other industry. The present wording of the legislation, in the wisdom of the parliamentarians who passed it several decades ago, is the one I would recommend as being preferable. What we have now in the books is the proper approach. Investors should think before they make investments. If they choose the nuclear route they ought to carry the responsibility of their investment.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to speak today to Bill C-57. As you know, nuclear energy is a very important issue to me.

Two years ago, I had the opportunity to see, during more than a month, how the Canadian nuclear industry completely ignored the people of the Saguenay on the issue of the importation of MOX.

I can only approach this issue with a very critical mind, particularly since Quebec has only one plant, the one in Gentilly.

It is for this reason and for many others that I am so interested in this debate on Bill C-57, an act to amend the Nuclear Safety and Control Act, in order to change the category of people whom the Canadian Nuclear Safety Commission can order to decontaminate a site.

As it now stands, the act says that the Canadian Nuclear Safety Commission may, and I quote "...order that the owner or occupant of, or any other person with a right to or interest in the affected land or place take the prescribed measures to reduce the level of contamination".

The phrase "any other person with a right to or interest in, the affected land or place" is quite broad. It means that any person with an interest may be made to pay in case of a spill or any other kind of problem.

A bank that would loan money to a plant could thus be sued and incur what would inevitably be very high costs. It is mainly to spare third parties, especially those able to finance the nuclear sector, that the bill was put forward.

The purpose of the bill is to replace "any other person with right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination" by "any other person who has the management and control of, the affected land or place take the prescribed measures to reduce the level of contamination".

This amendment spares a whole group the obligation to decontaminate. It is not just a simple administrative amendment, as the minister would have us believe.

We must therefore ask ourselves: Why is the Minister of Natural Resources putting forward this bill? In fact, as he indicated in his press release of last Friday, "Companies that own and operate nuclear facilities must have access to commercial credit to finance their needs, like any other enterprise".

"This amendment will allow the nuclear industry to attract market capital and equity. At the same time, we can continue to ensure that nuclear facilities are managed in a safe environmentally-sound manner".

Two elements caught my eye when I read this document, namely "finance their needs" and "environmentally-sound".

It is a well-known fact that the current government, led in that by the Prime Minister, has always considered nuclear energy as an incredible economic development tool. Moreover, in terms of respecting its Kyoto commitments, the government is very favourable to this kind of energy.

Here is an example. Two or three years ago, the current Minister of Energy was taking part in a meeting in Bonn, Germany, on Kyoto. At that time, he suggested that Canada should be granted greenhouse gas emission credits because it exported CANDU reactors. Everybody laughed at him, and rightly so.

As we know, nuclear energy is not clean. It produces so much radioactive waste that we do not know what to do with it anymore.

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•(1235)

Yet, the Canadian government thinks differently. This is very serious. Indeed, the following can be read on AECL's Internet site:

Nuclear energy has many benefits, particularly in the area of environment. Nuclear energy emits no combustion by-products, no acid gases and no greenhouse gases. It is a clean, safe, and economical energy source that does not contribute to air pollution, global warming or acid rain.

This is quite the propaganda tool, albeit an incomplete one. What AECL does not say is that we are stuck with over 20,000 tons of nuclear waste in Canada and that it will cost close to \$13 billion to get rid of it. This waste is currently located on the sites of nuclear plants. Again, this government agency is really not telling all the truth to the public, and it would have us believe incomplete and biased information.

Moreover, we must ask ourselves if nuclear energy is safe. Of course, the Chernobyl tragedy occurred because of the blatant lack of security measures in the former Soviet Union. The government claims that the Candu technology is the best in the world, as are its engineers. But what is the reality?

Here is an excerpt from a report that was broadcast by Radio-Canada on August 11, 2000:

The Canadian Nuclear Safety Commission is concerned about the quality of the maintenance of the main reactor at the Chalk River plant, close to Ottawa. The commission fears that the departure of several experts and engineers in recent years may jeopardize the safety of the plant's operations.

These concerns are in addition to the controversy surrounding the use of the Chalk River reactor to test MOX imported from the United States and Russia.

Samples of MOX, which is a radioactive fuel, have already been sent from the United States to the Chalk River nuclear plant. Atomic Energy of Canada is waiting for more samples from Russia before undertaking a series of tests.

It was then that we people from the Saguenay led an all out battle to ensure that MOX imports would not travel through our region, because we know that it is not safe. The report goes on to say:

This project continues to generate controversy, but now the Canadian Nuclear Safety Commission is expressing concerns of its own. This time, it is not the movement of MOX that is the source of these concerns but, rather, the quality of the maintenance of Chalk River's main research reactor, the oldest one in Canada.

I am still reading from this Radio-Canada report.

The problem is that, in 1999, a great number of very well trained people have left the plant. The Canadian Nuclear Safety Commission has made an assessment and concluded that Atomic Energy Canada does not invest all the resources needed in replacement personnel training.

Paul Lafrenière, who is the head of the nuclear facilities at the Chalk River plant, has stated:

Since 1957, we have been relying on a system of on the job training. The CNSC would like us to move to a new customized training.

We can see that what is going on right now in nuclear plants makes no sense whatsoever. The Bloc Québécois has suggested to the government a number of different courses of action with respect to the nuclear industry.

Recently, the Bloc made public an investment plan of \$700 million over five years to promote the emergence of a wind energy industry in Quebec. It could contribute to the creation of 15,000 jobs in Quebec, most of them in the Gaspé peninsula.

We should not forget that in 1997, in Kyoto, Canada made a commitment to reduce, by 2008 or 2010, its greenhouse gas emissions to 6% below the 1990 level.

Reversing the tendency of increasing greenhouse gas emissions will limit the extreme weather occurrences like the ice storm and other environmental impacts like the low water level in the St. Lawrence River.

To reduce greenhouse gas emissions, we should strive for greater energy efficiency and produce more with less. This is a great opportunity to encourage technological innovation and develop new structuring industries.

•(1240)

It is in that context that the Bloc Québécois is proposing a vast federal program for wind energy in the Gaspé Peninsula. For the federal government, the only alternative to clean and green energy is oil and nuclear energy. It has put \$6 billion in the atomic energy program alone.

As for financial assistance to the fossil energy industry, since 1970, the federal government has paid \$66 billion in direct subsidies to the oil and gas industry. By comparison, businesses in the renewable energy sector received 200 times less from the federal government, which gave absolutely nothing for the development of hydroelectric power, a type of really clean energy that produces no greenhouse gases and no radioactive material. Quebec has been developing this type of energy for more than 40 years.

That is why we believe that Canada should abandon the development of nuclear energy and follow the lead of countries such as Germany, which will permanently give up nuclear energy in 2025 in favour of green energies such as wind energy.

I should point out that, over the last six years, the wind energy industry has experienced an average annual growth of 30%. Germany is the country that favours this kind of energy the most. The wind energy that it manages is 40 times greater than the total for Canada. Europe has almost 75% of the world's aerogenerators. The European Union wants to reach a target of 22% of its electricity from renewable energies, including a large part of it from wind energy.

Canada lags far behind the leaders, with a production of only 207 megawatts. Even the United States has significant incentives, such as a subsidy of 2.7 ¢ per kilowatt hour, to reach a capacity of more than 5,000 kilowatts hour.

Quebec accounts for 50% of this production, which is minimal considering its potential. According to experts, Quebec's wind energy potential, concentrated in the Gaspé Peninsula and the North Shore, ranges from 4,000 to 6,000 kilowatts-hour, which is about 60% of the total for Canada.

The U.S. department of energy says that wind energy creates more jobs for each dollar that is invested than any other technology, five times more than in the case of coal or nuclear energy.

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The European Wind Energy Association has estimated that each megawatt of installed wind energy potential creates about 60 person-years of employment, or between 15 and 19 direct and indirect jobs. Therefore, in 1996, the newly installed 3,500 megawatts in Europe would have created 72,000 jobs.

As a confirmation of the association's statements, in 2001, the wind industry was providing employment to more than 30,000 people. In California, where over \$5 billion have been invested in the wind power industry since 1991, 5,200 jobs depend on that industry.

That is why the Bloc Québécois has always said that environment is important. Why is it important? The environment has been abused enough. We have caused enough damage to the environment and we must take immediate measures to protect the environment for future generations. Something has to be done; we have to go the way of renewable energy. Fossil fuels and nuclear energy must be abandoned.

That is why, from today onward, we must invest in energies that create jobs. Let us not forget that the goal is to create wind potential of at least 1,000 megawatts in Quebec, mainly in the Gaspé area. As we know, the Gaspé area has been hit headlong by major job losses, specially with the closure of the mining operation in Murdochville.

• (1245)

They have the expertise in wind energy. It would be important to create industries making wind turbine components. They have a huge potential to make Canada one of the three best wind energy producers in the world. At present, this government is stubbornly staying the course of nuclear energy.

The Bloc proposal would cost \$700 million. This is not much compared to all the money that the government has invested in nuclear energy. Let us just compare this with what happened in Newfoundland, when the Canadian government invested money in the Hibernia project. The federal government invested a lot of money in this project.

Today, it tells us that it has no money. It has a budget surplus of \$9.8 million for the fiscal year that just ended alone. It has the money; what is missing is the will.

The government tells us that it wants to help the regions. As you know, I am responsible for the regional development issue for the Bloc Québécois. The government wants to help the regions but is not using the means that reflect the realities of the regions to provide them with the potential to develop. A huge number of jobs would be created in the Gaspé peninsula. This new approach would also allow this government to come out a winner.

Other aspects of the program could also be used. Bill C-57, as tabled by the natural resources minister, is more than an administrative amendment. It will bring about the further development of nuclear energy. It must stop. The government must stop going in all directions at the same time. It is always introducing small bills. It does not ask itself what the effects of its legislation will be. It seems that it is working in a vacuum when it introduces bills.

This bill affects many sectors, including the storing and treatment of nuclear waste that is presently stored in nuclear plants. The

Seaborn panel proposed different approaches. Experiments were conducted in the Canadian Shield; there is nothing conclusive yet.

The legislation allows for the investment of more funds in the development of nuclear energy. Enough is enough. The government must stop. I am asking it to withdraw Bill C-57. This legislation does not address the nuclear problem, it allows for its development.

Consequently, we must understand that this bill is a lot more than the administrative change the natural resources minister referred to. The bill will allow for maximal development of nuclear energy. I cannot approve such a philosophy.

That is why, as the member for Jonquière representing people who are very concerned about nuclear energy, I am asking the government to withdraw its bill. If it does not do so, I will vote against it.

• (1250)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, first I would like to congratulate my colleague, the hon. member for Jonquière, on her speech.

According to her, is it unrealistic to think that one day, the Liberal government will turn green? I am not asking the government to stop being red, but it could be a bit greener. The fact of the matter is that the investment it is seeking from the private sector for nuclear energy will mean less money for the development of renewable resources.

Moreover, as my colleague clearly demonstrated, not only is wind power a renewable energy but it creates jobs. In regions like the Gaspé peninsula, this would be beneficial in every regard: for job creation, for families and, of course, for the government, in tax revenue.

• (1255)

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I wish to thank my colleague, the hon. member for Sherbrooke, and congratulate him for his performance in the matter we are dealing with today.

If we keep raising the issue, I hope it will become less and less unrealistic for this government to take a greener approach.

I hope the government will wake up. It has the power to change its way of doing things, with us, in the opposition, who are advocating the use of environmentally sound approaches, of new, green energies such as wind and hydro-electric power, which must be promoted.

I hope this government gets out of utopia and moves in the right direction so that we can finally take steps to improve our environment.

Mr. Serge Cardin: Mr. Speaker, I would also like to point out that my colleague from Jonquière sat as I did on the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources when the report on the long term management of nuclear waste was examined.

She is therefore very much attuned to the nuclear waste problem. We had the opportunity to look into it in great depth and it is, obviously, a major problem.

Government Orders

I wonder how anyone could convince him or herself that there is no problem with nuclear energy. Just dig a hole, dump in the waste, and the world will be none the worse for it.

I wonder how anyone could have such a perception of things. This is both my first question and my first comment.

I imagine that the process of osmosis, as far as the Liberal members are concerned, is not working very well. Given the colour of the seats in the House, they ought to have gone green a long time ago.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, the humour of our colleague, the member for Sherbrooke, is always recognizable.

It is true that we took part together in the consideration of the bill that put forward some means of getting rid of the waste that is now buried at nuclear plant sites. We know that, besides having a life, waste has a half-life of several hundreds of thousands of years.

Just imagine that. The government does not know yet—even after the Seaborn report—what it will do with the waste that is stored at nuclear plant sites. There is now almost 20,000 tonnes of it. This is huge. The government does not know what to do with it.

Imagine if, on top of this, through such a bill, the government were to allow people, providers of financing, to avoid being held responsible for the pollution that would result from further nuclear development.

Imagine all the waste that would be created every day, during all these years to come, yet the government does not know what to do with the waste currently stored at our nuclear plant sites.

As my colleague from Sherbrooke said, I hope, if the trend could continue, given all the green seats in the House, that the government will choose this colour.

Mr. Serge Cardin: Mr. Speaker, I would like to ask my colleague if she agrees with me. Like almost everybody else, for some time now I have been pondering all the problems we have in our society and my conclusion has been very simple; it can be summed up in just one word: concentration.

When we talk about greenhouse gas emissions, in fact we are really talking about concentrations of these emissions that are too high. When we wonder about all the problems there are in the area of nuclear energy, we are really thinking about the high concentration of nuclear waste.

Finally, in almost all areas, even in the case of social problems, everything is due to concentration. Therefore, this problem is even bigger than we think.

Even here in the House, the problem is due to concentration; there are simply too many Liberal members.

• (1300)

Ms. Jocelyne Girard-Bujold: Mr. Speaker, even if this is a very serious issue, my colleague, the member for Sherbrooke, is such a humorous person that I cannot help but laugh; it certainly helps to lighten things up.

It is true that concentration keeps the people from opening their minds up to other ideas. When all our energies are focused on one

point, we cannot see the forest for the trees. This is why the government should withdraw this bill and start all over again on the whole nuclear energy issue: storage, processing, development and alternative energies.

The government should draft a bill and rework the whole issue of nuclear energy, so that Canada can improve the situation. We have to get on with the greening of Canada.

Mr. Serge Cardin: Mr. Speaker, since I have a little bit of time left, I would like to make a comment.

On the topic of wind energy, to stay in the same vein, even here in this House, we could save a lot of energy by installing a small windmill. With all the hot air produced by Liberal members across the way, the windmill would go round and round and light up the whole chamber. It would probably produce a greener light, which would provide more inspiration to the Liberal members. That was my comment.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I would like to second what my colleague from Sherbrooke just said. It would be a good idea to start in this very chamber. Just imagine how much we could improve the quality of the environment in Quebec and in Canada.

I urge the Minister of the Environment, who is here in the House, to take the necessary steps to finally ratify the Kyoto protocol and develop wind energy, especially in the Gaspé peninsula.

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, I am very pleased to rise today to speak to Bill C-57, which was introduced at first reading on May 31, 2002.

It is fair to say that in this House we have seen more comprehensive bills amending a number of acts. However, the bill before us today amends a single section of the Nuclear Safety and Control Act. According to the sponsor of the bill, the Minister of Natural Resources, the bill is designed to amend the Nuclear Safety and Control Act. He calls it an administrative amendment or bill, meaning that it is not a complete overhaul of the Nuclear Safety and Control Act.

However, this amendment, even though this is not obvious yet, will have a serious impact on the way the nuclear industry operates here in Canada. It is significant that the minister has decided to introduce the bill we are debating today. The bill amends the Nuclear Safety and Control Act.

Of course, I will speak about Bill C-57 and the amendments at issue, but I would also like to talk about the long term management of nuclear waste.

Members will recall that there has already been a debate in the House on the disposal of nuclear waste. This debate took place in the context of Bill C-27. This was an interesting bill, as it was introduced and considered in committee. It was also interesting because Canada studied the issue of nuclear waste management for a ten year period with the Seaborn commission, which I will speak about later.

Government Orders

Of course, I will speak to Bill C-57, and I will also refer to Bill C-27 and the whole issue of nuclear waste disposal. I will also speak to the issue of the importance of public consultations in cases where the disposal of such waste is being considered in locations and regions in Quebec and Canada.

As an example, there is a case we asked questions about to the Canadian Nuclear Safety Commission just this morning in the Standing Committee on the Environment and Sustainable Development. There was even a ruling on this case by the Canadian Environmental Assessment Agency. It is the case of the Bruce complex in Ontario. This is a site where radioactive waste will be stored on the shores of Lake Huron, and the residents would have liked a commission to have been set up, through the Canadian Environmental Assessment Act, to consult with residents and to study the projects.

The Bruce complex is located on the shores of Lake Huron and has been designated, first, as a high level complex. Second, it is one of the biggest disposal sites in the world. The residents would therefore have liked to have been consulted.

Finally, I would like to close by outlining to Canadians and Quebecers the impact that nuclear waste and nuclear energy can have on human health. A number of reports have been published on this. These reports conclude that nuclear waste and nuclear energy are significant in the development of certain diseases when workers, residents and more specifically children are near this waste.

● (1305)

So, Bill C-57 amends the Nuclear Safety and Control Act. Clause 1 would replace a paragraph in the current legislation, which reads as follows: “—any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination”.

Bill C-57 would amend paragraph 46(3) of the Nuclear Safety and Control Act to read as follows: “—any other person who has the management and control of, the affected land or place take the prescribed measures to reduce the level of contamination”.

In fact, only a few words will be changed if this bill is passed. But the impact will be considerable.

In his press release, the minister tells us that these amendments are purely administrative. That may be so from a cosmetic point of view, but the impact will be considerable.

What are the government's true intentions in introducing this amendment? It is good to ask ourselves this question. If the amendment is purely administrative, there should not be any impact. But this bill amends the act significantly and will have a considerable impact on the development of the nuclear industry here in Canada.

Basically, the government wants this amendment to exempt one group from decontamination obligations. Third parties should no longer be responsible for decontamination.

In this connection, we know what the government's intentions are. Its true intentions are to ensure, for example, that a bank making a loan to a nuclear plant could—under the existing legislation, if we

succeed in defeating this bill—be taken to court and would inevitably incur very high costs.

It is primarily to exempt these third parties, the banks, those able to finance the nuclear industry, that this bill was introduced.

The government wants to arrange it so that those parties—be they banks or other interests—who have helped developed the nuclear industry in Canada are exempt from their decontamination obligation.

This runs counter to a fundamental principle recognized in Quebec which is that the polluter pays. Anyone who contributed to the contamination of a site must share the costs of decontamination.

We on this side of the House are of the opinion that to the extent that a citizen, a third party, but more importantly a citizen, whether a corporate entity or not, has contributed to contamination by nuclear wastes, he must assume the costs thereof. This is what the government is trying to take away with this bill and this is basically what we are opposed to.

There have been some significant debates on this in the past. As my colleague from Sherbrooke has indicated, a commission was set up here in Canada because the storage of nuclear waste needed to be given some thought. There are 20,000 metric tonnes of waste—or 18,000 to be more precise—in Canada at the present time.

This represents 1.3 million bundles, as we know, and we also know that there are three types of waste: nuclear fuel waste, low level radioactive waste and uranium mine and mill tailings.

● (1310)

It is worthwhile taking the time to look at the nuclear waste situation in Canada. It must be pointed out that, of these 20,000 tonnes of waste, the bulk of it comes from spent nuclear fuel bundles. We are talking here of the 22 Candu reactors, most of which date back to the 1970s. Ontario Power Generation Inc. is currently operating 20 reactors. At the present time, 90% of the nuclear waste is in Ontario.

Hydro Québec produces some at its Gentilly plant, of course, but the nuclear waste produced in Quebec accounts for only 3% of the total of 20,000 tonnes currently available, if I may use such a term.

An energy company in New Brunswick accounts for another 5%. Atomic Energy of Canada' experimental reactors produce 2%, of the total of 1.3 million bundles.

We have trouble understanding how certain obligations can be taken away, how steps can be taken so that third parties will no longer be responsible for decontamination, when we can see what the problem is like in Canada at this time as far as the management of nuclear waste storage is concerned. How can bills get passed in this House that will facilitate the development of the Canadian nuclear industry while we are having such trouble managing the present 18,000 tonnes? This makes no sense whatsoever.

Government Orders

Why, as a matter of public policy, are we not focusing on the development of clean renewable energies, as my colleague from Jonquière suggested about ten minutes ago? How can we adopt measures like the one in front of us, which benefits this industry, while we are still waiting for financial incentives to develop renewable energies?

I am glad to see that the Minister of Environment is present to hear what I have to say. How can he feel comfortable in a debate on this issue? How can we reject that proposal and apply the polluter pay principle? This bill raises some questions.

I will summarize the Seaborn commission findings. For one thing, what we are expecting from the government in terms of a nuclear fuel waste management plan is that the technical aspects of the storage program be taken into consideration at the planning stage.

Public consultation has to be at the basis of the Canadian policy on waste management. Canadians live right beside the waste storage complexes. The best solution cannot be only technical. It has to include a sociological approach to management. We would have liked to see the government focus on green energy instead of making social choices that favour the Canadian nuclear industry.

● (1315)

The government is again being called to account for its refusal to hold public consultations, which were called for by the Seaborn commission.

On May 30, 2002, Normand de la Chevrotière appeared as a witness before the Standing Committee on the Environment and Sustainable Development, on the issue of the Canadian Environmental Assessment Act, Bill C-19. He told us that his group, which includes 300 families, had asked the government to establish an environmental assessment board to examine the Bruce complex, which is designed to store radioactive nuclear waste near his community.

This complex on the shore of Huron Lake and the waste storage site are considered among the biggest in the world and are termed high level facilities, and experts will understand what I mean. People from the Canadian Nuclear Safety Commission told us this morning that they are certainly the biggest in North America.

I was reading some papers this morning, particularly an article from the September 1996 issue of *Québec Science*. Six years ago, the possibility of storing weapons grade plutonium from Russia and the U.S. at the Bruce complex was being examined. Six years ago, papers in the scientific community were considering this possibility.

The Department of Environment deemed that it was not appropriate to consult the public. It does not matter that 300 families will be living close to this site.

I want to go back to what I was saying two minutes ago when I was referring to the conclusions of the Seaborn panel. Sure, it is necessary to evaluate storage techniques but, more importantly, the public must be consulted.

I am under the impression that this bill is providing oxygen to the Canadian nuclear industry. The government is promoting the establishment in Canada of places to store nuclear waste, while

ensuring that third parties, who may not necessarily have the responsibility to manage these sites, cannot be required to decontaminate them.

If a bank decides to fund the Bruce complex storage project, will it be responsible for decontaminating the site if this bill is passed? The answer is no. Those who will have provided the necessary funding to establish this complex on the shores of Lake Huron will have no environmental responsibility.

We want this government to send to the nuclear industry a clear message that its members must behave like good corporate citizens. The legislation already provides for the funding of storage projects by banks. However, it is totally unacceptable on the part of the government to remove the banks' responsibilities by condoning this.

So, this bill must be examined from a different perspective, not from the perspective of the government, which is trying to fool us with mere administrative and cosmetic arguments, because it wants to ram this legislation through the House. This shows how, sometimes, bills that amend only one section may have a major impact.

This is why we are opposed to the bill's only clause. It will have a major impact on the development of Canada's nuclear industry.

● (1320)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to congratulate my colleague from Rosemont—Petite-Patrie. Like my colleague from Jonquière, he is particularly committed to the environment. He is also a striking example of renewable energy. Today is his birthday; I believe he is turning 33, yet he looks 18. His is a constantly renewable energy.

Sometimes there are things that I do not comprehend. Even the public would like to know this. My colleague talked about 18,000 tonnes of nuclear waste. It can be hard to imagine how much waste that represents. I wonder if my colleague could explain.

At the same time, given that the Minister of the Environment and the Minister of Natural Resources do not seem to be concerned about nuclear waste, I would like him to tell me whether it could be stored in their swimming pools.

Mr. Bernard Bigras: Mr. Speaker, my colleague's question is interesting. These 18,000 tonnes of waste represent 1.3 million bundles and it is only one kind of waste. As I said, there are three different kinds of waste: nuclear fuel waste, low radioactivity waste and uranium mine and mill tailings.

I mentioned earlier the issue of spent fuel storage bays. Since these 18,000 tonnes of waste represent only one kind of nuclear waste, members can easily see how much nuclear waste there is in Canada. I was referring only to nuclear fuel waste dealt with in Bill C-57.

Government Orders

We know that storing this kind of nuclear waste is a problem at present. Spent fuel storage bays are overflowing. The capacity for conventional storage of nuclear waste, the conventional method of storing and stockpiling nuclear waste is being exceeded. There is no more room. Meanwhile, the government is putting forward a bill to foster the nuclear industry in Canada. This does not make sense. Here in Canada, we have to have a real debate on the various sources of energy.

Canada is at a crossroad. We must change direction and put forward measures, both legislative and fiscal, to develop renewable energy. In a few years, we will no longer be able to provide non polluting green energy, but we will be stuck with waste we have nowhere to store except in the Canadian Shield. We debated this solution, but nothing has been decided yet.

We must not look for ways to increase the number of storage bays. We must not look for new methods of storing nuclear waste. A logical situation would be to reduce waste. At present, we have nowhere left to store waste and we are looking for new ways to do so.

What we should do is stop producing nuclear waste. To this end, we need a Canadian energy policy designed to develop renewable energy.

We are still waiting for a wind energy policy, for which the government has been announcing a few million dollars here and there. We are waiting for the greening of the energy sector for the sake of future generations, but also to comply with the Kyoto protocol, which Canada has yet to ratify.

• (1325)

Mr. Serge Cardin: Mr. Speaker, I would like to know something from my colleague.

Of course, it takes political will to get rid, at some point, of this dependence on nuclear power. Politicians must really want to do so.

However, I wonder if my colleague has thought about the way to get rid of nuclear plants and nuclear energy. We are aware—we must be realistic—that this represents big investments. We are also aware that even bigger investments are required to maintain these plants. But we have, of course, the renewable energies that could be used to replace nuclear energy. We are able to use them. It has been demonstrated; my colleague has demonstrated this. It is feasible with wind power, and the money would be available if the government had the will to invest in this.

The fact remains that the day when we do away with nuclear energy, we will still have to manage that. I do not know if my colleague, following his erudite readings and reflections, has thought about a quick suggestion that the Liberal government would have no choice but to immediately agree with.

Mr. Bernard Bigras: Mr. Speaker, it is an excellent question. I hope the Minister of the Environment will listen to the answer.

The best example is probably Germany, one of the European countries that produces wind energy. I see my NDP colleague, with whom I had the good fortune to go to Marrakesh, where we met people from the German embassy who explained to us—and I

remember clearly—how Germany made the transition from nuclear to wind energy.

I have a few figures to show that it is feasible. In a few years, Germany went from producing nuclear energy to producing wind energy. Its current production is 8,753 megawatts, which accounts for 35.8% of the world's total wind energy production.

These countries did not succeed in making this transition by adopting measures that favour nuclear energy, as we are about to do today. On the contrary, they did it with financial incentives for every kilowatt-hour produced through wind energy. There are examples, including in California, where subsidies of nearly 2.6 ¢ per kilowatt hour have been given for wind energy.

This allows a country such as Germany to go from nuclear energy, a polluting type of energy, to wind energy, a non polluting type of energy. It also helps the environmental sector.

Let us not forget one thing. Those who claim that the ratification of the Kyoto protocol will create considerable economic costs for Canada are mistaken. In that regard, Germany is a conclusive example. Denmark is another example where wind energy production has been greatly increased.

To conclude, I will say that Germany is the best example. It went from nuclear energy to wind energy, which brought not only economic benefits, but also environmental benefits.

• (1330)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, it brings me great pleasure to rise and speak to Bill C-57. I would like to thank my learned colleagues, the member for Rosemont—Petite-Patrie and the member for Sherbrooke, who so clearly outlined the position of the Bloc Québécois on this matter and the fact that Canada is again sitting on the fence and continues to use traditional energy sources, when there are some wonderful developments around the world in all kinds of new energies that are far greener.

The purpose of my speech today is to focus on this legislative amendment, which appears to be simple, as certain Liberal members opposite have said, but which illustrates quite well this government's Liberal philosophy. This is what I am critical of.

The current legislation regarding the responsibility of those who do not respect their responsibility to decontaminate a nuclear site says that the occupants are:

—any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination.

Today, this text would be replaced by:

—any other person who has the management and control of, the affected land or place take the prescribed measures to reduce the level of contamination.

Government Orders

The government's objective is clear. It wants to get the banks off the hook and it has said as much. They want to keep the bankers, who would support investment, from being held responsible in any way for the decontamination of a site, or for related costs that could be incurred. However, it goes even further. The words "a right to or interest in", could even include the federal government, which, through subsidies to industry, might have been seen to have a legal right or responsibility. Obviously, this is the objective of this government. This Liberal philosophy is about ridding itself of any responsibility.

Once again today, we are getting its friends and bankers, who are often great friends of the Liberal Party, off the hook. Inevitably, this leads to getting ourselves off the hook. This bill gets the government off the hook and frees it of any responsibility for contamination that could occur at a nuclear plant site. This is terrible for Quebecers and even more so for Canadians, since most nuclear sites are located in the rest of Canada.

It is a terrible thing not to bring out the fact that the government is not taking this opportunity to show the public what its philosophy is. The government does not take any responsibilities anymore. It is leaving the private sector to make out as best it can. When bankruptcies occur, no one is held responsible. This happens all the time.

While governments tend more and more to take responsibility for contamination, this government is walking away from its responsibilities and getting its friends, the bankers, off the hook. This shows what the Liberal philosophy is. To me, this is probably the most difficult. Since my election in the fall of 2000, I have seen how, in keeping with this philosophy, the federal government has simply decided to no longer get involved in any community problems.

Here are a few vivid reminders of this. During the terrible events of September 11, Canadians and Americans witnessed a unique and unprecedented situation in North America. An industry suffered in the aftermath, and several airline companies were among the casualties. Believe it or not, the federal government did not invest a cent, except for closing down the Canadian airspace for six days and compensating air carriers for the increase in insurance premiums. Nothing more.

It has let several air carriers fold. Men and women who had a lot of experience in air travel lost their jobs. The government allowed this human capital to be lost, taking for granted that the market would pick up and preferring to let it decide all things. This is what the Liberal philosophy is all about.

• (1335)

The government did the same thing in the automobile industry. My riding of Argenteuil—Papineau—Mirabel borders Boisbriand, where the GM plant is located. The current Minister of Justice, who was responsible for regional development in Quebec, made the announcement: there was nothing that could be done anymore; the Boisbriand plant was going to shut down. He had just attended a meeting with GM officials in Canada and it so happened that he was the one giving the bad news that the plant would shut down.

These days, GM workers are engaged in very important discussions. On the table is a proposal whereby GM is offering to

protect union members aged 50 or more. Under the orphan clause, the younger workers will practically lose everything with the closing of this plant. This never bothered the Liberal members of this House for one moment. We had a debate during an opposition day and Liberal members never even spoke. This is the reality.

They are letting the free market dictate things and even though Quebecers buy 26% of all automobiles in Canada, the federal government finds it perfectly normal not to have an auto manufacturing industry in Quebec. On the other hand, they centralize: everything is concentrated in Ontario and they find this very normal.

Again, this shows the Liberal philosophy of letting the free market dictate things, regardless of the consequences of the closing of GM's plant in Boisbriand. I am talking about human capital, about men and women who had a lot of experience. These people will lose their jobs but, more importantly, this human capital will no longer be available for Canada's automobile industry.

It was the same thing in the airline industry. After September 11, the government let the airlines down. Recently, it was the softwood lumber issue. We had long debates and extensive discussions during which the government stated its position.

We are very upset that the Americans imposed a 27% countervailing duty. The minister responsible for this issue told us in the House "We did everything that we could". The result is that thousands of men and women are losing their jobs, a huge human capital will be lost, because plants are closing everywhere.

The only thing the government saw fit to do was to put forward a \$75 million aid package for research and development, to benefit its friends of course. Once again, the mighty big is going to swallow up the small. With a \$75 million aid package for research and development, major companies will once again take advantage of the bankruptcy of weaker companies. Bigger monopolies will be created. Often, this is where the major contributors to the Liberal Party are found.

Today, again, we have a fourth revelation through a bill the Liberal Party seems to have introduced in a rather inconspicuous way. In the nuclear industry, it wants only those in management to be responsible for taking measures to reduce the level of contamination in nuclear sites, mainly to exempt bankers.

The government wants to exempt bankers; it wants to let the markets decide. What it is hiding behind all this is the desire to exempt itself from any responsibility regarding contamination of such sites.

This affects the safety of citizens throughout Canada, slightly less in Quebec, but it is very difficult. We are not wishing any disaster on anybody, in Canada or anywhere else.

As we know, the Liberal Party has been going through rough times these past few weeks, and yet the government found a way to introduce a bill that is very important for the safety of people in Canada and Quebec.

This important bill is aimed at no longer holding accountable people who may have a right to or interest in the affected place; only those managing such a place will be held accountable.

Government Orders

Bankers are now exempt and so is the federal government, which could have been held accountable by law for having provided grants to renovate a plant. It will no longer have any responsibilities for such places.

● (1340)

Once again, as I have said, this is a Liberal philosophy that seems to leave everything up to private enterprise as far as responsibilities are concerned. Yet, with regard to safety and nuclear pollution, the damage cannot be assessed in financial terms. If there is a catastrophe, the damage will be terrible.

Today, this party ever so charmingly is introducing this bill, once again with the support of the Canadian Alliance, which is no better than the people opposite. Obviously, whenever the government enacts measures aimed at decentralization in favour of private enterprise or assigning responsibility to private enterprise, it always has the backing of the Canadian Alliance. In my estimation, they are worse than the Liberal government.

So there we have the Canada of today. There is no protection for the weak and the oppressed. There is no protection for those who are so in need everywhere in Canada. As far as the nuclear issue is concerned, there could of course be catastrophes that would totally devastate families.

No problem, though. The federal government wants no responsibility, particularly no responsibility for its buddies, the bankers, who might be the ones bankrolling projects. The federal government will not, of course, want to put its money into businesses.

What they want is for private enterprise to be able to get involved in lending to it without any responsibility except for getting its money back if ever any profit is generated.

Once again, we need to update the Liberal philosophy which is increasingly sloughing off responsibility and placing a lot of it on the private sector. As we know, private enterprise often exists solely on the paper that creates it. This has been seen in all the scandals that have been going on, companies behind other companies, numbered companies and the like.

There is the sponsorship scandal. Even for a single funding of any activity, regardless of how praiseworthy that activity might be, two or three companies will be skimming off some 12% or so, and then contributing to the Liberal Party subsequently. That is the way things are.

They really want to be able to do business with the private sector. When private enterprise has too many responsibilities, as is the case here with nuclear waste, steps are being taken to absolve their little banker friends of any responsibility, for otherwise none of their funds will be forthcoming.

The obvious solution is for the government, if it really does believe in nuclear energy to that extent, to give sufficient resources to those involved in this sector for the industry and its equipment to be safe.

It is therefore digging into its coffers and its marvellous surplus in order to be able to help the industry, rather than requiring the private sector and the banks to finance nuclear energy. It tells them “In any

case, if you provide financing, you will no longer be liable. If anything happens, it will just be an unfortunate event”.

It is an unfortunate event for a banker, but a tragedy for all the people living in the vicinity of these plants.

Once again, our Liberal friends across the way have no social conscience. Their social conscience continues to shrink. The more time passes, the more we see that not only do they lack an economic conscience, but their social conscience is shrinking as well. This becomes clear with a bill such as Bill C-57.

As I said, I found it hard to accept this lack of responsibility toward communities. I gave four examples.

There was September 11 with the airline industry. There was the example in the auto industry, with the closing of the GM plant in Boisbriand. The government never stepped in to support employees or come up with reprimands or try to negotiate with GM to keep the auto industry in Quebec.

It is the same with the softwood lumber industry. There is no support there either. Once again, there is no concern about social support for men and women who often represent—in the auto, airline or softwood lumber industries—significant human potential with unprecedented skills. By not supporting these industries, all the government is doing is favouring its friends, who are the most powerful and the biggest in the industry, so that they can take over other companies.

In the process, thousands of jobs are being lost. That is the hard reality of it. In the case of the nuclear industry, people will be exempt from liability. Bankers, who have provided the financing for projects, will be allowed not to check. Without any liability, they will obviously be much less rigorous in their environmental checks.

When this bill uses the wording “any other person who has the management and control of”, it is so that the federal government will not have any liability in the nuclear sector.

● (1345)

In this regard, I agree with my colleagues from Rosemont—Petite-Patrie and Sherbrooke. While the use of such nice renewable and non polluting energies as wind energy is expanding worldwide, and great projects could be available in Quebec, including the Gaspé peninsula, this bill provides nothing to support the industry or wind energy. There is absolutely nothing, let alone a major program to replace nuclear energy with wind energy, so that bills do not have to be introduced in the House to try to take responsibilities away from almost everyone who could be affected by nuclear energy, including our friends the bankers, as the Liberals are doing. The federal government is washing its hands of responsibility, if ever it had to invest any money through a grant or otherwise. Otherwise, it would have been bound automatically, like a banker. This is the reality.

If we want to take away the responsibilities of bankers and if, as a government, we think that we did not have any responsibility, think again. When a bank invests in a business, it has responsibilities. When a government invests money through grants in a business, it has responsibilities.

Government Orders

With this bill, decontamination becomes the responsibility of those who manage the business. The federal government is already having trouble managing its own affairs. It certainly will not try to manage the private sector. People who are listening to us certainly understand that. Bankers manage their banks on behalf of their shareholders. What is most important to them is the dividends they pay to the shareholders every three months, not what may be happening in the field or the problems that a community may be experiencing because of nuclear pollution.

This is not an easy end of session for the Liberal government. It introduced Bill C-57 practically in a panic, to try to keep the members of this House busy. Again, and I will never repeat it often enough, the Liberal philosophy prevails. The government does not want to take responsibility for anything, especially not social and community problems.

It washes its hands of all that. What is worse, the Liberal government even divests its banker friends of any responsibility. In this regard, the bill clearly says that those who do not manage a company and could have some responsibility for the decontamination of nuclear sites will have no such responsibility.

Numbered companies will be allowed to continue to operate nuclear sites and, if there are damages, the people will suffer the consequences. Nobody will want to help these communities. Help will only come after the fact. They will never get help before a problem occurs or while a problem is occurring. A responsible banker and a responsible government see to it that the industry always complies with environmental standards. With this bill, bankers and the government will no longer be responsible.

Such a business will then be left to itself. When financial difficulties occur, businessmen do not focus on environmental problems. They rather try to resolve short term problems like paying the employees salary and others. In the last years of operation of a business, it tends to worry very little about the environment. This is the harsh reality of this bill: the bad managers will be left to themselves, and we will have to pick up the pieces after. But above all, nobody will ever be accountable. They will all be able to say that they co-operated to the project. The banker and the government, having given a subsidy, may say "It is not our fault. It is the fault of those who were there, if things went wrong". What matters is being able to say "It is not our fault". In the case of a nuclear pollution disaster, they will all say "It is not our fault, it is the managers' fault".

This Liberal philosophy of divesting oneself of responsibilities and not having any social or community consciousness is reflected in Bill C-57. It was also present in all the problems that the airline industry experienced after September 11. It is also reflected in the problems faced by the automobile industry, with the closing of GM's plant in Boisbriand for example. It is reflected in the problems faced by the softwood lumber industry since the failure of the negotiations between Canada and the United States. It comes from the desire to skirt any responsibility, and to try and save friends, particularly banker friends in this case, and the government that could have had a certain responsibility. However, when it comes to the airline companies, the automobile industry and the softwood lumber industry, it is a matter of encouraging cronies whose greater might will enable them to gobble up smaller ones, even if it means that thousands of jobs will be lost.

● (1350)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, on behalf of all Quebecers and Canadians, I want to thank the hon. member for Argenteuil—Papineau—Mirabel for his efforts to protect the environment in Quebec and in Canada.

I would like to make a comparison with one of the main issues that my colleague is responsible for, namely Bill C-55 on controlled access military zones. In this bill, which is brilliantly reviewed by my colleague, I cannot help but see how, on the one hand, the government is prepared to interfere with people's freedom in the name of security and, on the other hand, how it is prepared to jeopardize public safety for the benefit of the nuclear energy industry. We are well aware that nuclear energy produces waste that is difficult to control.

This is very clear. On the one hand, the government is leaning in one direction, while on the other hand it is leaning in the other direction. Who is the Liberal government trying to protect? The public or the interests of a nuclear energy program, this at the expense of public safety? I would like to hear the hon. member on this issue.

Mr. Mario Laframboise: Mr. Speaker, I would like to thank the hon. member for Sherbrooke for his question. He has interpreted the dichotomy in the Liberal Party's position very well.

In Bill C-55, the government is submitted to pressure from the machinery of government, from the bureaucrats, who for dozens of years have dreamed of imposing their views and their policies on Canadians, one department at a time. Using September 11 as an excuse, the Liberal government introduced Bill C-55, saying to Canadians "Canada will be a safer place once Bill C-55 is passed".

The question we have been asking the Prime Minister and the Minister of Transport, responsible for this question, has always been the same: what could you not have done prior to September 11 that a bill like Bill C-55 would allow you to do?

Once again, based on the statements made by the Prime Minister and all of the ministers, we do not know any more. They talk about national security. Today, with Bill C-57, dealing with nuclear safety and regulations, the Government of Canada is shirking its responsibility for the safety of people who could be threatened by nuclear pollution.

This government is led and directed by its public servants. It is currently much more concerned about its Liberal leadership race than it is about problems experienced by the public. It just introduced a bill in the House in the name of security.

The only security provided in Bill C-57 is for their banker friends, who will now have no responsibility whatsoever if they decide to invest in nuclear energy. This is the security the government is providing for its banker friends with Bill C-57, while Bill C-55 is intended to provide security for all Canadians.

S. O. 31

This is the sign of a government that, at this time, has a great many other concerns than the security of Canadians or Quebecers.

• (1355)

The Acting Speaker (Mr. Bélair): I wish to inform the hon. member for Argenteuil—Papineau—Mirabel that, if he wishes, he will have five minutes for questions and comments after oral question period.

STATEMENTS BY MEMBERS

[*English*]

BILLY BISHOP

Mr. Ovid Jackson (Bruce—Grey—Owen Sound, Lib.): Mr. Speaker, last Sunday in Owen Sound I attended the 85th anniversary of the awarding of the Victoria Cross to William Avery Bishop. If we fail to respect our heroes, we have no past, no present and no future. Attending the ceremonies were Arthur Bishop, Billy's son, and his granddaughter Diana Bishop.

During World War I Billy flew several sorties that were defining moments in the war. For this he was awarded the Victoria Cross. When I was mayor of Owen Sound in 1987 we built an airport and we dedicated it in his name so that his memory could live on. In our cemetery we have David Currie, Billy Bishop and Thomas Holmes, all Victoria Cross recipients.

May they rest in peace because they were great heroes for our country and our democracy.

* * *

SOFTWOOD LUMBER

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, the government's inaction on softwood is hurting real people and real families in my riding and across British Columbia. Thanks to the government the problem will only get worse as the 27% duty now has to be paid in cash at the border.

In my own riding I recently visited Chasyn Wood Technologies in Maple Ridge which employs over 100 workers. I was moved listening to the concerns of Chasyn workers in their lunchroom about their frustration with the prospect of losing their jobs. Job losses in one sector often have a ripple effect and they could eventually devastate towns and grow to hurt the whole province.

Close to 100 Chasyn employees have signed a petition calling on the Minister for International Trade and the Prime Minister to act now. The Prime Minister must push the U.S. to consider the bigger picture and to set up a rules based trade body that works before workers and families at Chasyn and across British Columbia are thrown out of work.

I join with hard working families of British Columbia and urge the Liberal government to stop neglecting softwood and act now before more jobs are lost.

[*Translation*]

VOLUNTEERISM

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, since the International Year of the Family in 1994, the City of Plessisville has honoured a family that has been particularly involved in the community over the course of the year. In 2002, the honourees are the Morin family.

Marc Morin was the chief organizer of the Marathon of Hope, the objective of which is to raise funds for needy people in the region. His wife Chantal and their three children, Pierrick, Marielou and Émilie, are also involved in helping their fellow citizens. Whether the activity relates to culture, sports, community or economic development, there is often a Morin involved.

This family from Lotbinière—L'Érable has even gotten involved on the international scene as well.

My congratulations to them for their volunteer involvement. This family is a model for all Canadians. Well done, Morin family of Lotbinière—L'Érable.

* * *

• (1400)

[*English*]

NATIONAL DEFENCE

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, on the evening of Sunday, May 26 I had the pleasure of attending a sunset ceremony parade for the cadet corps and squadrons of the Winnipeg area. The ceremony is one that is steeped in military tradition. Its most important part being the inspection of the troops by a reviewing officer.

Among the six cadet corps on parade was 553 Sergeant Tommy Prince (PPCLI), an aboriginal cadet corps named after Canada's most highly decorated aboriginal soldier. Also on parade that day were the 2295 Royal Winnipeg Rifles Cadet Corps, the 407 Queen's Own Cameron Highlanders, 2701 PPCLI, 170 Air Squadron and 77 Daerwood Selkirk Corps. All the units were reviewed and inspected by Major-General James Lucas. He will be relocating to Ottawa very soon where he will continue to add to his more than 32 years of experience with the Canadian military.

A special thanks goes out to Major-General Lucas, as well as everyone else who contributed to making the ceremony a success, especially the cadets whose hard work, long hours of rehearsal and dedication made it all possible.

* * *

[*Translation*]

ÉLEVAGES RUBAN BLEU

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, I am pleased to congratulate a business in my riding, Les Élevages Ruban Bleu of Saint-Isidore, which was recognized as the provincial award winner at the 27th congress of the Fédération des agriculteurs du Québec for its promotion of goat cheese.

The jury selected it because of the devotion and caring of its operators, Denise Poirier and Jean-Paul Rivard, to ensure that visitors have an opportunity enjoy “a total farm experience”.

One of the reasons for the 50% increase in the number of visitors to this farm and its great success over the past 10 years is its Pavillon Ruban Bleu. This interpretive centre provides visitors with the opportunity to learn more about the farm's products.

Congratulations to Les Élevages Ruban Bleu for their dynamism, their vision of the future and their contribution to raising the profile of the riding of Châteauguay.

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[English]

THE ENVIRONMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, June 5 is Clean Air Day, a day to increase public awareness of an action on air quality and climate change. Clean Air Day is part of Canadian Environment Week which promotes the reduction of greenhouse gases and pollutants. Clean Air Day and Environment Week are very much grassroots activities.

Examples of actions across the country this week include: a beach cleanup in Halifax, an environmental health workshop in Quebec City, collection of household toxic wastes for proper disposal in Toronto, and the commuter challenge among 28 communities to see who can cut air pollution the most.

Today in Peterborough the Clean Air Day Bus will be driving the message home. The festively decorated bus will be a reminder for Peterborough residents to get involved in Clean Air Day activities and will promote the importance of active and efficient transportation for our air and our health.

Clean Air Day and Environment Week are all about individuals creating a cleaner and healthier environment.

* * *

JUSTICE

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, last week Focus on the Family released the results of a nationwide poll on child pornography.

Some 80% of respondents believed that the federal government should raise the age of sexual consent to at least 16 years of age from 14 years, 86% disagreed with the recent ruling that acquitted John Robin Sharpe of possessing and distributing child pornography, and 93% said that strengthening child pornography legislation should be a priority for the federal government.

The Liberal government was clearly representing only a small minority of Canadians when it voted against last month's Canadian Alliance motion to strengthen our child pornography laws and to raise the age of sexual consent.

It is time for the Liberal government to fall into step with the rest of Canadians and take the necessary measures to protect our children.

●(1405)

S. O. 31

ORGAN DONATIONS

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, I rise today to applaud the efforts of a constituent of mine. Liver transplant survivor George Marcello and his Step-By-Step road crew are walking across the country to raise awareness for organ and tissue donation.

Throughout his 769 day walk he has been welcomed in over 500 communities, including Barrie, and has raised awareness at almost 4,000 events. His travels have taken him all over the country. He returned to Barrie yesterday and ends his journey at Queen's Park on July 27.

This is a very important issue and I recognized this in my riding of Barrie—Simcoe—Bradford by initiating an awareness campaign three years ago. The campaign is in April of every year and compliments the ongoing national campaign. Canada has almost 4,000 people on the waiting list hoping for lifesaving organs. That is why George Marcello's message is so vital.

I say to George to keep up the good work and wish to congratulate him on his courageous efforts.

* * *

CANADA-U.S. RELATIONS

Mr. Joe Comuzzi (Thunder Bay—Superior North, Lib.): Mr. Speaker, our friendship with the U.S. is built on our close economic reliance and mutual trust. We share the same air, water and ecosystems. We have respect for the freedom of the individual and we mutually respect a system based on the rule of law. The efficient flow of people and goods between our two countries is vital.

However maintaining this close relationship is not without its challenges. Up to now our relationship has been based mainly between the administrations of our two governments and at the ambassadorial level. This relationship I am pleased to report is strong and will be enhanced. Added to our U.S. policy are new initiatives to form stronger, long lasting and productive negotiations with elected members of the U.S. senate, the house of representatives and our elected members of parliament through parliamentary diplomacy.

I urge all members in the House to participate in this very new and exciting venture in foreign affairs.

* * *

GOVERNMENT OF CANADA

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, due to the Liberal government's infighting and loss of focus it is being thrust further and further into an advanced state of turmoil. What exactly has the Prime Minister been doing while he should be addressing the important issues facing Canadians?

S. O. 31

We see him on live TV threatening whistleblowers. We see him enlisting the aid of the national media in his witch hunt to silence those seeking the truth about maybe millions being stolen. We see him defending the donations to the Liberal Party from firms doing business with his own government. We see him firing ministers who will not bow to his wishes. We see him shuffling ministers out the back door to cover up their abuses of authority. We see him defending a government that is both increasingly arrogant and out of touch with Canadians. We see him losing control as more and more of his caucus refuse to yield to his bullying. We see his government with a weak agenda and no vision for the future.

The great Liberal legacy is shaping up and frankly Canadians deserve better.

* * *

TRADE

Mr. Joe Peschisolido (Richmond, Lib.): Mr. Speaker, Dr. Hui Chi Ming is currently visiting Ottawa to discuss his plans to assist in developing the Chinese wood construction market via a pilot project.

Dr. Hui recognizes China's fast growing economy and enormous potential for wood frame development and is looking to Canada for technical guidance, lumber and practical know how. The pilot project will draw on Canadian talent and products in all stages of development and will promote more extensive use of Canadian softwood lumber as the Chinese market becomes more accessible and the quality and availability of Canadian products is fully realized.

Dr. Hui is one of China's most prominent and successful businessmen and philanthropists. He is a recipient of the United Nation's humanity and peace promotion award and is one of China's top ten poverty aid contributors. He is chairman of the Hong Kong Association of International Investment.

This important cultural and economic development initiative is most welcome in Canada, as is Dr. Hui himself.

* * *

AUTOMOBILE INDUSTRY

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, word has come of another blow to the auto industry. DaimlerChrysler will be closing its manufacturing plant in Ajax in December 2003 with a loss of 650 jobs. In the last 18 months approximately 15,000 auto related jobs have been lost in Quebec and Ontario.

The World Trade Organization's decision to kill the Canada-U.S. auto pact and the Liberals' blind faith in free trade have caused this problem. The Liberal government must recognize that there is a growing problem in this vital part of our economy and must act to ensure its long term health and survival.

With the end of the auto pact there is no longer a need for manufacturers to invest in Canada if they are going to sell vehicles here. While we wait for long overdue government action, let us hope that auto makers recognize that one of the costs of selling in this country is investing in this country. Besides which, unemployed workers are not going to buy new cars.

● (1410)

[Translation]

LIBERAL GOVERNMENT

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker

The scandals are not over yet,
Nor are the shuffles you can bet.
The little guy from you know where
Is all but tearing out his hair

In search of traitors 'mongst his men,
But where to start, for then again,
The Liberal Party helps its friends,
And naturally the rules its bends.

It's just like PC days of old.
Ten years ago, what were we told?
Integrity was on the way.
Imagine then our great dismay.

But tricks that worked for 40 years
Are wearing thin as judgment nears
And thoughts of legacies die hard
When one is hoist on one's petard.

* * *

[English]

QUEEN'S JUBILEE

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, 50 years ago, February 6, 1952, Her Majesty Queen Elizabeth II ascended the throne.

The Queen's Jubilee is a special time for Canadians. Many of us will participate in celebrations in our own communities. Certainly we all share in the pride and excitement of Her Majesty's 50th anniversary as the monarch.

The last 50 years have brought great innovation and prosperity to Canada. This is also a time to reflect on our own achievements of the last 50 years and to look forward to the continued promise of financial and social success in the years ahead.

I know that many Canadians eagerly anticipate next October when Her Majesty the Queen and the Duke of Edinburgh will visit Nunavut, British Columbia, Manitoba, Ontario, New Brunswick and the national capital region.

I ask this House to join me in congratulating the Queen on this momentous occasion.

* * *

MINING INDUSTRY

Mr. Rex Barnes (Gander—Grand Falls, PC): Mr. Speaker, I want to talk briefly today about a topic of great importance to the people in my riding of Gander—Grand Falls and all of Newfoundland and Labrador.

*Oral Questions***ORAL QUESTION PERIOD**

[English]

Today I am given to understand that negotiations are ongoing between the province of Newfoundland and Labrador and Inco with respect to the development of Voisey's Bay. In fact I am told that a deal will be done soon.

Given our province's past history of resource giveaways, it is vitally important that the Voisey's deal be a good deal. To ensure that we are getting a good deal any agreement with Voisey's Bay must not be done behind closed doors. It should be publicly debated and should be ratified by the house of assembly in Newfoundland and Labrador before a deal is signed.

Voisey's Bay is a non-renewable resource. We only get one shot at doing it right. We found out with Churchill Falls that it was too late to close the barn door after the horse was gone.

* * *

SHREE SWAMINARAYAN COMMUNITY COMPLEX

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, recently I had the opportunity to participate in a pooja which is a construction commencement ceremony for the start of the Shree Swaminarayan Community Complex that will be located on an 18 acre site in my riding of Etobicoke North.

When completed this site will be an astounding combination of pillars, pinnacles and domes made of marble, stone and hand carved wood. It will be a remarkable architectural achievement and the first of its kind in Canada, making it a unique tourist attraction as well as a fully functioning community centre.

Please join me in celebrating the beginning of this important project for the South Asian community of Etobicoke North.

* * *

PARKS CANADA

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, last September I rose to warn the heritage minister of the environmental harm that was going to occur if national park wardens were unable to fulfill their enforcement role.

Parks Canada has been churning out the line that "little lasting damage was done to national park resources and any that was done was a necessary cost of fighting to be sure wardens did not get side arms".

Nathan Anderson of the *Jasper Booster* newspaper has obtained a leaked document from Parks Canada's serious incident reporting system which tells a very different story.

Numerous cases of poaching and other irreversible environmental damage has occurred.

As I said last fall, a little common sense is needed to save our parks. Park wardens are the best able to protect these national treasures.

CABINET MINISTERS

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, it became clear yesterday that the Prime Minister fired his most influential senior cabinet colleague for reasons he is unwilling or unable to explain. He has now assigned his government's two most important functions, finance and national security, to a single minister.

Does the Prime Minister have so little confidence in the talent of his cabinet and his caucus that he cannot find separate ministers for public security and finance?

● (1415)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the many talents of the Deputy Prime Minister and Minister of Finance are very well known by the people of Canada and by me in particular.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, whatever the evaluation it is hard to believe that post September 11 national security can be properly handled on a part time basis by someone who is Deputy Prime Minister, infrastructure minister and finance minister, especially when we have a new defence minister in place.

Canadians need full time ministers. When will the Prime Minister appoint a full time finance minister and a full time public security minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have absolute confidence that the Deputy Prime Minister can handle it very effectively. He has established an extremely good rapport with Governor Ridge of the United States. The file is about to be completed and I wanted to finish the job. The job will be well finished and relations with Governor Ridge are excellent.

The Leader of the Opposition said that to have good relations with the Americans is to bend and receive a kick in the back and turn and ask the person—

The Speaker: The hon. Leader of the Opposition.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Deputy Prime Minister himself has admitted he cannot handle all the portfolios that have been assigned to him and he is waiting for the summer recess for some reassignments. Already the finance minister is signalling that he will not give the planned update on the nation's economy to the finance committee that his predecessor promised in June.

When can we expect the next cabinet shuffle to deal with the problems that the last two created?

Mr. Howard Hilstrom: Sunday.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Sunday perhaps.

Some hon. members: Oh, oh.

The Speaker: Order. We will want to hear the Prime Minister's reply. The Prime Minister has the floor.

Oral Questions

Right Hon. Jean Chrétien: Mr. Speaker, this morning in cabinet the minister of fisheries said “Prime Minister, you have to play golf on Sunday and I will be your caddy. I want you on the golf course on Sunday, not at the governor general’s”.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, the member for Ottawa South has said he is too busy. Listen to the things he has on his plate. He is the political minister for Ontario, he is in charge of infrastructure, he has security, he is the Deputy Prime Minister and now he is the finance minister.

My question is pretty straightforward. Which of these jobs is he going to do part time, or does he expect a salary for each one of them?

Hon. John Manley: I will quit my job at Tim Hortons.

Some hon. members: Oh, oh.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, he just told me that he has a part time job with Tim Hortons on top of that. If he has too much work, I will become his assistant.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, the Prime Minister fired one of the major leadership rivals. Brian Tobin quit in a huff. I just wonder if this is not a new mechanism to keep another leadership rival so busy that he will hardly be able to breathe.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I never thought about it but it is a good idea.

Some hon. members: Oh, oh.

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[Translation]

GOVERNMENT CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in April 1998, Groupaction got a new contract to produce a second report on the opportunities provided by the federal program’s visibility program. This report does not even exist. So, for a job that it did not do, Groupaction not only received \$550,000, as we already know, but, in addition to this, this major contributor to the Liberal Party’s campaign fund, collected a 12% commission.

Could the minister of public works tell us why Groupaction, whose half a million dollar report cannot be found, received a \$66,000 commission to act as a go-between between itself and the government?

• (1420)

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the hon. gentleman will know that this has been the subject of an examination by the auditor general. The auditor general has taken the step of referring matters with respect to Groupaction to the appropriate police authorities.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, as regards the missing report, the former minister of public works said, on March 11, that the contract had been drafted, and I quote, “in

accordance with treasury board guidelines”. This was said in the House.

Since no go-between was required, could the President of the Treasury Board explain how the payment of a \$66,000 commission to Groupaction is in accordance with the guidelines she is supposed to enforce and which we are told she did enforce?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, again as the hon. gentleman knows, all of the matters with respect to Groupaction are now subject to a police investigation.

Not only has the auditor general referred the matter to the RCMP, but the RCMP have publicly confirmed that they are pursuing an investigation. Accordingly, it would be highly inappropriate for us to do or say anything in the House that might impede or interfere with that investigation.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in 1998-99, the Government of Canada paid the firm Media IDA Vision, a subsidiary of Everest, a sum of \$16,500 to examine the report to be produced by Groupaction and to send out the cheque.

How does the government explain that this Everest subsidiary managed to get paid \$16,500 to examine Groupaction’s report, a report that never existed?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I cannot confirm the preamble of the hon. gentleman’s question. I do not know precisely the point to which he is referring. However, the firm that he refers to in his question was at certain relevant times the agency of record responsible for billing matters.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, under its mandate, Media IDA Vision was to examine the report that Groupaction was supposed to prepare.

When the government was looking for Groupaction’s report, how could it not realize that it had paid this Everest subsidiary \$16,500 for absolutely nothing, except to send out a cheque for a job that was never done?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, again let me put this whole matter in some context. The point I want to make is that the government is absolutely determined to get to the bottom of this series of transactions.

In the first place, my department is conducting a thorough examination of all relevant time periods from 1997 to the year 2000. The auditor general is conducting a government wide audit. Where matters arise that are appropriately of interest to police authorities, those references are made. In every instance we will ensure that the process is transparent and the public interest is protected.

* * *

HOUSING

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, in typical Liberal fashion, just before leaving office the former finance minister promised a new funding plan for municipalities. Yesterday the Prime Minister confirmed there is no plan. No matter who it is, the government is full of empty promises.

Last week the new finance minister signed a social housing deal with Ontario from which most communities will never benefit. More empty promises.

When will the Prime Minister get beyond the problems in the Liberal house and deal with the housing problems of Canadians?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, we have made great progress in working with the provinces and the municipalities in dealing with some of the urban needs. Many of these were indicated in the Prime Minister's task force on housing.

That includes \$2.05 billion in the Canada infrastructure program. We have \$2 billion in the strategic infrastructure program, \$600 million in the border infrastructure program, \$783 million approximately in the homelessness program. Between homelessness, affordable housing at \$680 million, and infrastructure, we have made substantial contributions to the needs of municipalities. We will continue to do so.

• (1425)

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, when it comes to housing the government is the master of the big promise. Then the Liberals go out and get their Liberal Party friends to promote it. How about promoting that 1.7 million Canadians are desperate for housing, a 40% increase over five years, 60,000 wait listed in Toronto alone.

Canadians who need housing cannot wait for the Liberals to get their house in order. Why is the government once again putting party interests and public relations ahead of social housing and municipal needs?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, it is a little hard to understand the point. I thought that in the first question she was criticizing us for signing the agreement with Ontario which will see \$245 million of federal money flow to the province of Ontario for affordable housing. In addition, that money will be matched by provincial and municipal funding, doubling the amount that is available to deal with the shortage of housing in Ontario.

We have come a long way since last fall with the increased funding for affordable housing and homelessness. This of course will not solve every problem in the country, but it is a very important step forward in dealing with those critical problems in Canada's cities.

Oral Questions

GOVERNMENT CONTRACTS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is about VIA Rail, whose chairman, Jean Pelletier, was chief of staff to the Prime Minister during Shawinigate. The RCMP is investigating at least one sponsorship contract with VIA. The crown corporation now refuses to answer journalists' questions about specific sponsorships or advertising contracts.

Has the government told VIA Rail to shut out these media inquiries? Will the minister instruct the crown corporation to answer media questions about sponsorship or other contracts that might involve Jean Pelletier or anyone else at VIA Rail?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, according to the terms of the Financial Administration Act and the responsibilities in the act that are imposed upon public officials, certain matters have been referred for investigation by the RCMP. I can confirm that there has been absolutely no communication between my office and VIA Rail.

[Translation]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, it works for one minister but not for the other one.

The auditor general wants to audit all federal sponsorship and advertising programs and contracts. Will this government-wide audit apply to Via Rail, to the Business Development Bank of Canada and to other crown corporations?

Will it also include the Canada Millennium Scholarship Foundation, the Canada Foundation for Innovation and the other independent foundations to which the government has transferred in excess of \$7 billion?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, in this matter the Auditor General of Canada will speak for herself. She has indicated that as a result of her previous examinations she would be conducting a government-wide audit with respect to advertising and sponsorships. It will be up to her to determine the scope of that work.

*Oral Questions***THE ECONOMY**

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, on his first day on the job the new finance minister reassured international investors that his priorities were the same as his predecessor's. However, one of his first decisions was to cancel the economic update which the former finance minister had scheduled for June 11. So much for staying the course.

Why is the new Minister of Finance putting off informing Canadians and foreign investors on what this government's fiscal outlook is?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, I know that the member wants to be precise in his terms and therefore I am sure he will agree that the financial update has always been given in the fall.

I have not taken a final decision on whether I will appear before the finance committee before the end of June, but he should know that the results we are seeing, particularly looking at the first quarter of this year, are more positive than we were expecting, quite frankly. I think Canadians will be pleased by those results.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, the former minister of finance thought it was pretty important to have an economic update this spring, on June 11 in fact. The former minister stated quite clearly that policy differences were a big part of what got him fired over there. Delaying the economic update will only create further uncertainty. Canadians deserve to know where this government's fiscal priorities are.

If the economic update is delayed until the fall, does that also mean that there will be no federal budget in 2002?

• (1430)

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, if I have not taken a decision on whether I will visit the finance committee in June, I clearly have not taken a decision on when the next budget will be. The member will find out in due course, but I do want to acknowledge his invitation to seek opportunities to draw to the public's attention the excellent economic performance that we have had.

I know that yesterday the markets were very stable. We have seen confidence in international markets in this government. The opportunity to appear before a delegation of international bankers to draw to their attention our excellent economic performance was certainly welcomed by me.

* * *

[Translation]

GOVERNMENT CONTRACTS

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, Media IDA Vision accepted along the way the tidy little sum of \$16,500 in fees to evaluate the work of a corporate friend, Groupaction, before paying for the report, which still does not exist.

How can the Minister of Public Works and Government Services explain that nobody in his department asked to see this evaluation by

Media IDA Vision, which was supposed to confirm that the Groupaction work had in fact been carried out?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the auditor general has inquired into matters related to Groupaction. The auditor general concluded that there were obviously deficiencies and serious problems that needed to be addressed with respect to that file.

That corrective action is now beginning to get underway, including all of the appropriate investigations that need to be undertaken. The government wants to ensure that where mistakes were existing in the past they are not repeated in the future.

[Translation]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, in response to an earlier question from my colleague, the minister answered that an internal investigation was underway. Now, he refers to the auditor general's report.

Would the Minister of Public Works and Government Services not find it easier in the end to turn this matter over to an investigator, or to have an independent public inquiry to get to the bottom of it all, given that he himself is confused?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, there are several levels of inquiry and corrective activity that are underway. My department is examining all of the files once again in that period 1997 to the year 2000.

The auditor general is conducting a government-wide inquiry with respect to advertising and sponsorships.

Where matters that may raise legal issues come to light, they are referred to the appropriate police authorities. The Treasury Board is also examining on a government-wide basis what corrective action might be needed. We are approaching this on all fronts.

* * *

NATIONAL REVENUE

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, the government should not punish Canadians and their provincial governments by clawing back the \$3.3 billion it lost track of. Canadians deserve better.

Will the finance minister assure Canadians that their health care and schools will not be cut to pay for the government's mistakes?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, the hon. member will know that the auditor general released her report on those years in which the overpayments occurred just yesterday. We are going to look carefully at her report and give it the consideration that it deserves prior to taking any decisions with respect to the overpayments.

Oral Questions

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, it is clear that the Liberals cannot manage money. They blew billions on their friends through sponsorships and job scams but never recouped a cent. However, when they overpay the provinces for health and education there is talk of repayment.

When will Canadians finally hear how the government plans to clean up this mess?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, as I said, we will look very carefully at it, but as the hon. member knows, the provinces themselves are in the habit of collecting overpayments whether they occur on welfare, workers' compensation or other payments to their citizens. These things happen occasionally and it is regrettable, but nevertheless it needs to be dealt with.

To suggest that this is a pattern of mis-administration when each year's accounts had been audited by the auditor general is quite an exaggeration.

* * *

[Translation]

GOVERNMENT CONTRACTS

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, a Groupaction report, which was never produced, is under police investigation. This company was paid a 12% commission on its own fees. It charged an intermediary commission on its own contract.

Another company charged 3% to check that the work was done and to issue the cheque. However, it should never have issued the cheque, since the work was not done.

Do these inexplicable aspects, which go beyond carrying out the work in the Groupaction contract, and which are just as mysterious as that contract, not demand that a public inquiry be held?

• (1435)

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, with respect to all of the matters, I believe, referred to in the hon. member's question, I point out that my predecessor took corrective action immediately in each and every case, including the suspension of the sponsorship relationship with Groupaction.

Obviously in years gone by there were problems and errors with respect to Groupaction. A series of corrective actions is now in the process of being implemented and we are absolutely determined to make sure that this experience is not repeated.

[Translation]

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the government continually uses the excuse of the police investigation into the Groupaction affair to avoid providing any answers. Furthermore, it systematically rejects the witnesses we would like to hear from at the Standing Committee on Public Accounts.

Does the public interest and the right of citizens to be informed not demand a real, open and full investigation, commonly known as a public inquiry?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, with matters related to financial administration, surely the public official that is best equipped to deal with those questions is in fact the auditor general. She is conducting a government-wide inquiry.

Where any matters bear upon legal issues, surely the most effective remedy there is reference to the appropriate police authorities and that is in fact being done.

We are dealing with this issue in the proper manner.

* * *

CANADIAN WHEAT BOARD

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, last Thursday 10 officials of the Canadian Wheat Board attended the now famous Liberal Party fundraiser in Winnipeg at a price tag of at least \$400 each. The money for the tickets was taken from prairie wheat farmers who are forced to participate in this monopoly.

Forcing farmers to donate their hard-earned money to the Liberal Party is clearly wrong. Does the Prime Minister not see this as a highly unethical practice?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, approximately two years ago a directive was issued that crown corporations were not to make contributions to political parties. I committed myself at that time that if any of them did, the money would be returned.

An hon. member: That's not a crown corporation.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, it goes beyond that. The government appointed five of the directors present at the Liberal Party fundraiser. They clearly contravened the code of conduct guidelines for directors of the Canadian Wheat Board. These guidelines state that a director's "political activities must be clearly separated from activities related to" his or her appointment.

Does the Prime Minister support his wheat board officials violating their own code of conduct and what will he do about it?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I have no personal knowledge at all of the matters that the hon. gentleman alleges, but quite frankly I take the allegations seriously. I will make the appropriate inquiries and if any guidelines have in fact been contravened, corrective action will be taken.

*Oral Questions***RESEARCH AND DEVELOPMENT**

Mr. Tony Tirabassi (Niagara Centre, Lib.): Mr. Speaker, as a member of parliament proud to have a progressive university in my riding, Brock, I understand and appreciate the importance of the government's support for the skilled academic workforce that is essential for competing in this knowledge based economy.

Could the minister responsible for science, research and development tell the House what the federal government plans to do to meet the goal of a skilled academic workforce?

Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, to complete this research and development target to make Canada one of the top five countries in the world in research and development is part of our innovation strategy. Toward this goal we are pleased to have announced funding for some 3,000 research grants worth over \$360 million, benefiting 62 post-secondary education institutions, college professors and university professors.

Indeed, we have committed to unleashing the full potential of our universities in our innovation strategy agenda.

* * *

THE ENVIRONMENT

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, it has been almost six months since the Canadian government completed the consultation process on a national progress report regarding sustainable development. We are required to submit this report to the UN in advance of the world summit in Johannesburg this summer.

It is widely believed that the report reveals Canada's abysmal performance in protecting the environment. The government has had several opportunities to submit the report, including at the current preparatory meetings in Bali.

Could the Minister of the Environment indicate why we do not have it yet? Where is it?

•(1440)

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, in an effort to have an entirely arm's length analysis of the Canadian government's performance and Canada's performance in this regard, we put the work in the hands of a private company which carried out the study. The company has reported. The government is now examining it.

I think that if the hon. member looks back on past performances of Canadian governments and Canada as a whole, he will see that Canada normally ranks about second, third or fourth out of the 123 countries that are normally checked on this particular file.

* * *

INFRASTRUCTURE PROGRAM

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the government has ignored and delayed addressing border congestion on Huron Church Road in Windsor, creating environmental degradation and threatening economic development in Ontario.

My question is for the Deputy Prime Minister, Minister of Finance and Minister of Infrastructure. We will just call him minister of everything.

Yesterday the minister stated that there were \$600 million of immediate border moneys available. Could the minister tell the House if he will support the city of Windsor's request for 100% financing of \$1.2 million for operational improvements to address the immediate need, or is he too busy to perform his duties, yes or no?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, I hope to have cabinet approval shortly for both the strategic infrastructure program and the border infrastructure program so that we can begin to deal with local authorities on appropriate projects.

I want to assure the hon. member that I consider the situation at the Windsor border to be one of the critical issues that needs to be dealt with in both the areas of border and strategic infrastructure. It is the place at which 25% of our trade crosses. We will be looking at it and we need the support of local authorities to do so.

* * *

GOVERNMENT CONTRACTS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, we agree with the premier of P.E.I. who is in favour of federal projects to Atlantic Canada based on merit, not politics. We question the practice of untendered contracts to Liberal friends, family and party workers.

The Liberal connected APM group received an untendered contract to build the Greenwich Interpretive Centre at a cost of \$3.5 million and then signed a 48 year lease with Parks Canada worth over \$17 million.

Will the solicitor general release all the terms of the Greenwich lease agreement in his riding between his government and his friend, P.E.I. Liberal Party president and APM CEO, Tim Banks?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, the hon. member has, on several occasions, drawn reference to problems that are occurring in Atlantic Canada. He seems to be agreeing with the Canadian Alliance on a regular basis.

Tim Banks is a private businessman who was involved with the Atlantic Canada Opportunities Agency long before he was ever involved with the Liberal Party, and his repayment record on all his loans has been impeccable.

*Oral Questions***MINING INDUSTRY**

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the Minister of Industry is about to give Inco in excess of \$100 million to construct a test plant that will use the hydromet process to refine ore from Voisey's Bay.

Does the minister have a rock solid guarantee that following the three to five year process the company will not renege on a permanent facility and continue to ship ore from the mine, benefiting the rest of the country but giving Newfoundland and Labrador the shaft again?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, on all arrangements on the Voisey's Bay project, first and foremost there must be a lease agreement from the province to Inco. On all federal support to the program it is absolutely contingent on that lease agreement being in place before any funding is put into place. We are making sure there are strong regional and national benefits associated with the project.

* * *

GOVERNMENT CONTRACTS

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, Claude Boulay said "You don't have to be a good little Liberal to receive government contracts but it helps", and helps and helps.

Media IDA Vision is another company owned by Mr. Boulay of Groupe Everest fame and condo rentals. No sooner did IDA come into being than it became the agency of record for all government advertising. That is a five year monopoly.

Was this just a coincidence or does this have everything to do with Mr. Boulay's generous contributions to the Liberal Party?

• (1445)

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I made some inquiries with respect to this matter and the information before me would indicate very clearly that Media IDA Vision was selected for a role as agency of record through a process that was completely competitive in 1998.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, this is a brand new company with absolutely no track record in advertising and it gets a five year monopoly. It must have been some process.

Mr. Boulay through his shadow companies now controls three-quarters of all government advertising, \$60 million last year alone.

We have had a string of public works ministers over there and every one of them have hid behind the line that Treasury Board guidelines were followed. Some guidelines.

A public works audit in 2000, again the one they hide behind, however, said "The process did not fully comply with the spirit or the letter of Treasury Board rules and directives". This kind of goes against what they have been saying.

Why do the Liberals consistently break the rules for their political contributors?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I think the hon. gentleman may be mixing up audits. However I do want to share with him the comments of the auditor general with respect to the internal audit division of Public Works and Government Services Canada.

The auditor general says that the internal audit function of this department is excellent, courageous and does firstclass work. It was that audit which revealed the difficulties we are now dealing with. The Treasury Board Secretariat is pursuing a government wide approach to improve the process with respect to sponsorships, advertising and polls.

[Translation]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the scandals now dogging the sponsorship program are ample proof that it is time to end this program and all the commissions paid to friends of the party, and set up a genuine program of support for events.

Does the government intend to set up a genuine program of support for cultural and sports events, so that they do not suffer because of scandals that have nothing to do with them?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, two points need to be made here.

First, I believe there is broad support in the House and broad support among Canadians for the principle of what the sponsorship program has sought to achieve. I have before me letters from the leader of the Bloc Québécois and the member for Rimouski-Neigette-et-la Mitis, for example, endorsing what the program was trying to achieve.

Some administrative difficulties have been identified and the government has laid out a very aggressive program on how we will correct those administrative problems while we continue to—

The Speaker: The hon. member for Quebec.

[Translation]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, we know that in its present form the sponsorship program is a program for distributing commissions to friends of the party.

Does the government intend to put an end to the existing sponsorship program and transform it immediately into a program of support for cultural events, without any commissions to cronies and run directly by public servants? That is my question.

*Oral Questions**[English]*

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I have on other occasions provided the answer to that question.

First, I appreciate the inherent recognition of the value of what the program was trying to accomplish. That is exceedingly important.

Second, can we improve the administration? Can we find better ways to deliver this support to communities, groups and organizations? Can we build the country at the same time and save money? Yes, indeed, I believe we can.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, last year two related companies, Groupe Everest and Media IDA Vision, received 75% of all advertising service contracts for the government. Treasury Board Secretariat guidelines prohibit any company from getting more than 25%.

Does the fact that well connected Claude Boulay controls both companies account for this breach of the rules?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I will personally examine the facts that the hon. gentleman alleges. I take his point seriously. I will check into anything that might constitute an irregularity or a violation of the guidelines.

The guidelines and the operating procedures are important to ensure that there is transparency and fairness in all these activities.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I agree with that, and the minister will find the guidelines and the figures he is looking for on his own website.

Groupe Everest and Claude Boulay worked on the 2000 federal Liberal campaign in Quebec. The company gave a \$77,000 donation to the Liberal Party. Both the former minister of public works and the minister of immigration stayed at the home of the owner. It is plain to see how this company got the contract. Someone broke the rules for a political friend. Canadians deserve better.

I will ask my question again. When will the government stop breaking the rules for its friends and live up to what—

• (1450)

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I do not accept the premise of the question. However I want to point out that corrective action is already in the process of being taken on a number of fronts.

Let me specifically mention one. The Prime Minister has asked the President of the Treasury Board to examine all the means by which advertising, sponsorship and polling activity by the Govern-

ment of Canada can be improved in the public interest and in the spirit of what the auditor general has said.

* * *

TECHNOLOGY PARTNERSHIPS

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, after months of waiting, the Minister of Industry was able to tell the House that Cascade Data Services Inc. is a subsidiary of MacDonald Dettwiler and Associates, an aerospace company that has contributed more than \$50,000 to the Liberal Party since 1998.

It took my office about five minutes to obtain this information and to also find out that Cascade was not listed as a subsidiary of MDA in either its 2000 or 2001 annual reports or on its website as of this morning.

What we have not been able to determine is whether in fact this company exists. Could the Minister of Industry confirm to Canadians that this \$87 million loan was made to a viable company?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, not a single penny of this \$87 million risk sharing investment has yet been advanced and it will not be advanced until all conditions imposed by officials of Industry Canada have been satisfied, including the details to which the member refers.

The member should know as well that when the money is invested it will be on a ratio of 10:1 of private investments. As this whole project goes forward almost \$1 billion of private investment is involved at a ratio of 10:1. That is the kind of investment in new, innovative technology that we need in the country. It is a good investment on behalf of the people of Canada.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the minister should get a better briefing from his officials because according to the public accounts 2000-01 report, Cascade Data Services Inc. had already received \$300,000 by the end of 2000. Unfortunately we do not know how much it has received since then.

Could the minister tell the House what qualifies a company incorporated only three months before to receive an \$87 million loan from the taxpayers of Canada? Could he explain what he just said to the House in light of the fact that the public accounts report of last year confirms that \$300,000 went to this corporation?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, like all TPC applications, this application was reviewed in detail by officials and it was decided only after an examination of the prospectus that it was a good investment for the public interest.

Oral Questions

There is broad support for our goal to make Canada among the top five nations in the world for research and development. Right now we are number 14 in OECD. We are not going to get there unless we, like other countries, provide investments in industries and in businesses that create new knowledge and bring new products to the market. This is an example of that. It is done by all civilized countries. We are not going to get left behind.

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the former Minister of Finance recognized the fiscal imbalance in the municipal sector, but denied its existence between the provinces and the federal government.

My question for the new Minister of Finance is this: Is he prepared to meet the demands of Pauline Marois and all the opposition parties in the National Assembly, by first admitting that a dangerous fiscal imbalance exists between Ottawa and the provinces?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, I would be very pleased to meet with Ms. Marois and to discuss the fiscal situation in Quebec and in the other provinces.

The provinces have the same ability to raise taxes as does the federal government. It is up to her to decide on the level of taxes and spending in the province of Quebec.

* * *

● (1455)

[English]

NATIONAL DEFENCE

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, the Canadian military is in crisis. The defence committee, after taking more than a year to examine the operational readiness of our Canadian forces, came out with its report last week. The conclusion was that the military was in crisis and it had to be acted on immediately.

The minister has had a week to read the report. Is he prepared to act upon the first recommendation?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, that is a very interesting question coming from across the aisle when back in 1995 the then leader of the opposition stated in the House of Commons, "I do not intend to dispute in any way the need for defence cuts".

That was said by the member's leader. I think he should check with his boss to find out what his party's policy is.

* * *

[Translation]

OFFICIAL LANGUAGES

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, according to the Commissioner of Official Languages, the government is exhibiting laxity as far as official language skill requirements and monitoring are concerned at the senior public service level.

Does the minister responsible for official languages agree with the commissioner that all senior public service positions should be bilingual?

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, it is very clear that we do require our senior executives to be bilingual, which is why we even have a skill upgrading program to help them attain a certain level.

We are pleased that the commissioner herself has reported that there have been some positive developments over the past two years. She emphasized the efforts made by the public service specifically to attain this high standard.

* * *

[English]

AIRPORT SECURITY

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, on May 10 the U.S. congress rejected a plan to double the U.S. security fees at airports. On May 14 the European parliament passed legislation to have security costs come from general revenues and not from airports or air travellers.

Canada's air security tax is the highest in the world and threatens our \$54 billion tourism industry. Summer tourists are crucial to that industry. Is the new minister accepting responsibility for the losses to tourism or will he end this harmful tax immediately?

Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.): Mr. Speaker, I am sure the hon. member agrees with the principle that those who use services should pay for them. Certainly it is of interest to me to determine if the revenues meet the expenditures and that is something we will monitor very closely. However in the meantime the principle of user pay applies to this sector.

* * *

LEADERSHIP CAMPAIGNS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, now that the Prime Minister has ordered all leadership campaigns to shut down so that ministers can concentrate on government business, would he tell the House whether he has also shut down his own leadership defence fund?

The Speaker: I am afraid that question does not appear to have anything to do with the administration of the Government of Canada and accordingly is out of order, much as the Prime Minister might want to reply. However, if the question is out of order, it is hard to imagine how the reply could be in order.

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NATIONAL DEFENCE

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, it is pretty disappointing that the new Minister of National Defence, in his response to the very first question and a serious question about the crisis in the military, gave a cutesy, flippant response that was not appropriate. This issue is too serious.

I would like to ask the minister this. Is he going to respond to the committee report and is he going to respond to that first recommendation?

Government Orders

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I hope the hon. member is not referring to his own leader as cutesy and flippant. My point is that whereas the government committed \$5 billion of additional defence spending to the military in the years to 2006, his own current Leader of the Opposition, writing in his so-called taxpayers' budget, called for a \$1 billion cut in defence spending. Where do they stand?

GOVERNMENT ORDERS

[*English*]

AN ACT TO AMEND THE CRIMINAL CODE (CRUELTY TO ANIMALS AND FIREARMS) AND THE FIREARMS ACT

The House resumed from June 3 consideration of the motion that Bill C-15B, an act to amend the Criminal Code (cruelty to animals and firearms) and the Firearms Act, be read the third time and passed, and of the amendment and of the amendment to the amendment.

The Speaker: It being 3 p.m., pursuant to order made on Monday, June 3, the House will now proceed to the taking of the deferred recorded division on the subamendment.

Call in the members.

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

(*Division No. 291*)

YEAS

Members

Abbott	Ablonczy
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bailey	Barnes (Gander—Grand Falls)
Benoit	Bergeron
Borotsik	Breitkreuz
Brien	Brisson
Burton	Cadman
Casson	Chatters
Clark	Cummins
Dalphond-Guiral	Desrochers
Dubé	Duceppe
Duncan	Elley
Epp	Forseth
Gagnon (Québec)	Gallant
Gauthier	Girard-Bujold
Goldring	Grewal
Grey	Guay
Guimond	Harper
Harris	Hearn
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Jaffer
Johnston	Kenney (Calgary Southeast)
Laframboise	Lalonde
Lancôt	Lebel
Lunn (Saanich—Gulf Islands)	MacKay (Pictou—Antigonish—Guysborough)
Marceau	Mark
Martin (Esquimalt—Juan de Fuca)	Mayfield
McNally	Ménard
Meredith	Merrifield
Mills (Red Deer)	Moore
Pallister	Paquette
Penson	Perron
Picard (Drummond)	Rajotte
Reid (Lanark—Carleton)	Reynolds
Ritz	Rocheleau
Roy	Sauvageau
Skelton	Solberg
Spencer	St-Hilaire

Stinson
Thompson (New Brunswick Southwest)
Toews
Venne
Williams

Strahl
Thompson (Wild Rose)
Vellacott
White (North Vancouver)
Yelich— 86

NAYS

Members

Adams	Alcock
Anderson (Victoria)	Assad
Assadourian	Augustine
Bagnell	Barnes (London West)
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blaikie	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Carignan
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Coderre
Collenette	Comartin
Comuzzi	Copps
Cotler	Cullen
Cuzner	Desjarlais
DeVillers	Dion
Dromisky	Drouin
Duplain	Easter
Efford	Eyking
Farrah	Finlay
Folco	Fontana
Galloway	Godfrey
Godin	Goodale
Grose	Guarnieri
Harb	Harvard
Harvey	Hubbard
Ianno	Jackson
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	LeBlanc
Leung	Lill
Lincoln	Longfield
MacAulay	Macklin
Mahoney	Malhi
Maloney	Manley
Marcil	Marleau
Martin (Winnipeg Centre)	Masse
McCallum	McDonough
McGuire	McKay (Scarborough East)
McLellan	McTeague
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pagtakhan	Paradis
Parrish	Patry
Peric	Peschisolido
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Price	Proctor
Proulx	Provenzano
Redman	Reed (Halton)
Regan	Richardson
Robillard	Rock
Saada	Savoy
Scott	Sgro
Shepherd	Simard
Speller	St-Jacques
St-Julien	St. Denis
Steckle	Stewart
Stoffer	Szabo
Thibault (West Nova)	Thibault (Saint-Lambert)
Tirabassi	Tonks
Ur	Valeri

Government Orders

Vanclief
Wappel
Whelan
Wood— 155

Volpe
Wasylcia-Leis
Wilfert

PAIRED

Members

Allard
Bonwick
Fournier
Graham
McCormick
Plamondon

Asselin
Crête
Gagnon (Champlain)
Lee
Pettigrew
Tremblay— 12

• (1510)

[*Translation*]

The Speaker: I declare the amendment lost.

[*English*]

The next question is on the amendment to the amendment.

Ms. Marlene Catterall: Mr. Speaker, I think if you seek it you would find consent that the vote on the immediately previous motion be applied to the motion now before the House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, the member for Calgary West will be voting with the party on the amendment.

Mr. Art Hanger: Mr. Speaker, I will be voting with my party on the amendment.

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

*(Division No. 292)***YEAS**

Members

Abbott
Anders
Bachand (Saint-Jean)
Barnes (Gander—Grand Falls)
Bergeron
Breitkreuz
Brison
Cadman
Chatters
Cummins
Desrochers
Duceppe
Elley
Forsyth
Gallant
Girard-Bujold
Grewal
Guay
Hanger
Harris
Hill (Macleod)
Hilstrom
Johnston
Laframboise
Lancôt
Lunn (Saanich—Gulf Islands)
Marceau
Martin (Esquimalt—Juan de Fuca)
McNally
Meredith
Mills (Red Deer)
Pallister
Penson

Ablonczy
Bachand (Richmond—Arthabaska)
Bailey
Benoit
Borotsik
Brien
Burton
Casson
Clark
Dalphond-Guiral
Dubé
Duncan
Epp
Gagnon (Québec)
Gauthier
Goldring
Grey
Guimond
Harper
Hearn
Hill (Prince George—Peace River)
Jaffer
Kenney (Calgary Southeast)
Lalonde
Lebel
MacKay (Pictou—Antigonish—Guysborough)
Mark
Mayfield
Ménard
Merrifield
Moore
Paquette
Perron

Picard (Drummond)
Reid (Lanark—Carleton)
Ritz
Roy
Skelton
Spencer
Stinson
Thompson (New Brunswick Southwest)
Toews
Venne
Williams

Rajotte
Reynolds
Rocheleau
Sauvageau
Solberg
St-Hilaire
Strahl
Thompson (Wild Rose)
Vellacott
White (North Vancouver)
Yelich— 88

NAYS

Members

Adams
Anderson (Victoria)
Assadourian
Bagnell
Bélanger
Bennett
Bevilacqua
Blaikie
Bonin
Boudria
Brown
Bulte
Caccia
Caplan
Carroll
Catterall
Chamberlain
Chrétien
Collenette
Comuzzi
Cotler
Cuzner
DeVillers
Dromisky
Duplain
Efford
Farrah
Folco
Galloway
Godin
Grose
Harb
Harvey
Ianno
Jennings
Karetak-Lindell
Keys
Knutson
Lastewka
Leung
Lincoln
MacAulay
Mahoney
Maloney
Marcil
Martin (Winnipeg Centre)
McCallum
McGuire
McLellan
Minna
Murphy
Nault
Normand
O'Reilly
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Price
Proulx
Redman
Regan
Robillard
Saada
Scott
Shepherd
Speller

Alcock
Assad
Augustine
Barnes (London West)
Bellemare
Bertrand
Binet
Blondin-Andrew
Bonwick
Bradshaw
Bryden
Byrne
Calder
Carignan
Castonguay
Cauchon
Charbonneau
Coderre
Comartin
Copps
Cullen
Desjarlais
Dion
Drouin
Easter
Eyking
Finlay
Fontana
Godfrey
Goodale
Guamieri
Harvard
Hubbard
Jackson
Jordan
Karygiannis
Kilgour (Edmonton Southeast)
Kraif Sloan
LeBlanc
Lill
Longfield
Macklin
Malhi
Manley
Marleau
Masse
McDonough
McKay (Scarborough East)
McTeague
Mitchell
Myers
Neville
O'Brien (London—Fanshawe)
Owen
Paradis
Patry
Peschisolido
Pickard (Chatham—Kent Essex)
Pratt
Proctor
Provenzano
Reed (Halton)
Richardson
Rock
Savoy
Sgro
Simard
St-Jacques

Government Orders

St-Julien
Steckle
Stoffer
Thibault (West Nova)
Tirabassi
Ur
Vanclief
Wappel
Whelan
Wood— 155

St. Denis
Stewart
Szabo
Thibeault (Saint-Lambert)
Tonks
Valeri
Volpe
Wasylycia-Leis
Wilfert

Copps
Cullen
Desjarlais
Dion
Drouin
Easter
Eyking
Finlay
Fontana
Godfrey
Goodale
Guarnieri
Harvard
Hubbard
Jackson
Jordan
Karygiannis
Kilgour (Edmonton Southeast)
Kraft Sloan
LeBlanc
Lill
Longfield
MacAulay
Mahoney
Maloney
Marcil
Martin (Winnipeg Centre)
McCallum
McGuire
McLellan
Minna
Murphy
Nault
Normand
O'Reilly
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Price
Proulx
Redman
Regan
Robillard
Saada
Scott
Shepherd
Speller
St-Julien
Steckle
Stoffer
Thibault (West Nova)
Tirabassi
Ur
Vanclief
Wappel
Whelan
Wood— 157

Cotler
Cuzner
DeVillers
Dromisky
Duplain
Efford
Farrah
Folco
Galloway
Godin
Grose
Harb
Harvey
Ianno
Jennings
Karetak-Lindell
Keyes
Knutson
Lastewka
Leung
Lincoln
Lunn (Saanich—Gulf Islands)
Macklin
Malhi
Manley
Marleau
Masse
McDonough
McKay (Scarborough East)
McTeague
Mitchell
Myers
Neville
O'Brien (London—Fanshawe)
Owen
Paradis
Patry
Peschisolido
Pickard (Chatham—Kent Essex)
Pratt
Proctor
Provenzano
Reed (Halton)
Richardson
Rock
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Sgro
Simard
St-Jacques
St. Denis
Stewart
Szabo
Thibeault (Saint-Lambert)
Tonks
Valeri
Volpe
Wasylycia-Leis
Wilfert

PAIRED

Members

Allard
Bonwick
Fournier
Graham
McCormick
Plamondon

Asselin
Crête
Gagnon (Champlain)
Lee
Pettigrew
Tremblay— 12

The Speaker: I declare the amendment lost.

The next question is on the main motion.

Ms. Marlene Catterall: Mr. Speaker, I think if you seek it you would find consent to apply the vote on the previous motion in reverse to the motion now before the House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, on this motion, I would like the member for Saanich—Gulf Islands to be recorded as a yea.

Ms. Colleen Beaumier: Mr. Speaker, as I was absent for the first vote I would like to be counted as having voted with my government on the motion.

Mr. Garry Breitkreuz: Mr. Speaker, will we not also give those Liberals who were very vocal in their opposition to this an opportunity to stand?

The Speaker: People seem to be taking all kinds of opportunities but at the moment I think we will conclude the matter.

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

(Division No. 293)

YEAS

Members

Adams
Anderson (Victoria)
Assadourian
Bagnell
Beaumier
Bellemare
Bertrand
Binet
Blondin-Andrew
Bonwick
Bradshaw
Bryden
Byrne
Calder
Carignan
Castonguay
Cauchon
Charbonneau
Coderre
Comartin

Alcock
Assad
Augustine
Barnes (London West)
Bélanger
Bennett
Bevilacqua
Blaikie
Bonin
Boudria
Brown
Bulte
Caccia
Caplan
Carroll
Catterall
Chamberlain
Chrétien
Collenette
Comuzzi

Abbott
Anders
Bachand (Saint-Jean)
Barnes (Gander—Grand Falls)
Bergeron
Breitkreuz
Brison
Cadman
Chatters
Cummins
Desrochers
Duceppe
Elley
Forsteth
Gallant
Girard-Bujold
Grewal
Guay
Hanger
Harris

NAYS

Members

Ablonczy
Bachand (Richmond—Arthabaska)
Bailey
Benoit
Borotsik
Brien
Burton
Casson
Clark
Dalphond-Guiral
Dubé
Duncan
Epp
Gagnon (Québec)
Gauthier
Goldring
Grey
Guimond
Harper
Hearn

Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Jaffer
Johnston	Kenney (Calgary Southeast)
Laframboise	Lalonde
Lancôt	Lebel
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Mark	Martin (Esquimalt—Juan de Fuca)
Mayfield	McNally
Ménard	Meredith
Merrifield	Mills (Red Deer)
Moore	Pallister
Paquette	Penson
Perron	Picard (Drummond)
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Rocheleau	Roy
Sauvageau	Skelton
Solberg	Spencer
St-Hilaire	Stinson
Strahl	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Toews
Vellacott	Venne
White (North Vancouver)	Williams
Yelich — 87	

PAIRED

Members

Allard	Asselin
Bonwick	Crête
Fournier	Gagnon (Champlain)
Graham	Lee
McCormick	Pettigrew
Plamondon	Tremblay — 12

The Speaker: I declare the motion carried.
(Bill read the third time and passed)

ROYAL ASSENT

• (1515)

[Translation]

The Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

June 4, 2002

Mr. Speaker,

I have the honour to inform you that the Honourable Jack Major, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy of the Governor General, will proceed to the Senate Chamber today, the 4th day of June, 2002, at 4.15 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

[English]

* * *

POINTS OF ORDER

STANDING COMMITTEE ON TRANSPORT—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the point of order raised earlier today by the hon. member for West Vancouver—Sunshine Coast. He has argued that the notice of meeting of the Standing Committee on Transport is not valid since it is in violation of the order adopted by the House on May 27.

Government Orders

That order creates a new Standing Committee on Government Operations and Estimates and lays out the mandate of the new committee. However by modifying the mandate of the former Standing Committee on Transport and Government Operations the House has also in effect created another new committee, the Standing Committee on Transport. This view is supported by the wording of the House order which instructs the Standing Committee on Procedure and House Affairs to prepare and report to the House lists of members to compose the new standing committees.

[Translation]

This, as I understand it, is precisely the point being made by the hon. member for West Vancouver—Sunshine Coast, and I agree that he is quite correct.

[English]

I have therefore given instructions that the appropriate corrective measures be taken and that the usual practices regarding the organization of newly constituted committees be followed in the case of the new Standing Committee on Transport.

[Translation]

I thank the hon. member for West Vancouver—Sunshine Coast for his customary diligence in bringing this matter to the attention of the House.

• (1520)

[English]

I also wish to inform the House that because of the deferred recorded divisions, government orders will be extended by 14 minutes.

GOVERNMENT ORDERS

[Translation]

NUCLEAR SAFETY AND CONTROL ACT

The House resumed consideration of the motion that Bill C-57, An Act to amend the Nuclear Safety and Control Act, be now read a second time and referred to a committee.

The Speaker: Before the beginning of oral question period, the hon. member for Argenteuil—Papineau—Mirabel had five minutes left to receive questions and comments about his speech.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to point this out to my colleague from Argenteuil—Papineau—Mirabel. The amendment to subsection 46(3) obviously specifies that the financial institution will no longer be responsible if a place is contaminated.

When financial institutions lend money to someone who represents a certain risk, they often ask for extra guarantees and even endorsers, sometimes one, sometimes two.

In contrast, and we know very well that the nuclear industry is particularly dangerous, the section of the act that existed before allowed them to be held responsible.

Government Orders

So, indirectly, and I said this throughout the day and will repeat it once again, the section that existed before ensured that the private sector would not be favoured as a manager of nuclear plants.

I would like my colleague to comment on this.

Mr. Mario Laframboise: Mr. Speaker, I thank my colleague, the member for Sherbrooke, for his question.

It is important that Quebecers and Canadians who are listening understand the meaning of these changes. The old section 46(3) in the legislation explained who was responsible, and I quote:

—any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination.

It referred to all persons, in the natural and legal senses, who had “a right to or interest in”, which clearly includes bankers. I also believe this includes the federal or provincial governments, which provide subsidies or direct assistance to these companies. When there is a guarantee regarding the work done in a nuclear establishment, there is automatically a right or an interest. The old legislation held accountable bankers and governments that gave money to these organizations, or invested in them.

The new paragraph establishes who will be responsible:

—any other person who has the management and control of—

It is no longer persons with an interest; now it is the management. Bankers and governments, those who could have invested in these companies, are no longer included.

This is happening at a critical time. A great deal of investment is required to renovate all of the nuclear infrastructure. We know that it is very dangerous. Why is this happening now? This is what I would like to point out to my colleague, the member for Sherbrooke.

This is happening now because there is a great deal of work to be done. Heavy decontamination burdens have been uncovered and this will continue in the next few years. The Liberal Party wants its banker friends to be free of any responsibilities. This is not only for those who will invest in the future; it is for those who have made loans to these companies, and for governments, including the federal government, which may have provided loans or subsidies to these companies.

As soon as Bill C-57, which we are discussing today, enters into effect, bankers and governments that had a right to, or interest in these facilities will no longer be responsible for the decontamination. The government is washing its hands of the whole thing; its banker friends are also off the hook. The Liberal government has no social conscience.

• (1525)

[English]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on Bill C-57, an act to amend the Nuclear Safety and Control Act. We have many concerns about the bill. Some of them have been enunciated by our environment critic, the member for Windsor—St. Clair. I would like to elaborate on those comments and indicate to members present our grave concerns about the bill.

First, let us be clear about what this bill would do. Although it may be short in length, the bill very clearly would limit the current liability provisions related to the cost of a cleanup stemming from an incident impacting the environment. It is very much a serious issue in terms of the environment, nuclear energy and the whole area of privatization.

I forgot to mention, Mr. Speaker, that I will be splitting my time with the member for Sackville—Musquodoboit Valley—Eastern Shore.

As currently defined in subsection 46(3) of the Nuclear Safety and Control Act, any person with an interest in the affected land or facility is potentially liable for the cost of cleaning up any contamination resulting from an incident. This point is relevant to the debate at hand because the provision includes not only the owners and operators but also a mortgage lender or holder of a security interest in the land. That is the way the act now reads.

The amendment before us today, through Bill C-57, would actually narrow the scope of potential liability to include only the owners and operators. It seems to me that we are dealing with a fairly significant issue, something that is worthy of considerable debate in the House. Yet the Liberal government would actually have us believe that this is simply a housekeeping bill to correct a flaw in existing legislation and would like it fast tracked with little debate and no study by committee.

It seems to me that this is becoming the preferred *modus operandi* of the Liberal government of the day: fast track legislation, keep the public out of the process, limit debate and keep study of important issues to a bare minimum. It is certainly a pattern we have seen repeated over and over again in the House and one which we hope will come to an end. Perhaps with this bill the government may see the wisdom of allowing for some debate and thorough consideration.

I will focus on part of the concerns we have with this bill. As I mentioned, my colleague from Sackville—Musquodoboit Valley—Eastern Shore will pursue our further concerns.

Is it not interesting that just days before we know the parliamentary session will end, the government brings forward a bill, last Friday to be exact, asking the House to give support for its swift passage because suddenly time is of the essence. We do not believe this matter can be treated lightly.

We have some serious concerns and it will be very difficult for us to accommodate the government agenda and to accommodate a request caused of its own doing by waiting until the last minute to bring this forward and ask for our consent. It is not possible for us to facilitate this unilateral, arbitrary attempt by the government to bypass the committee process and to silence debate.

• (1530)

We are dealing with a rather significant issue. We are talking about the loosening of regulations in the nuclear industry and lending our support to a bill that facilitates the privatization process. These issues are far too important to be dealt with in such a cavalier fashion and we will certainly try to send a clear message to the government in this debate.

Government Orders

I would like to focus on the privatization issue because it is clear that the bill is intended to facilitate that process. We are talking about privatization in Canada's nuclear industry. That fact is absolutely clear. The matter is plain and simple.

Let me go through some of the points that embellish this fact.

In the short term the bill is targeted to assist Bruce A and B nuclear generating plants in Ontario. We all know that Bruce Power is Ontario's largest independent generator of electricity. It is in effect foreign owned, with the predominant manager being British Energy, the United Kingdom's largest electricity generator. As was pointed out earlier, as a private operator, Bruce Power must raise capital by borrowing from the banks. However because of the current wording in the Nuclear Safety and Control Act, banks are unwilling to lend to Bruce Power because of potential liability.

We also know that Bruce Power has been investing in its operations. It has opened up four of the nuclear reactors and wants to open up the remaining four. It is projecting its investment to reach close to \$2 billion over the next four years. Through the government, it is seeking a way to facilitate its accomplishment of the project. It is seeking, through Bill C-57, to allow Bruce Power to maintain its investment and provide capital for expansion.

It is very unlikely that banks would lend money even with the proposed changes, as the property would not likely be seen as viable collateral in any event. We must also consider that this sector is unlikely to ever turn a profit in any case. However we have to be very vigilant on this issue and very concerned about the ramifications of an amendment that would actually narrow the scope of liability for those involved in the nuclear power industry.

As it now stands, liability is already limited to only \$75 million under the Nuclear Liability Act. Many would certainly argue that the industry is already unduly protected by legislation and needs tougher liability laws not weaker ones.

The federal government clearly seems intent on supporting the privatization of the nuclear industry. In fact the Minister of Environment has already stated publicly that he is not concerned about the privatization of Ontario Hydro. Clearly Bill C-57 would facilitate the expansion or greater participation of private utilities, particularly with regard to nuclear power generators.

In conclusion, and before I turn it over to my colleague, on behalf of members of our caucus we are very concerned about the bill. We will be monitoring the process very carefully because we absolutely oppose any attempt to deregulate and privatize our public power utilities and any measures that contribute to that.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, first, I want to thank my colleague for her speech. I just want to ask her how the bill before us, which changes nuclear waste management and which maintains this government's fundamental policy in favour of traditional nuclear energy from nuclear fission, fits in with the international trend emerging from the Kyoto agreements, which, by the way, were signed yesterday by European Union countries and by Japan.

This means that there is a growing international movement in favour of the ratification of the Kyoto agreements to limit greenhouse gases and to use cleaner and more environmentally friendly methods to produce energy.

Again, my question is very simple: how does the bill before us fit in with this trend in favour of greener energy production methods?

• (1535)

Ms. Judy Wasylcia-Leis: Mr. Speaker, I want to thank the member of the Bloc for his question. It is a very important question that deals with the environment and alternative energy sources.

[*English*]

The question of the member is very much at the heart of the concerns we have with respect to the bill. It is great to see that there has been some movement internationally with respect to the Kyoto accord. I understand that Japan just officially indicated its support for Kyoto. We hope the present government of the day takes notice and is prepared to muster the political courage to do the right thing with respect to the Kyoto accord.

We are very concerned about this bill in that context. In fact any bill that encourages privatization and deregulation in the area of nuclear energy, encourages expansion of the use of nuclear energy as an energy source. Obviously members of the New Democratic Party, as I am sure is the case for those in the Bloc, are constantly searching for ways to convince the government to pursue alternative energy sources.

We desperately see the need for a reduction in the use of nuclear power. We urge the government to find ways to make the transition from reliance upon the nuclear energy industry to alternative energy sources. We believe, with the will from the government, that there are ways to deal with workers in transition, to deal with the questions about jobs in the sector and to ensure that we build a sustainable economy for the future.

That is certainly one of the key concerns we have with the bill. We hope this is understood not to be simply a housekeeping bill, or a minor technicality, or in fact part of a broader agenda to pursue privatization in the field of our renewable resources and nuclear energy and to encourage broader use of energy sources which are not in keeping with our notions about sustainability and protection for all of our citizens.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I rise today on behalf of the federal New Democratic Party to tell the government in no uncertain terms that we oppose Bill C-57.

Government Orders

I will tell the House exactly what the bill means. It amends the Nuclear Safety and Control Act to limit the current liability provisions related to the cost of a cleanup stemming from an incident impacting the environment. I just want to point out that a nuclear mishap is not an incident. It is a major catastrophe. To put the word incident in there is simply very misleading to the Canadian people. One only has to be reminded of Chernobyl and Three Mile Island to understand that when we screw around and make a mistake with anything nuclear we are affecting not only the lives of potentially millions of people but we are affecting the environment as well.

As currently defined in subsection 46(3), any person with an interest in the affected land or facility is potentially liable for the cost of cleaning up any contamination resulting from an incident, and there is that word again. This includes not only the owner and operators but also a mortgage lender or a holder of a security interest in the land. The proposed amendment would narrow the scope of the potential liability to include only "the owner or occupant...or any other person who has the management and control".

This means that if the province privatized it and sold it off to someone, the new owners potentially may be responsible for everything surrounding those particular power plants and the province more or less would get off the hook. It is inconceivable that the government would attempt to do anything in this regard. I want to give credit where credit is due to Howard Hampton and the provincial Ontario NDP for the strong work they are doing throughout the entire province to tell the people of Ontario exactly what privatization of the hydro would do.

Let alone the concerns already expressed by the previous speaker about the environmental issues, let us see what happened when we privatized hydro facilities. In Nova Scotia we were told that when Nova Scotia Power was privatized we were going to have lower rates and cleaner efficiency rates. We were going to have everything better. The sun would shine even brighter. What happened? More and more people are falling by the wayside because they can no longer afford to pay their electrical bills.

What does Nova Scotia Power want to do now that it is privatized? It wants to introduce a 9% increase to power rates to appease the shareholders. It has completely abandoned its responsibility to businesses and citizens within the province of Nova Scotia.

I can assure the House that the mistruth, the stretching of the argument, more or less, because I cannot say that three letter word in the House and I will not, will be that if the nuclear plants of Ontario Hydro are privatized things will be much better for the Ontario consumer. Life will be better and the sun will shine brighter. We have heard this over and over again. It is simply not true. What will happen is that rates will increase, businesses will suffer, and individuals, especially those on fixed incomes who cannot defer those higher costs in electrical rates, will go elsewhere. We will not see anything from that government to help retrofit homes or make buildings more efficient. No, it will say that the government is not in the game any more, that it is up to the private sector market to solve all those problems. It is simply unacceptable that the government of Ontario and, for that matter, the federal Liberal government can treat the people of Ontario in that manner.

On the environmental side, I want to speak on a personal note, not on behalf of the party. I have opposed the use of nuclear power ever since I was a wee kid because of the potential changes and the risk that it poses. I cannot help but think about what we heard after September 11. What did we hear that was one of the things we would have to protect with CF-18s? Nuclear power plants. There was even talk of putting these planes right next to these power plants to ensure that no terrorist would attack them or blow them up.

Everybody knows exactly what would happen if Point Lepreau in New Brunswick or the Pickering plant had meltdowns. That would be absolute catastrophe for the country and for the world. It would be unbelievable. Chernobyl was bad, but we can imagine how much worse it could get.

•(1540)

I would like to say to the workers and families of the power unions and the people who work in those plants that the NDP is not saying we would cut them off tomorrow and throw them out on the streets. It is a long term vision to reduce our use of nuclear power throughout the country. We should start looking seriously at what countries like Denmark have done and what Germany is doing. We should start looking at alternative forms of energy. Denmark now gets 16% of its energy from wind. There is no reason that we could not do the same in this country.

What we are saying to the workers and their families in those communities is that it would be a gradual phase-out and that we would look after them when the changes come. The changes have to come because there is not one person in the House, in the country or on the planet who can tell anybody what to do with nuclear waste. We are talking about burying it in the Canadian shield. What solution is that? We have absolutely no way to handle or contain nuclear waste in a safe way, and forever too.

We have no idea what to do with it, but I can say what we do with something called depleted uranium. We coat weapons with it and fire it into the oceans and onto the land. There is a woman named Susan Riordon, from Yarmouth, whose husband, it is suspected, died from depleted uranium. All the medical authorities in North America are saying that depleted uranium is not a hazard but medical authorities in Europe are saying it is. We have conflicting evidence about depleted uranium and what I have talked about is just a small amount of it.

I cannot leave the House without saying how duplicitous it is about the tragedy that may befall India and Pakistan. The fact is, it is no coincidence that we rushed the sales of Candu reactors to those countries many years ago. It is no coincidence that they used the expertise around those Candu reactors to help build up their nuclear arsenal.

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What was done a few years ago when Sergio Marchi was the environment minister? He changed the law literally overnight in order to give China an over \$1 billion loan to purchase two more Candu reactors. What do we think China is going to do with those Candu reactors? It as well will build up its own nuclear arsenal down the road.

Canada cannot wash its hands clean on this one. We have to stop selling Candu reactors around the world, stop this reliance and stop the subsidization of Canadian tax dollars in promotion of this industry. What we should be doing is promoting much more environmentally sound industries, industries that we can all look to for a very bright future, especially for our children. All we are doing right now is making it easier for the private marketplace to take control, but in the end these corporations will have no responsibility.

If something happened to one of those plants under private control, I can guarantee that the owners of the plant would walk away. Who would be left cleaning it up? It would be the taxpayers again, the Canadian people. It would be just like Enron all over again. The shareholders would disappear and say that it is up to the government. Where would the people turn? They would not turn to the private corporation, which is generally foreign controlled and owned. They would go back to their elected representatives.

Therefore I would like to tell those elected representatives to throw away Bill C-57 and start looking at alternative forms of energy so that we can look forward to a future for our children.

•(1545)

[*Translation*]

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, I was environment critic for a very long time. I am very familiar with the issue of nuclear waste.

This debate has been ongoing in the House for a number of years. I see here some colleagues who sat with me on the Standing Committee on the Environment in those days.

One cannot speak from both sides of one's mouth when talking about nuclear waste. However, this is what is happening in the House of Commons.

I remember travelling with the Standing Committee on the Environment to Washington and New York, among others. We met with parliamentarians there and we told them, "We have to talk about nuclear weapons, because we are headed that way". I remember we were soundly rebuffed. We were told to mind our own business and that this was none of our business.

However, we are selling Candu reactors and we are taking dangerous political steps with regard to the nuclear industry. There is now talk of storing nuclear waste here in Canada.

I will put a question to my colleague, who might have more information than I do since I stopped being environment critic a while ago. Needless to say, I am still very interested in the issue.

A few years ago, there was no study to indicate that storing nuclear waste had no harmful mid or long term effect on the environment.

I would like my colleague to give me further details in this regard. Have there been recent studies? At the time, the Standing Committee on the Environment had asked whether there was really no danger in storing nuclear waste here.

Can Canada really afford to take in nuclear waste from other countries and bury it in the Canadian Shield? Perhaps there has been studies on this recently. I am putting this question to my colleague.

•(1550)

[*English*]

Mr. Peter Stoffer: Mr. Speaker, I would like to thank my hon. colleague for the question but I regret to inform her that I have not read any of those studies. My environment critic has done some research in this regard. My previous environment critic did so as well.

I do know about the concerns of Canadians when, for example, moving nuclear waste from the United States into Chalk River was being talked about. I realized the grave concerns of all the Canadians and in fact all the Americans along the route where the nuclear waste was to be transported.

I do not believe there is a report anywhere out there that can definitively tell Canadians, and Americans for that matter, that nuclear waste can be stored or placed in a situation where it will never ever be dangerous to humans. I do not believe a report like that has ever been written.

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, I have a quick question. In the legislature of Ontario yesterday it came out that there were political donations made by the hydro company in Ontario, both to the provincial Conservatives and the provincial Liberals. I do not know if any investigation was done to see if there were similar federal contributions. With that bit of backdrop, I just wondered if my friend could comment about whether he thinks there is any consideration there in regard to the bill being put before us and us being asked to get it rammed through very quickly.

Mr. Peter Stoffer: Mr. Speaker, I want to thank my hon. colleague for the question, but of course when it comes to privatization the first thing we have to ask ourselves is, who will benefit? What about the dollars? If we follow the money, we will find the answer.

Time and time again we have heard concerns about privatization. We are working on one example right now, the alternative service delivery of the supply chain, which is going to Tibbett's of England. There are many other examples of that, such as the CCRA thinking of sole sourcing its entire documentation process to foreign nationals.

This is unacceptable, but it only leads us to believe that something is not right in the state of the Liberal Party or in the state of Denmark when it comes to nuclear power and rushing the bill through.

•(1555)

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I am very pleased to address the amendment proposed in Bill C-57. I already had the opportunity to deal with this issue a number of weeks ago.

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First, I want to discuss the very substance of the amendment before getting back to the more general context of the bill that includes this proposed change. The amendment seeks to change a provision on the responsibility relating to the decontamination of sites and the storage of waste. It seeks to amend a part of section 46 (3) of the act, which reads as follows:

—any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination.

This provision would be replaced by the following:

—any other person who has the management and control of, the affected land or place take the prescribed measures to reduce the level of contamination.

This amendment essentially provides that a group, primarily the financiers, who used to be included in the provision on the decontamination of storage sites, would suddenly be excluded. Under this amendment, financiers are no longer covered.

It appears that the investment related risks would be much too high for financiers to be interested in such a venture. If the risks of investing in traditional nuclear energy are much too great for financiers, should we not ask ourselves whether these risks are also too high for a society such as ours?

I am now getting to the core of this issue. The very essence of this bill raises a number of philosophical questions. I mentioned this during my previous remarks on this legislation: in the past, the federal government made a choice regarding the energy sector. It is now up to the government to change that choice, but it seems reluctant to do so.

So, the government made a choice that it wants to maintain against all odds, and I will get back to this in a moment. But the government did make a choice to invest massively in traditional nuclear energy, in nuclear fission. This choice is definitely not a safe choice. It is definitely not an environmentally friendly choice, since it results in the production of a large quantity of hazardous waste. It is difficult to isolate this waste properly.

We must now pick up the pieces. We must adopt effective legislation that will allow us to deal with the waste that is the result of the choices made in the past.

I know some people on the other side, and maybe even on this side of the House, will call us paranoid, but we have to acknowledge that, in the past, the government has generously financed some energy groups that favoured other provinces and some regions in the country, especially western Canada in the case of oil. The federal government has invested more than \$66 billion since the 1970s. In 1998-1999, the federal government gave \$78 billion in direct subsidies.

When I hear our friends from western Canada criticize the federal government's energy policy, I recognize that there might be some legitimate dissatisfaction in their arguments. However, when we look at the more than \$66 billion in investments by the federal government in the oil industry since the 1970s, I do not think that western Canada can complain about the federal contribution to its economic development, particularly in Alberta.

As for the traditional nuclear process, that is nuclear fission, the federal government has invested some \$6 billion in that area since the 1970s.

It is therefore \$6 billion for the nuclear industry, which, for 1998-1999, represents an investment of some \$126 million, or more than \$100 million a year invested by the federal government to promote the development of the traditional nuclear industry, that is nuclear fission, which is located mainly in Ontario.

When we look at these figures and compare them to the money invested by the federal government in the so-called green energies, that is renewable energies, it is \$329 million since the 1970s. So, \$329 million compared to \$66 billion for the oil industry, which produces very high levels of greenhouse gases. For the nuclear industry, which produces great quantities of dangerous radioactive waste, it is \$6 billion since the 1970s. For the so-called green energies, it is a meagre \$329 million.

● (1600)

One could say that since the 1970s, the federal government has lacked a vision in terms of energy development. If this were the only problem, we could be saddened but tell ourselves that it is never too late to do the right thing. However, this government will not budge. Not only has it not learned from the past but it continues to invest massively in fossil energies like oil and in nuclear energy, while investments in so-called green energies remain almost nonexistent. I think we should also be concerned about that.

Most recently, investments in the oil industry development in Newfoundland have reached \$3.8 billion. These investments were not made in the early 1970s but fairly recently. The development of energy sources in western Canada, in Alberta, Ontario and Newfoundland in particular, were generously financed. While investments in renewable energies remain almost nonexistent, this government acts as the champion of the environment. It should put action to its words.

For instance, what energy choice did Quebec make? It decided to invest in a renewable, green, and environmentally-friendly energy: hydroelectricity. How much did the federal government invest to support Quebec's efforts in the development of hydroelectric energy? Almost nothing, if anything at all. Quebec supported alone the development of its hydroelectricity.

Now, if the Kyoto protocol is ever ratified, they will want all Canadians and Quebecers to bear the cost of a 6% reduction in greenhouse gas emissions, when for years Quebec has been making tremendous efforts on its own to develop an environment friendly energy supply and to reduce its greenhouse gas emissions, while other provinces like Alberta show a net increase in the production of greenhouse gas emissions in the last decade. The government would like the cost of the 6% reduction to be shared by Canadians across the board, regardless of the efforts made in the past without any support from Ottawa.

However, if this was only a record of what had been done in the past, once again, we could be saddened, but we could say that there is hope. On the contrary, the situation is only getting worse. Of the meagre \$329 million invested in the renewable energies sector since the 1970s, the federal government had invested a few tens of millions of dollars in nuclear fusion, which is the energy of the future. I will come back to this in a few moments.

Governments of industrialized countries are investing massive amounts in nuclear fusion. Canada once invested about 1% of the amount spent on nuclear fusion research worldwide. However, through its partnership with the other countries taking part in this research, it benefited fully from the technological spinoffs of nuclear fusion.

In the early 1990s, after this government came into office, in 1994-95, using the fight against the deficit as an excuse, if I can put it that way, it decided to cut its annual contribution of about \$7.2 million to the nuclear fusion program. We are talking about a federal government investment of more than \$100 million in the traditional, highly dangerous and not environmentally sustainable nuclear fission industry, and a meagre \$7.2 million in the Tokamak activities, in Varennes, in my riding, which was the only nuclear fusion reactor in Canada.

• (1605)

As I said, under the pretext of budgetary restraint, the decision was made to cut the \$7.2 million allocated annually to the operations of Tokamak at Varennes.

The result is that the Varennes Tokamak operation very shortly closed down, since the government of Quebec could not support it on its own. To all intents and purposes, the Canadian government has definitively abandoned nuclear fusion as an approach and has in a way just stood back and watched the rest of the world get ahead of us.

The day nuclear fusion becomes feasible as a source of energy, Canada will, to all intents and purposes, become a net importer of a technology which it has helped develop at the cost of several dozens of millions of dollars.

Such an unwise use of public funds, given that it is generally acknowledged that the federal government would recover in tax revenue far in excess of its annual investment in nuclear fusion, given the technological spinoffs of the development of nuclear fusion.

What shortsightedness, saving \$7.2 million that would have been spent on a form of energy for the future, simply because, or so it

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appears, they want to favour energy from nuclear fission in Ontario, and Ontario is a better place to invest.

It is politically more advantageous for the Liberal Party. Moreover, the results are visible: 99 MPs out of 103 is not to be sniffed at. In other words, in Ontario it is very cost-effective to invest in Ontario in this type of energy that is extremely harmful to the environment and highly dangerous: nuclear fission.

When the government made the decision to pull out of nuclear fusion, we asked it why it was so intent on reducing, eliminating, rejecting the nuclear fusion approach?

The answer was that there were some hard budgetary choices to be made". Obviously, we did not expect there would be some \$10 billion in annual surplus accumulating just a few years later. So this was really a shortsighted decision.

Anyway, what we were told was "We had some hard budgetary decisions to make as a government, so we decided to cut nuclear fusion. Hey, that's life".

The minister of natural resources of the day, now Minister of health, told us loud and clear that fusion was not a government priority as an energy project. How can one reconcile that statement with the statements made by the government as it signs the praises of renewable energy and of the Kyoto protocol and so on?

What is really a source of concern though is that after having been told repeatedly—indeed, we were told by her successor at the Department of Natural Resources, the current Minister of Public Works and Government Services, and by the current Minister of Natural Resources—that nuclear fusion was not a government priority, there seems to have been an attitudinal shift. I was stunned to find out, after the Tokamak project folded up, that the experts that we had developed with our taxes—I am referring to the brains that we had developed in our universities with the taxpayers' money—had to leave the country to use their knowledge.

There was no room left in Canada for these people to use their knowledge. So, we forced them to leave the country. The Varennes Tokamak project was completely dismantled. Once that was done and the Quebec government had barely managed to maintain a very small program to continue minimal research on nuclear fusion, with the available means, so as to preserve the technological expertise that had been developed in the area of plasma and microwaves, I was stunned to learn that the federal government was injecting \$1 billion annually in a project that is not supposed to be part of its priorities, this to promote the ITER project in Ontario.

• (1610)

What is the ITER project? It is a project to build a nuclear fusion megareactor, and it is sponsored by an international consortium. All of a sudden, the federal government is interested in seeing this nuclear fusion megareactor on its territory. I would remind members that, according to the former minister of natural resources and her successors, nuclear fusion is not a priority of the government.

The Royal Assent

The federal government shows an interest in nuclear fusion and is prepared to welcome the \$12 billion ITER project on its territory. It is a major project. Where will the site be? In Ontario. It is becoming more and more interesting. The government is starting to see it as a priority. It is willing to invest some money.

As if that were not enough, it was reported in the *National Post* on May 23 that the defence research and development agency is trying to reproduce an American experiment that would allow for the efficient production of clean low cost energy through nuclear fusion.

Those who are watching will agree with me that the government is starting to show its true colours. This was not a priority of the government at the time when the centre of excellence in nuclear fusion was located in Quebec, but now, after having caused the closure of the centre for magnetic fusion in Quebec, the government shows a sudden interest in the ITER project in Ontario. All of a sudden, national defence is starting to want to reproduce American experiments for the production of energy through nuclear fusion.

I would like to ask this question to our friends in the government. Is fusion a priority of this government, yes or no? Has the government changed its policy with regard to nuclear fusion because Quebec no longer has a centre of expertise in that area? Has fusion suddenly become an interesting form of energy again because it can now be developed in Ontario?

This is simply despicable. This is simply outrageous. Is it any wonder that some people in Quebec say that the best way to ensure our development and our future is to take our destiny into our own hands and achieve sovereignty for Quebec?

Mr. Geoff Regan: Mr. Speaker, I rise on a point of order. I believe that if you were to seek it, you would find unanimous consent for the following motion:

That, notwithstanding any standing order or usual practice, when the House is in committee of the whole this day, pursuant to Standing Order 81(4)(a), time shall be allotted to the recognized parties in the House in periods of twenty minutes as follows:

1. The first such periods shall be allocated to the Liberal Party, the second, to the Canadian Alliance, the third, to the Bloc Québécois, the fourth, to the New Democratic Party and the fifth, to the Progressive Conservative Party and subsequent periods shall be allocated to the parties in proportion to their representation in the House;

Within each twenty minute period, each party may allocate time to one or more of its Members, for speeches or for questions and answers, provided that, in the case of questions and answers, the Minister's answer shall not exceed the time taken by the questions, and provided that, in the case of speeches, Members of the party to which the period is allocated may speak one after the other.

The Deputy Speaker: Does the parliamentary secretary have unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Some hon. members: No.

●(1615)

[English]

BUSINESS OF THE HOUSE

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I will try another one and see how it goes. I believe you would find unanimous consent in the House for the following motion. I move:

That the Standing Committee on Government Operations and Estimates be designated to review the Seized Property Management Act, pursuant to clause 20 of the said act.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[Translation]

NUCLEAR SAFETY AND CONTROL ACT

The House resumed consideration of the motion that Bill C-57, an act to amend the Nuclear Safety and Control Act, be read the second time and referred to a committee.

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is quite simple. I want to congratulate my colleague for his excellent speech. The member is the industry critic for our party.

I know he has very strong feelings about this issue. He was really affected by the closure of the Tokamak reactor, which was in his riding. He has fought tooth and nail for this issue. I would like him to brief us a bit on what has happened.

THE ROYAL ASSENT

●(1625)

[English]

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

And being returned:

The Speaker: I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-15A, an act to amend the Criminal Code and to amend other acts—Chapter No. 13.

Bill S-40, an act to amend the Payment Clearing and Settlement Act—Chapter No. 14.

Bill S-34, an act respecting royal assent to bills passed by the Houses of Parliament—Chapter No. 15.

Bill C-23, an act to amend the Competition Act and the Competition Tribunal Act—Chapter No. 16.

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 Lévis-et-Chutes-de-la-Chaudière, Shipbuilding; the hon. member for Rosemont—Petite-Patrie, National Wildlife Areas; the hon. member for New Brunswick Southwest, Softwood Lumber.

* * *

BUSINESS OF THE HOUSE

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, a few minutes ago I sought unanimous consent for a motion and there was a misunderstanding. I believe there is now an understanding, not only among party leaders but also among some members. I believe you would find unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practice, when the House is in committee of the whole this day pursuant to Standing Order 81(4)(a), time shall be allotted to the recognized parties in the House in periods of twenty minutes as follows:

1. The first such periods shall be allocated to the Liberal Party, the second, to the Canadian Alliance, the third, to the Bloc Québécois, the fourth, to the New Democratic Party and the fifth, to the Progressive Conservative Party and subsequent periods shall be allocated to the parties in proportion to their representation in the House;

2. Within each twenty minute period, each party may allocate time to one or more of its Members, for speeches or for questions and answers, provided that, in the case of questions and answers, the Minister's answer shall not exceed the time taken by the question, and provided that, in the case of speeches, Members of the party to which the period is allocated may speak one after the other.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

NUCLEAR SAFETY AND CONTROL ACT

The House resume consideration of the motion that Bill C-57, An Act to amend the Nuclear Safety and Control Act, be now read a second time and referred to a committee.

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, I was in the process of asking a question when I was interrupted because of these events.

An hon. member: It was a royal interruption.

Ms. Monique Guay: Indeed, it was a royal interruption. I only wanted my colleague to complete his speech by giving us an overview of what happened in the Tokamak file, a file he relentlessly defended.

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I would like him to give us a summary. The bill before us today is very important. The member worked very hard on the Tokamak file, but to no avail. I will now ask him to give us a detailed account.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, you will understand that I cannot start without warmly thanking my colleague from Laurentides for her question, which gives me the opportunity to give an update to my colleagues in the House.

I mentioned the issue of Tokamak, in Varennes, without any context. Obviously, it is important to understand what really happened.

The Canadian Centre for Magnetic Fusion, which ran Tokamak, in Varennes, was a joint partnership between Quebec and the federal government. God knows that there are not that many partnerships between Quebec and the federal government, and those that exist the federal government tries very hard to destroy.

In any case, the project was funded equally by the federal government, on the one hand, and Hydro-Québec and INRS, on the other hand, to the tune of \$7.2 million each. A centre of excellence in nuclear fusion had successfully been established, a centre which, as I said earlier, was responsible for 1% of the world research on nuclear fusion, but which enjoyed 100% of the technological spinoffs, since there was an international partnership in which the Canadian Centre for Magnetic Fusion was a partner.

Over the years, we managed to build one of the best nuclear fusion reactors, the only one in Canada at the time, in fact. Currently, there are no nuclear fusion reactors, now that Canada has abandoned nuclear fusion, at least officially.

We also invested several tens of millions of dollars into the Tokamak and succeeded in forming a team of approximately 100 high level technicians and researchers with special expertise in the areas of plasma and microwaves.

Around 1994-95, the federal government suddenly and unilaterally decided to end its \$7.2 million contribution, which led to Tokamak's closing in Varennes, and the waste of tens of millions of public dollars that we had invested to create Tokamak, money taken from taxpayers' pockets.

We also dismantled a team of high level researchers who, as I mentioned before, had no other choice but to leave the country to use their knowledge. These researchers, who developed their talents and knowledge in nuclear fusion in Quebec and Canada working on Tokamak in Varennes, now work on the development of nuclear fusion in Japan, Europe and the United States.

I cannot believe that for \$7.2 million, when the federal government was getting back much more than its annual investment in Tokamak, this was a wise decision in terms of the management of public funds. No, this was not a wise decision.

At a time when we were fighting a deficit, it was not a wise decision in terms of public finance. Nor is it today, given that the government has some ten billion dollars, which it is using generously for its sponsorship programs, as we have seen.

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This was not a wise decision because we destroyed equipment paid for by taxpayers. This was not a wise decision because it dismantled a team put together in large part thanks to the actions of Quebec government. This was in no way a wise use of public funds.

This was a purely political decision, as has now been demonstrated by the attitude of this government, which, through the back door, is supporting implementation of the ITER project in Ontario, a \$12 billion nuclear fusion megareactor. We are not talking about a few tens of millions of dollars; we are talking about \$12 billion for a project that would be located in Ontario. The federal government, which said that nuclear fusion was not among its priorities, is making annual investments in the Canadian consortium that wants to have the ITER project in Ontario.

We see that this was a political decision, as the Department of National Defence wants to emulate American experiments in nuclear fusion.

•(1630)

This was hogwash. This was smoke and mirrors. Meanwhile, a centre for research excellence—the most important energy research and development project in Quebec—was killed, was closed by the federal government.

The government hoodwinked people, saying that this was done because of its financial problems. In fact, it was a political decision.

As I was saying earlier, one will not be surprised that, with decisions such as these, many Quebecers have chosen to ensure that Quebec will become a sovereign state to take its future into its own hands.

[*English*]

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, I listened with interest to the previous speaker. He has a good grasp of a broad topic, probably much better than my own.

The bill before the House is a very brief amendment. I am not sure we are here today to discuss the entire nuclear energy program or what might be a nuclear energy program across the country. However I am concerned that the bill before the House is being introduced at a late time in terms of our summer recess.

Bill C-57 should be studied by committee of the House, especially the environment committee. I am greatly concerned that the liability for an industry with sites in only three provinces across the country would be taken away, whether in Quebec with Hydro Quebec, in Ontario with Ontario Hydro, or in my own province of New Brunswick with the New Brunswick Power Corporation. New Brunswick also has Point Lepreau which is considering renovations, improvements and a revisiting of the strength of the facility.

I urge members of the House not to pass the bill through the House too quickly. It should be well studied. We have had problems before in terms of who is liable. The entire situation concerning the tar ponds in my neighbouring province of Nova Scotia seems to fall on the provincial government which argues that the major liability rests with our federal institutions.

I commend the hon. member for his knowledge of the industry. In considering the importance of the decision to the people of Canada and the future liabilities of the federal government, it is my strong

recommendation that Bill C-57 go to the environment committee for study and come back to the House at a later time.

•(1635)

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, I can only agree with a recommendation like the one made by our colleague from Miramichi.

However, in terms of his comments regarding the relevancy of my speech, I will simply tell the member for Miramichi—I do not know if he was with us at the beginning of my speech—that I did in fact establish a link regarding the content of this proposed amendment, which is designed to exempt a group from being held responsible for site decontamination. This is an issue we are most concerned about.

However, we must therefore realize that the amendment before us is a result of the decisions that the government has been taking on energy for a number of years.

As I said in my speech, those decisions are questionable at the very least. If at least it had been acknowledged that very questionable decisions had been made in the energy sector and if it had been decided to change direction for the future, we could feel reassured. Unfortunately, this is not the case. This is to a certain extent the thrust of my speech today.

As regards the proposal made by my colleague from Miramichi, I obviously support it entirely. I believe that we cannot study this fundamental issue in a hasty way. We must give it all the time and attention needed. Who is in a better position than the members of the Standing Committee on the Environment to study in detail the implications of this amendment?

I obviously support this proposal and I hope that the members of his party will back him up and support the proposal.

[*English*]

The Deputy Speaker: Before resuming debate I will pass on some information which may be useful for members interested in Bill C-53 which could be before the House tomorrow.

In the event that members may be preparing report stage amendments I wish to draw the House's attention to a clerical error found in the report stage reprint of Bill C-53, the pest control products act. In subclause 2(2) on page 7 the words "a preponderance of evidence" are replaced by the words "reasonable certainty".

Clerks at the table are available should members wish to obtain more information.

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• (1640)

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I am pleased to take part in the debate on Bill C-57. In my view, the amendment in this bill is designed to exempt backers from liability vis-à-vis nuclear energy.

Paragraph 46(3) of the act says:

—any other person with a right to or interest in, the affected land or place take the prescribed measures to reduce the level of contamination.

This will be replaced by:

—any other person who has the management and control of, the affected land or place take the prescribed measures to reduce the level of contamination.

What this amendment would do is exempt backers from liability in the nuclear sector. This assumes that companies which make loans to those who manage nuclear facilities will no longer be liable. They will be able to make loans without subsequently assuming liability for any contamination. When these sites are abandoned, they will have to be decontaminated in any event. We know that this will have to be done at most sites.

We are saying that backers will not be held liable. A company could declare bankruptcy tomorrow morning, disappear, and responsibility would revert to the government. The government would have to assume responsibility for decontaminating the sites in question. There have already been many problems in the past, including with sites which had gas facilities. The companies disappeared, and today the government has to take over responsibility.

In my riding, we had a recent, very obvious example. It involved copper dust contamination. A company in Murdochville, in my riding, has just closed down. This company had used the Mont-Louis and Gaspé ports. Right now, these two ports are owned by Transport Canada; they were extensively contaminated by copper dust. Today, people are calling on the government to decontaminate these facilities.

This amendment is proposing that we tell backers “Go ahead. Make a loan to the company. No matter its responsibility, no matter what it will do. In the end, if it goes out of business, the government will take on the responsibility”. I cannot agree with this proposal; I find it very dangerous and very risky.

Quebec, however, has been asking companies for years now to assume their responsibilities vis-à-vis the environment. The Bloc Québécois hopes that the Kyoto protocol will be ratified; we even think that this protocol does not go far enough. We must get it into our heads that the environment is very important; the future of the planet depends on it. It is as simple as that.

I will tell you what has been said by the present natural resources minister, who has also been the fisheries minister. Concerning this bill, he said the exact same thing I just said, except that he is the one introducing and supporting this amendment. It explains very clearly what the bill is all about, and it shows that the liabilities of investors in the nuclear industry will be removed. The minister said, and I will quote his press release:

These companies must have access to commercial credit to finance their needs, like any other enterprise, said Minister Dhaliwal. This amendment will allow the

nuclear industry to attract market capital and equity. At the same time, we can continue to ensure that nuclear facilities are managed in a safe and environmentally sound manner.

The minister said “At the same time, we can continue to ensure that nuclear facilities are managed in a safe and environmentally sound manner”. For a minister to say such things, it means he is wondering. Is this the way it will happen in the future?

Really, we can say this today, but what will really happen five, ten, or twenty years from now? In 20 or 30 years, when nuclear plants are decommissioned, who will be held responsible? The investors? The amendment says they will not. Will it be corporations that will probably have disappeared in the meantime?

Ontario Hydro and the New Brunswick utility are government corporations, but, if they are privatized, as could happen in Ontario, they will become private corporations.

• (1645)

We are very well aware that a private business can disappear from one day to the next and can therefore deny its responsibilities, totally abandon its responsibilities, particularly if it is a foreign company, that is one whose financing is mainly from out of the country. These people can just take off and forget all the problems they may have created and left behind them.

We are experiencing a similar situation in the riding of Matapédia—Matane, and just next to it, in Gaspé, with the events in Murdochville.

I personally am a member of the fisheries committee. What I would like to say concerning this amendment is that we should apply the same principle to it that we apply to fisheries. In fact, where nuclear energy is concerned, we should apply what is termed the precautionary principle, that is the principle applied to endangered species in the fisheries field.

If the government really wanted to apply what is called the precautionary principle, the amendment we have before us would never have been introduced. Hon. members will of course have understood that I am totally opposed to the amendment we have before us.

I would go beyond that, however, because this is an amendment that opens a very significant door to the creation of companies producing new types of energy. As for the investments that have been made in recent years into nuclear energy, I would point out that this is not a type of energy that can be considered clean. It produces such a lot of waste, and that waste cannot be processed at the present time. It must be stored and stockpiled.

At this time, there is even a proposal to import and try to process waste from other countries. We know that development of a real technology for handling nuclear waste will take years. We know that attempts have been made in the past. The Americans dumped drums of heavy water into the Pacific, and into the Atlantic as well. This constitutes a very considerable environmental risk.

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I come from a region that is a little bit different. It was in the forefront when hydroelectric power was being produced 50 years ago. It is a region that is in the forefront today as far as new types of energy are concerned, because we have wind generators in two locations. We produce wind energy at Saint-Ulric and Cap-Chat, where the facilities have been operating very well for some years.

The first wind generator was set up in the Magdalen Islands 25 years ago. People may not remember this. Hydro-Québec had done some experiments. Another one was set up in Cap-Chat. One cannot say that they were a success, because the technology was not developed at the time.

However, since then, the technology has developed. It has evolved to the point where there are two wind energy production plants today in my riding, and there will soon be another one in the neighbouring riding.

We, in the region, were aware at the time—and we still are—since, as far as possible and with the means available to us, we developed clean energy.

Even today, with the Université du Québec à Rimouski, we are quite far ahead in the development of new energies, such as wind energy, among others.

The federal government recently announced a totally minor investment in the wind energy sector, compared to what it is investing and has invested in fossil energies, as well as in nuclear energy.

This is a minor investment, because it will obviously not promote the development of new technology. It will allow for one thing: to get technology somewhere else and implement it here.

However, this does not really create jobs. It does not really create a synergy to support the development of new energies.

I would simply like to remind the House some numbers. My colleague from Verchères—Les-Patriotes gave them earlier, but it is very important to take note.

Since 1970, direct federal grants to the oil industry—which is one of the most polluting industries and which produces the most greenhouse gas, given the automobiles and the oil that is used—totalled \$66.272 billion.

Let us imagine that the federal government had invested \$66 billion in the production of new energies and the development of technologies allowing us to have new energies. Where would we be at? We would probably be the most advanced country in the world in terms of new energies.

• (1650)

Today, it might be easier to adopt the Kyoto protocol if, in the past, we had invested as much in new energies as we did in oil. This is very obvious. It is very difficult for people to understand. I do not know anyone in this House who has ever had a billion dollars in his pockets. I do not think anyone has, except perhaps a few people, but they are keeping quiet about it.

I find it very hard to imagine an amount of \$66.272 billion. It is a lot of money. This means that huge amounts of money were invested

in oil, for the benefit of two provinces: in western Canada, Alberta with the tar sands, and in the east, Newfoundland, with the Hibernia project. It is simple. It is essentially these two provinces that benefited from these \$66.272 billion.

Let us also not forget the infamous energy policy proposed by the Trudeau government for oil. Remember its impact in Quebec. We must not forget the Borden Line, which almost killed all businesses in the Montreal region when the issue of oil and the development of the Arthabaska tar sands came up.

I also want to point out that, as regards nuclear energy, we are talking about \$6 billion. Again, it is very difficult to imagine such an amount. What does \$6 billion mean in concrete terms to people? It is very hard to imagine, but it is a lot of money. These are the amounts that have been invested since 1970.

If we had invested only \$6 billion in new energies since 1970, instead of the \$66 billion to which I was referring earlier and which were invested in the oil industry, we would be much further ahead in the production of new energies.

I am always going back to the amendment before us. This provision removes the responsibility of businesses, of major banks in the area of nuclear energy. Today, we would not have this problem. Perhaps it would not be necessary to have the amendment now before us if we had invested enough in the production of new energies.

As regards this issue, the Bloc Québécois proposed a plan. I just toured the region I come from with the Bloc Québécois leader. We made a very concrete proposal. This concerns only what I just said about new energies, the public's responsibility and the responsibilities of lending institutions and businesses when it comes to using any source of energy, including metals, mines and the environment.

I remind members that we have a similar problem with the closing of the Murdochville mine, where one company has developed copper for 50 years and polluted the area and the environment for the same amount of time. I can assure the House that it will be extremely difficult today to force this company to decontaminate the environment and the river that it contributed significantly to pollute as well as the Bay of Gaspé.

I therefore cannot support such an amendment, which tsays that we are taking the responsibilities away from the lending companies. I certainly hope that those companies lending money in the nuclear energy area will have a certain responsibility. They should be held accountable if there were disaster or a leak in a nuclear plant.

I would like to come back to what I was saying earlier. If the federal government, which as we know is investing almost \$12 billion in Hibernia, were now to invest \$700 million for the development of new energy sources, like wind energy for example, what immediate consequences would that have? It would create 15,000 jobs in an area like mine. We already have an expertise in this field. Moreover, this is an area where the unemployment rate is close to 27 or 28%, and that has been the case for years because our area has been abandoned by the government, as we know, as all the so-called remote areas have been in the country.

Government Orders

With a small investment of \$700 million, we could create 15,000 jobs in the new energy sector. We are talking about wind energy. It is not enough to go get the technology somewhere else. It is not enough to install two or three wind turbines on a hill. This is not what we are suggesting.

• (1655)

We are proposing developing our own technology, which will continue to evolve and grow. We could create 15,000 jobs as early as tomorrow simply by investing \$700 million. Imagine, we have invested \$60 billion for oil and gas in this country. We are only asking for a \$700 million investment, which would allow us to improve our environmental record. This would improve our record when it comes to greenhouse gases.

What are we being told? "We will invest a small amount over a much longer period, over five or ten years". However, this is almost nothing. What does \$25 or 30 million over five years represent in this field? It is a pittance compared to the \$60 billion that I referred to earlier. It is a very small amount compared to the \$6 billion invested in nuclear energy since 1970.

Who benefited from nuclear energy? A few provinces. My colleague talked about this earlier, there are three provinces that really benefited from nuclear energy.

In Quebec, we developed hydroelectricity. This is a clean, renewable source of energy. We developed hydroelectricity solely with funds from Quebec and from Quebecers. There were no federal subsidies to develop hydroelectricity, yet in Ontario and elsewhere in the country, the government spent a fortune. Six billion dollars to develop nuclear energy. Six billion dollars, which benefited the other provinces. Why were Ontarians not asked to pay for the development of their nuclear energy, the way we did in Quebec, instead of subsidizing them? In my opinion, it is because the federal government has always been biased.

The federal government has always made sure that Quebec makes do without any help. We continue to pay for the other provinces. When it comes to the Kyoto protocol, it is the same thing.

What is being proposed today, is that after having contributed \$60 billion to develop the oil and gas energy, and \$6 billion to develop nuclear energy, there are problems with signing the Kyoto protocol. The government is realizing that it will not be able to meet the objectives. Why will we not be able to meet the objectives? Because we have spent a fortune developing oil instead of investing sufficient money to develop new energy sources.

Let us take a practical example like developing an electric vehicle. How much money has the government put into developing a new battery for a vehicle that would run on electricity?

Right now, Quebec is losing its only vehicle assembly plant, the GM plant in Boisbriand. Were the federal government a little more conscious of its responsibilities, it could invest in the technology for building an electric vehicle. It would be important, since it is a promising technology. We know that all manufacturers are working on that. We—and I am referring to the federal government here—are doing nothing in that area.

We are having problems with ratifying Kyoto because we did not make any investments in the past. Let us look to the future, take our responsibilities and make massive investments in new energies. Let us at least try to correct the mistakes made in the past. We must ensure a better future for our children. The government created this situation; it should fix it.

Knowing that the government has invested \$6 billion of public funds in nuclear energy, I think that it has largely contributed in creating the problem. The same goes for petroleum energy.

When one invests \$60 billion in an energy that one knows is not clean and not renewable, one has to take responsibility, and this responsibility belongs to the government.

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, I want to congratulate my colleague for his comments. I think they were most relevant.

He spoke at length about wind energy. Statistics on this type of energy tell us that there is a real wind energy boom in the world. They also show that, over the last six years, it has expanded by 30% annually on average and that Germany is the country where wind energy is the most popular.

We are not talking through our hats here. We are talking about a pollution-free energy, an energy for the future. Statistics show that, right now, Germany produces 8,753 megawatts annually and that Canada merely produces 207 megawatts.

This is outrageous. We are so far behind. Why do we fail to invest in wind energy? It is because, like my colleague just said, we have decided to invest in oil.

But now we have to modernize. We are in 2002 and we should prepare for the future. As far as the environmental issue is concerned, in Canada, we have clearly taken no significant steps for the ongoing improvement of the environment, and I can talk about this matter because I have been here for nine years, since 1993, and I was a member of the environment committee for three years.

It is not because we cannot afford to look after the environment. We have surpluses of about \$40 billion a year. The funds are there. My colleague asked for only \$700 million for work and research on wind energy; this is a paltry amount compared to \$40 billion a year.

Could my colleague tell us more about wind energy? He said that they produce wind energy in his region. However, in order to raise the awareness of our colleagues on the other side, it would be interesting to hear more of what he has to say on that industry.

• (1700)

Mr. Jean-Yves Roy: Mr. Speaker, I thank my colleague from Laurentides for asking me this question, because I did not elaborate enough indeed. I would have liked to elaborate further because, as I was telling her, I come from a region where we are quite far ahead in the wind energy sector.

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I come from a region where a university took its responsibilities and went ahead and developed new energies, particularly wind energy.

I mentioned earlier that the federal government is investing hardly anything in new energies. In the last budget, an announcement was made concerning a possible reduction in electricity fees, thanks to a grant for electricity produced from wind energy and from new energy.

However, this is very minor. This is not an investment program, as we all wish for, that is an investment program of at least \$700 million. This amount seems huge, but, as I remind the House, the government has invested \$6 billion in nuclear energy since 1970.

It has invested \$66 billion of the taxpayers' money in the gas industry. These are not investments by private companies; these are investments by this government using your tax dollars. Since 1970, the government has invested \$66 billion on research to produce oil, to extract oil.

Furthermore, there is a member who sits on the Standing Committee on Fisheries and Oceans with me and who comes from Newfoundland. He knows that the federal government has invested billions of dollars in Hibernia. At the time, that was fine.

But now, more is required. Renewable energies must be produced. Research must be done into such things as electrically powered cars, because this is the way of the future. And finally, if we want to be able to comply with the Kyoto protocol one day, we will have to invest in renewable energies. We know that the primary reason for the increase in greenhouse gases is the use of oil.

So let us stop investing in oil and temporarily invest in the new energies. Let us at least make the effort. Let us do research. Right now, it is non-existent; there is no investment in research.

As I mentioned at the beginning of my speech—I would like to get back to my colleague—, I gave as an example what is known as the precautionary principle in such areas as the fishery, when it is a question of saving the resource. The amendment now before us ignores the precautionary principle.

The precautionary principle is a basic principle of government. The idea is for a government to ensure that companies assume their responsibilities from beginning to end, for a body like the Nuclear Energy Agency, which produces nuclear energy, to shoulder its responsibilities from beginning to end.

What would happen if, tomorrow morning, a nuclear plant were privatized, handed over to the private sector, with primarily foreign capital at stake, and these people pulled out after a catastrophe or the company went bankrupt? Once again, the government would be left holding the bag. The government would have to shell out.

But this is not how the precautionary principle works. With the precautionary principle, backers of these companies also have a responsibility. And this is the exact opposite of what is being proposed today. I cannot agree with this amendment.

• (1705)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, we have started this day together, and we will finish it together.

The request for an amendment to section 46(3) did not come out of the blue. Somebody pressured the government. I have documents by people who did pressure the government. One thing strikes me. Here is what I read in the remarks of an organization:

Generally, the legislation has a negative impact on the capacity of private corporations to invest in nuclear plants, and this is detrimental to the future development of the Canadian nuclear industry.

It is easy to see what the private sector investment is all about. It is clearly said that the legislation has a negative impact on the capacity of corporations. We also realize that the government is intent on transferring the ownership and operation of nuclear plants to the private sector.

As I said this morning, I do not want to scare anybody, and I do not want to impute motives to anybody, but I read in a fairly serious book that plutonium is used in nuclear weapons and has always been the byproduct of civil nuclear plants. When a substance is dangerous, it should be managed by and controlled by a public authority to prevent any slippage.

I would like to ask my colleague what he thinks about having private corporations in nuclear plants.

Mr. Jean-Yves Roy: Mr. Speaker, obviously I am absolutely opposed to privatizing nuclear plants. I believe we have enough problems as it is with nuclear plants.

I think of what happened last year, or several years ago, with Ontario Hydro. It was realized that the plants were poorly maintained, and that several of them were a risk because of aging and poor maintenance. Just imagine for a moment if it were a private enterprise whose sole purpose was to make money.

I have nothing against private enterprise, but when dealing with such a thing as nuclear energy, I do not believe that the state should withdraw and stop exercising very strict control, especially with regard to nuclear power plants built 15 and 20 years ago. They are aging very fast and in need of investment. I am looking at the situation in New Brunswick. We have just been told that the Government of New Brunswick does not know what to do any more and wants to turn to the private sector because otherwise it will cost a fortune. If it does not succeed in attracting investors, the government of New Brunswick will have to close the plant. It will have to forget about it. This is what it means.

With regard to using nuclear energy, when these plants were built, this type of energy was not well known and neither were the consequences that could result from building nuclear plants. Scientists were allowed to play around with this type of energy without knowing what the consequences would be.

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As I am running out of time, I would just like to add one thing. With regard to nuclear energy, let us not forget that in the area of medicine, we used to talk about nuclear magnetic resonance. Today, people are so afraid of nuclear energy that this kind of equipment is called magnetic resonance. People have every right to be afraid of nuclear plants.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I am pleased to speak to Bill C-57. At first glance, it looks really short. In fact, it amends only one section of the act, but the fact that it is short does not mean that it is not important. It is extremely important, since it deals with nuclear energy. It frees banking or financial institutions from any liability with regard to site decontamination as a result of the use of nuclear energy.

This bill is especially important for Ontario. There is a concentration of nuclear power stations in that province. It is important because people are increasingly afraid of nuclear energy, not only here, but around the world.

Mr. Speaker, you certainly know that 32 countries produce nuclear energy in the world; several of them have greater concentrations. Such is the case in Ontario.

In Quebec, there was a plant in Gentilly. It is still in operation, but in the years following its construction, environmentalists were very worried. There even was an expansion project, Gentilly 2. I must say that people are still concerned.

Nuclear energy creates nuclear waste. I am very open to hear the explanations of those who could reassure me and reassure the public with regard to the effective disposal of nuclear waste from these plants. Few people can do that. I challenge those who know or those who can read scientific studies to tell us beyond a shadow of a doubt that there is no problem with that. The Government of Quebec had strong enough concerns to decide not to further develop this industry. It decided to focus on hydroelectricity instead. It is true that we did have the potential for that.

I think we made a very good decision. Of course, Quebec was able to go in that direction because of its rivers, which opened up this possibility.

The member for Matapédia—Matane talked about a sector of interest to him, that of alternative energies such as wind energy that is being produced as an experimental project in his area, more precisely in Cap-Chat. This form of energy is beginning to have some success, which is promising, and it is worth investing in this industry.

The member for Sherbrooke has brought this issue to our attention in caucus. He is calm but forceful, as members have no doubt noticed. He has a lively humour, but he is still calm but forceful. He seldom gets all worked up, but he usually has very strong arguments when he needs to convince the Bloc Québécois members that they have to pay attention to something, that they should not get excited and that they should remain calm. We should never get people excited. We should not dramatize and scare people.

• (1710)

At the same time, it is good and I think that it is also our mandate, to represent the people, who are concerned about the importance of

this issue and about potential risks, even if they do not exist at present. Before further developing this type of energy, we should try to obtain more scientific information on the best way to eliminate nuclear waste. There is not much scientific information on this. Therefore, this is still a concern.

At one time, in the 1970s, and we still do this but with much less enthusiasm as we can see, Canada was selling Candu reactors to some countries that are now making headlines internationally. I mention this because as member of a subcommittee of the standing committee on foreign affairs, I deal particularly with the Asian issues, on behalf of the Bloc Québécois.

Let us talk about what is happening now between India and Pakistan. Let us ask ourselves the following question: how is it that these two countries seem to have a nuclear capacity? And they seem to have more than a capacity, because they are even carrying out nuclear tests. Where did they get this nuclear energy? Plutonium is required. We know that it is possible—this has been demonstrated—with inputs or outputs from nuclear plants, to use these materials to make something else, potentially bombs. What we are seeing now between Pakistan and India, with Kashmir at stake, is barely veiled threats from both sides. The people in the region and everyone else are extremely concerned.

What about the problems, the leaks that have occurred in nuclear plants, particularly in the former U.S.S.R., affected the neighbouring countries? In Canada, I am convinced that the people can feel safer. It must feel safe. I do not think there is a concern. There is a good framework.

I agree with the member for Sherbrooke: we should not scare people either. However, as far as the world nuclear industry is concerned—I read some articles just recently on the subject—there are no guarantees with regard to climate change.

In my area and in Quebec, we all remember the ice storm. We wonder why we had an ice storm that lasted so long and that caused so much damage. I read many international newspapers, perhaps because of my involvement in foreign affairs since the last election. We see more and more disasters that are related to the weather.

• (1715)

No need to go far from home. Members can just think about the water level in the St. Lawrence, which is abnormally low. What happens when this occurs?

You will, of course, be thinking “Here we go again, the member for Lévis-et-Chutes-de-la-Chaudière is going to talk to us about his ships and shipbuilding, and all that stuff”.

Yes, but at the rate things are going with the water level on the St. Lawrence between Montreal and Quebec City, we are soon going to have to develop another kind of ship, one that draws less water, because there has to be more dredging done to do away with the sandbars and debris at the bottom of the river.

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Why? Because the water level is dropping. Why is the water level dropping? Because of climate change in the world, the continent or the country. There is global warming. One just needs to listen to the science programs; the glaciers are melting.

Kilometres of the glaciers are melting away. There is the ozone layer and then there are the greenhouse gases. These are of such concern that in Rio, in 1984 I think it was, thought was given to an international protocol to deal with greenhouse gases. This led to the Kyoto protocol, in which Canada committed to doing something about greenhouse gases.

However—and I am bringing this up as a lighter note, which is sometimes a good idea—the Prime Minister once told us a few years ago that “Canada is the best country in the world”, but this best of countries is the one that pollutes the most per capita, as far as greenhouse gases are concerned.

Someone will counter with the comment that China produces more than the United States, and yes it does overall. However, given its land mass and its population, taking the two together Canada is the biggest polluter per capita and per square kilometre as far as greenhouse gases are concerned.

That being the case, of course we encourage the government of Canada, the federal government, to respect its commitment to the Kyoto protocol.

However, we saw what happened: there was September 11; there was a change of government in the United States. What do we see now? We see that the Government of Canada is trying, if not to please, at least not to irritate the Americans, who have decided not to bother with the Kyoto protocol. That is very serious.

The Government of Quebec is trying to be heard because we, in Quebec, have chosen hydroelectricity, because we have experimented with wind energy in the Gaspé Peninsula and in the Lower St. Lawrence area, because research shows that it is worth investing in renewable energies that are not dangerous, or at least in energies that we can control.

In this regard, I certainly encourage the member for Matapédia—Matane, because he is absolutely right. I visited Cap-Chat, even though wind turbines are used elsewhere also. I am trying to see the kind of pollution that can be created by any wind-powered structure.

When it rains, it does not create any problems. I did not see any emissions, any gases. There is absolutely no negative aspect, apart from the initial argument as to whether it is effective or not. Is it worth the investment? More and more, the answer is that it is very promising.

The Bloc Québécois believes that it would be worth investing \$700 million a year in wind energy as a renewable source of energy.

• (1720)

Some might say that I am talking about a different issue. Who could make this? Of course, it takes large companies. For example, the Davie shipyards have a great deal of experience in building oil platforms and very large structures. They build these structures all year round and they can weld them together. They have all the

electronic processes and they would be able to do it. There is also Bombardier. There are other businesses that could do this.

It is windy in the Gaspé Peninsula. At times, it is terrible. If we travel from Matane to Forillon park along the coast and we are camping, we need good stakes for the tent, because there is a lot of wind down there.

The wind is terrible when the weather is not nice and it is cold. At the same time, just think of the energy available, of the incredible potential in the Gaspé Peninsula and the Lower St. Lawrence. Why not develop wind energy? It is not dangerous; there is a lot of space. In Quebec and in Canada, there are businesses that can produce what is needed. We have the technological capacity. We have the expertise and the brains to devise plans and do research.

Why not? We spent \$3 billion on the Hibernia project. I have been watching the situation in Lévis for years. We were hoping that the Davie shipyard could make a contribution. It could have done so for some components. But no, it was Newfoundland. Sure, Granted, Newfoundland also has the right to get government contracts and to benefit from government investments. We are not jealous of Newfoundland. However, when it is Quebec's turn, in the hydroelectricity industry, we cannot get a penny from the federal government. When we had a problem with hydroelectricity, as was the case during the ice storm, the federal government did not contribute one penny, because it was a crown corporation that was asking for help.

The government says “Quebecers are always upset”. But the facts speak for themselves. There was not one penny for Hydro-Quebec. Yet, this was a major crisis.

We are not asking to take anything away from Newfoundland, to punish Newfoundland and not to give anything to Newfoundland any more. We are asking for something on the same basis for Quebec, namely \$700 million per year for an energy that has extraordinary potential.

I do not want to speak louder, because you will accuse me of being a windbag. I do not need to, because there is plenty of wind in the Gaspé. There is a lot of wind all year long. The member for Matapédia—Matane has never been once in the Gaspé without it being windy. It is a strong wind that comes from afar.

In the Magdalen Islands, there is the tourist industry. However, since the minister—she did not to so personally, she is inheriting problems from her predecessors—made cuts into employment insurance, seasonal workers in the tourist industry have been affected. The Magdalen Islands, what a beautiful place. There are wind generators there already and there could be more. It is even more windy than the Gaspé. This is awful, but it is also an extraordinary potential for the wind energy sector. Why do we not think about these safe things? They are renewable. From what I have heard, wind is renewable. Every month, there are wind actions from nature.

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•(1725)

With regard to hydroelectricity, we know that it affects the fauna and flora. Sometimes aboriginal populations are disrupted, as any population, when they have to be displaced. Ecosystems are displaced. This can have a non measured and perhaps a hardly measurable effect, but there is one. A water body releases vapor and so on. But wind energy only displaces wind.

I am passionately defending the Lévis shipyard. However, when I hear the hon. member for Matapédia—Matane talk about the potential of wind energy, I have no choice but to agree. With his exemplary calmness, the hon. member for Sherbrooke is saying that we should be careful not to scare everyone. Personally, I say let us use safe energy for the future.

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, at the end of my speech earlier, I had the feeling something I said had raised your eyebrows, but I did not want to panic anybody about nuclear energy.

I wanted to make people aware of the fact that, at present, nuclear energy is not clean. It produces waste which cannot be really disposed of for now.

However, I would like to get back to the speech by my colleague from Lévis-et-Chutes-de-la-Chaudière which I found excellent. Of course, he praised my area, and that made me happy. This does not happen very often. So I should enjoy it.

He mentioned, among other things, shipyards. If only we had had a program to invest in clean energy. One must understand that the future of wind energy is not only on land.

In the future, we will have platforms out to sea, on which windmills would be installed. This has already started in other parts of the world. If such platforms are set up at sea, shipyards such as Verreault Navigation, at les Méchins, and the one in Lévis could benefit from it. Not only could the Lévis shipyard benefit from it, but it could be its future because this technology could be exported across the world, across the whole planet, to replace nuclear energy, which we will never be able to properly master and which will continue to produce a lot of waste.

I would simply like to quote what the Minister of Natural Resources wrote recently. I am doing it with regard to the proposed amendment. I believe this will help us understand something. This is what the minister said, talking about the backers of companies that finance nuclear energy. I will read slowly so that everybody understands properly.

Lenders were faced with unknown financial obligations that may exceed by far their commercial interest. The consequence has been to discourage private sector interest in lending to the nuclear industry.

If lenders are faced with unknown financial obligation, how about the public? What does it mean for the public? I quote the minister, who said that lenders were faced with unknown risks. So is the public.

•(1730)

Mr. Antoine Dubé: Mr. Speaker, I am pleased to respond to my colleague from Matapédia—Matane, because I was born in the Lower St. Lawrence region. So, I am not that far. By the way, I salute

my sister, who lives in Val-Brillant, in his riding. She did not call me; it is a joke.

To answer his question, I often draw a parallel with the shipyard, but the financial sector is reluctant to give guarantees to Davie. I am often confronted with this kind of problem concerning a big business and projects of several millions of dollars.

In that case, it is several millions of dollars. When asked to invest, they want guarantees. I understand that, instead of providing guarantees, the government takes away their responsibilities, saying “Financial institutions, do not worry anymore. If there is a contamination problem, and not any kind of problem, but a nuclear contamination that is yet unknown, for which solutions in terms of waste management are still unknown, do not worry. You will not be affected by this”.

However, small oil businesses, small and medium businesses in the industry, including Davie—let us talk about it—are subject to major rules. Why act differently for nuclear plants than for businesses in other sectors? To ask the question is to answer my colleague's question.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, my colleague is obviously very passionate about this issue. I even see in him the passion of Don Quixote who, in his case, fought windmills. My colleague is fighting for wind propellers.

Obviously, the question is: is the propeller creating the wind or is the wind activating the propeller? It is like the chicken and the egg.

However, I would like to go back to subsection 46(3) of the Nuclear Safety and Control Act, which this bill proposes to amend.

I am still convinced that, when this act was passed, the legislator really intended to slow down private investment. Knowing financial institutions, they were hesitant to invest because the risk was too high and difficult to assess. They did not want to be liable for decontaminating sites or for dealing with significant financial problems.

I would like to know if my colleague shares this vision of things, if he agrees with me that, two or three years ago, the legislator really intended to slow down private investment.

•(1735)

Mr. Antoine Dubé: Mr. Speaker, it is just an assumption, but I have to say that my colleague is probably right. As my colleague from Matapédia—Matane said, he is an accountant, which means that he looks closely at the financial aspect and understands these things. Therefore, we have to agree with him.

He talked about propellers. I was referring earlier to the keen sense of humour of my colleague from Sherbrooke. We just saw an example of that. I will close by saying that I have always been very interested in propellers because they are also used in boats.

The Deputy Speaker: The member for Laurentides has the floor. I wish to advise her that she has eight minutes left before we proceed to private members' business.

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, I will attempt to recap the debate that has taken place today in eight minutes, or at least, the position of the Bloc Québécois. I will try to do it very concisely.

Government Orders

First, I would like to say that when it comes to the environment, the government will not be receiving any gold medals, not at all. When it comes to the environment, the government has not made much progress. Quite the opposite in fact; all we have to do is look at the Kyoto protocol, something the government started to get quite sensitive about and started to back away from quite quickly once it realized that it would not be able to meet the commitments it made.

In Quebec, we did our homework on greenhouse gases, particularly since we developed hydroelectricity. Indeed, we developed a different approach, which produced green energy. Hats off to Quebec. I am pleased to be able to say this. The other provinces need to do as much.

If the federal government does not sign the Kyoto protocol, then we can forget that. The provinces will not invest in order meet the standards. If we cannot do it here at the federal level, there is no way to force the provinces to do so.

Second, this government will have to stop following in the footsteps of the United States. When the U.S. coughs, we all get the flu. It makes no sense. As a result of the fact that the U.S. refused to sign the Kyoto protocol, we turned around and said "Well, we cannot touch it either; we are in America". It makes no sense.

We can set an example. We have done so in the past. We did in when it came to landmines. We took a lead on this issue, we went far with it, and we did not wait for the Americans to sign this agreement. We took the lead.

Why not do the same with the Kyoto protocol? The time has come for the government to pull up its socks and get moving. By taking the lead on an issue such as this, it will force the others to follow.

We spoke about wind energy. On this topic, I would like to quote something, because it has not been quoted, and I would like this to appear in the *House of Commons Debates* for today.

We are told that wind energy is expanding around the world. In 2002, the installed wind power capacity of the following countries was: Germany, 8,753 megawatts; the United States 4,245 megawatts; Spain, 3,335 megawatts; Denmark, 2,417 megawatts; India, 1,507 megawatts; China, 399 megawatts, and poor little old Canada, 207 megawatts.

This is very little, too little, far too little, when we realize—and my colleague has proven it—that there is wind everywhere. If we want to produce clean energy from the wind, I cannot believe that they do not want to invest in this research.

I will give you another example concerning wind powered generators. In my little riding of Laurentides, there is not as much wind as in the Gaspé. Yet, because of the wind powered generators, and the research done in this area, did you know that they have managed to clean up one polluted lake?

There was a problem in my riding involving a lake that was polluted with a certain type of algae, and they could not get rid of it. They discovered that, using wind power, in a short period of time, just over two years, they could get rid of 90% of it, and at practically no cost.

The money to do this did not come from the federal government. It was the government of Quebec, with help from the municipality, various associations and people worried about their lake. Everyone got together on it. It cost maybe \$50,000 the first year. That is not a lot to clean up a large lake, and it did an extraordinary job.

Why do we not invest in this? Why not put money into things that are really worthwhile? When we speak of wind energy, I must really make my point clear.

In terms of job creation in connection with the European wind energy industry—and this is an important point, because there are complaints about unemployment, about people having problems, about people needing jobs—in 1996, the objective in terms of installed capacity was 3,500 megawatts, and this created 72,000 jobs annually.

In 2000, the production was 8,000 megawatts and 512,000 jobs. This is nothing to be sneezed at. The forecast production for 2010 is 40,000 megawatts and 960,000 jobs. In 2020, 100,000 megawatts and 2.4 million jobs throughout Europe.

• (1740)

Why can we not make an effort in this sense? Why is Canada always lagging behind? We are always waiting for others to do things; we are not taking the lead. This does not make sense.

Let me give another example. We were talking about the auto industry. In my region, GM, Quebec's only automobile plant, will shut down. In my riding, a research centre on electrical vehicles has been in existence for a number of years. It survives with the support of the Quebec government. Two federal ministers came to my riding. They promised to help this company. And what did they do? Nothing. Absolutely nothing.

Electrical vehicles are something serious. They are part of the future of this great country that Canada is. The future of the whole industry will change.

It does not make sense to talk about nuclear energy, and removing the responsibilities of financial institutions. They will invest heavily; we will let them do this and, in addition, the government will let them go. We cannot let this industry develop without being under government scrutiny. This industry is much too dangerous.

There is no evidence that, in the long term, this cannot cause harm. We do not know. I do not want to scare anyone, but I want us to act with caution, as a government must do.

We talked about nuclear waste. Where are we going to put this waste? We have no idea. Let us be wise. Before authorizing such things, before developing other nuclear plants, let us ensure that we are doing the right thing, that people are accountable and that the government continues to monitor what is going on, that it continues to keep a degree of control over this development, which is of paramount importance. Otherwise, we would be launching an industry that may come back to haunt us some day.

The Acting Speaker (Mr. Bélair): I inform the hon. member for Laurentides that she will have 12 minutes left for her speech and that she will have a 10 minute period for questions and comments, when we resume debate on Bill C-57.

Private Members' Business

It being 5.44 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]

INTER-AMERICAN CONVENTION TO PREVENT AND PUNISH TORTURE

The House resumed from April 18 consideration of the motion.

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, I am pleased to have the opportunity to speak today on a subject that I care about deeply, the prevention and eradication of torture. I would first like to thank my colleague, the member for Rosemont—Petite-Patrie, for having introduced this important debate in the House of Commons. As he himself mentioned during his first speech in the first hour of this debate, torture—in addition to being a reality that we cannot deny—seems to be very much on the increase throughout the world. In fact, Amnesty International conducted a survey between 1997 and 2000, and found that torture or abuse took place in more than 150 countries.

Torture and abuse is characterized by intimidation, physical and mental violence, brutality, discrimination, pain and fear. How can we, in a so-called civilized world, tolerate such violations of human dignity? How can we tolerate human rights being violated in this way? Do we have the right to simply turn away from such situations, citing the fact that we already have legislation or treaties that punish and condemn such barbaric behaviour? The simple fact that we have to ask the question is answer enough.

For this reason, we must have the necessary tools to prevent such acts and punish those who commit them. In 1984, the United Nations passed the convention against torture and other cruel, inhuman or degrading treatment or punishment. Under this convention, torture is defined as follows:

—any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for such purposes as obtaining from him or a third person information or a confession, punishing him for an act he or a third person has committed or is suspected of having committed, or intimidating or coercing him or a third person, or for any reason based on discrimination of any kind, when such pain or suffering is inflicted by or at the instigation of or with the consent or acquiescence of a public official or other person acting in an official capacity.

Why is torture one of the most reprehensible things there is? Because, as the definition says, it is intentionally inflicted. It is a premeditated act. One cannot torture someone accidentally; it is impossible. The only way to torture someone, regardless of the reason for doing so, is with full awareness of one's actions. In the context of torture, breaking someone's arm or burning someone's flesh, administering electric shocks, whipping, beating to death, is always a premeditated act carried out with a very specific goal in mind. Whatever its attraction, it is undeniably an unacceptable and reprehensible abuse of power.

Worse still than physical torture, the most degrading form of torture is when someone attempts to break, humiliate and dehumanize victims. Reduced to a subhuman state, they feel

attacked in their very being. They live in fear and shame under a moral intimidation which continues beyond the actual actions. Not only does such violence wound at the time it is inflicted, but these inner wounds may destroy a person's entire life. This is why we must do more than merely ratify the UN convention. It is more important than ever that Canada in turn ratify the Inter-American Convention to Prevent and Punish Torture.

This convention, which is under the aegis of the Organization of American States, came into effect in 1997. Unfortunately, nine of the 34 OAS member states have still not ratified it. This includes Canada and, surprisingly, the United States. But why sign this convention if we have already signed the UN convention? I will read the OAS definition of torture. It defines this practice as follows:

any act intentionally performed whereby physical or mental pain or suffering is inflicted on a person for purposes of criminal investigation, as a means of intimidation, as personal punishment, as a preventive measure, as a penalty, or for any other purpose. Torture shall also be understood to be the use of methods upon a person intended to obliterate the personality of the victim or to diminish his physical or mental capacities, even if they do not cause physical pain or mental anguish.

● (1745)

There is no need to point out the difference between this definition and the one from the UN. Its complementarity is found in the last sentence, which reads, and I quote:

—of methods upon a person intended to obliterate the personality of the victim or to diminish his physical or mental capacities, even if they do not cause physical pain or mental anguish.

In order to understand in practical terms what this means, let us imagine the following scenario: a torturer who hates getting his hands dirty whispers to his victim in a convincing voice that he intends to kill his children. There is no physical violence involved, but the victim may well become very talkative, much to the pleasure of his torturer.

Under the OAS definition, such a practice would be considered as torture. Therefore, since this definition is more comprehensive and introduces a new element, it can only be a very significant and useful complement to the UN convention.

To say that the inter-American convention weakens that of the United Nations, as claimed by some members of this House, is sheer folly, particularly since the convention adopted by a majority of OAS state members targets a specific region of the world, namely the Americas. Not only does this allow for closer monitoring, but it has the geographical advantage of being in conjunction with the development of the free trade area of the Americas.

Who has not heard about the FTAA, this vast project on which all the states of the three Americas are working, with the exception of Cuba? We support the idea of developing this economic zone but, as Bloc Québécois members have said repeatedly, not at any cost, and certainly not at the cost of doing it on the backs of citizens and violating the most fundamental rights. Why refuse to adhere to the principles that are already in place within the OAS to show our values and to show the context in which we want to build this FTAA?

If it is true that this government respects human dignity and fundamental rights, then it must be consistent and adopt the Inter-American Convention to Prevent and Punish Torture.

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Article 5 of the Universal Declaration of Human Rights reads as follows:

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

This is precisely what the inter-American convention is trying to promote and to have respected as closely as possible. Then, how can we be opposed to it?

If anyone is still wondering what point there is in ratifying two conventions instead of one, the answer is simple: this would enable us to reaffirm our commitment to defend the rights of all the citizens of this planet. This solidarity must know no boundaries and our values, combined with our respect of rights and freedoms, must impact upon the culture of our partners, economic or other. This is, moreover, one of the reasons that justifies adoption of this convention: cultural differences.

Even if not all peoples consider the same things acceptable or unacceptable, it is important to ensure that, on a subject as important as torture, everyone is in agreement. It is therefore inconsistent to want to step up economic ties with countries such as Colombia, for example, with whom we seem not to see eye to eye about torture. Colombia, of course, may seem less respectful of the conventions than Canada, we agree, but is it normal then for Canada not to see fit to sign the convention when Colombia has signed it? How can we then reprimand a state in the OAS for dubious practices when we have not seen fit to become a signatory to a convention aimed precisely at protecting people from this type of abuse?

The last point I want to address is the new context within which we find ourselves today. We have referred to it on so many occasions here in the House: the fight against terrorism.

• (1750)

Could it be that, in seeking out terrorists, acts of torture might be committed with a view to obtaining information on the various networks of terrorists and on potential attacks?

I fear the answer may be yes, and I would therefore invite each and every one of my colleagues to reflect on this point.

• (1755)

[*English*]

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, I would like to speak to the motion of the hon. member for Rosemont—Petite-Patrie, proposing that the government take the necessary measures for Canada to ratify the inter-American convention to prevent and punish torture.

While it has been already explained that Canada is not a party to this convention, I would like to reiterate that Canada is very involved in the protection and promotion of human rights in the Americas through its membership in the Organization of American States and through various other hemispheric bodies and bilateral activities.

As host of the summit of the Americas in Quebec City last year, Canada played a leading role in developing the plan of action, the summit process agenda for the coming years. A full third of the summit plan of action was devoted to human rights and democracy. The countries of the Americas have accepted that human rights and democracy are very much linked. The democracy clause in the

Quebec City summit declaration and the inter-American democratic charter adopted by foreign ministers on September 11, 2001, allude to as much.

All Canadians are concerned about the promotion and protection of human rights, both here in Canada and abroad. The Government of Canada and Canadian non-governmental organizations are actively engaged in the promotion and protection of human rights in the Americas. The Canadian International Development Agency alone has budgeted expenditures of \$56 million for this fiscal year on human rights and good governance programming in the Americas.

I will take a few minutes to illustrate to this House some of Canada's participation around the world.

In Argentina, Canada continues to work with local human rights organizations to promote human rights through a variety of activities. For example, the Canadian International Development Agency programs in Argentina include the ongoing development of programs in support of police reform. Through our embassy in Buenos Aires, we provide support for a number of human rights initiatives.

In December 2000 our embassy hosted a very large public event on women's human rights and violence against women. A year after that, in collaboration with UNESCO, our embassy hosted an event focusing on human rights and gender discrimination. Discussions are currently under way regarding possibilities for co-operation between our Department of Indian Affairs and Northern Development and its Argentine counterpart.

Canada has provided significant support for Bolivia's national ombudsman's office, which monitors government activities to ensure that they are carried out in accordance with the laws and constitution of that country. Created in 1998, the office is increasingly effective as both an auditor of public administration and a defender of human rights. Canada also played an important co-ordinating role in the donor community during consultations on the Bolivia poverty reduction strategy in the years 2000 and 2001.

In Brazil, Canada is also very active in promoting and protecting human rights and in fostering democratic development. Last year, with the aim of contributing to improve human rights programming and judicial reform in Brazil, members of Brazil's federal district public ministry were exposed to the Canadian experience of links and alliances being formed between the judiciary and non-governmental organizations.

Also last year, Canada provided witness protection training to Brazilian civil society groups and police officers. Canada has also supported various skill development and reintegration programs for marginalized Brazilian children who are involved in drug trafficking and prostitution and who are victims of sexual abuse.

In the country of Chile, Canada has supported projects in the areas of judicial reform, the participation of civil society in public processes, discussions on national reconciliation and human rights, the formation of networks of both indigenous and non-indigenous women and the prevention of violence within communities.

Canada also funds small projects which support economic, technical, educational and social development, with a particular focus on the challenges faced by women, children, native people and other traditionally marginalized groups.

●(1800)

We know Colombia's internal conflict has made its human rights situation one of the worst in the hemisphere and thus it is of particular concern to Canada and Canadians. When their safety is not at risk, our ambassador to Colombia and his staff travel to conflict zones to gain firsthand knowledge of the situation, monitor progress of investigations and show international solidarity with targeted communities.

Our embassy in Bogota consistently urges Colombian authorities to protect threatened groups, to undertake thorough investigations when human rights violations occur and bring those responsible to justice.

Canada actively participated in the peace process between the Colombian government and the FARC until President Pastrana ended the talks in February this year. Canada supports the invaluable work of the UN secretary general's special adviser on Colombia.

The work includes the facilitation of talks between the government and ELN forces and will also likely include the facilitation of talks between FARC forces and the government should talks resume once a new government takes office.

Every year in a country statement at the UN general assembly, Canada raises the issue of the status of Colombia's human rights situation. We do the same at the annual UN Commission on human rights in Geneva where we also support a strong statement made by the chair on the situation in Colombia.

Canada will contribute more than \$60 million over the next five years through CIDA's development assistance program to increase Colombian capacity to meet basic human needs and to protect the human rights of those affected by armed conflict, to support equitable participation in establishing foundation for peace and to improve Colombian capacity to address some of the key issues and intensifiers of violence.

Canada also has disbursed \$1.6 million in the last four years to support the activities of the Bogota office of the UN high commissioner for human rights. It also supports ongoing support to the UN commission for refugees, the international committee of the Red Cross, the Colombian Red Cross and a range of Colombian non-governmental and humanitarian organizations.

Canada supports Peace Brigades International, an NGO organization that provides accompaniment to threatened human rights workers as well as Doctors Without Borders and UNICEF. Canada also supports the delivery of distance education training in human rights and international humanitarian law to the Colombian armed forces.

In February this year, after several months of hearings in Colombia, the Parliamentary Committee on Human Rights and International Development paid a nine day visit to learn firsthand about the situation there. The subcommittee met with a wide range of Colombian government officials, police and army commanders, UN

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agencies, trade unions, municipal leaders and human rights organizations. The Canadian government is currently examining the recommendations outlined in the report of the subcommittee which was tabled last month.

As in Colombia, Canada remains among the most active countries in the promotion of and support for human rights and democratic development in Guatemala.

For a period of time last year, Canada chaired the G-13 dialogue group, a group of major donors and international organizations that have developed a structural dialogue with the government, private sector and civil society to express concerns with respect to human rights issues. Canada is one of the most vocal members of the group and regularly raises human rights issues during meetings with the Guatemalan government.

The human rights situation in Haiti remains a key concern to the government. We have used every available opportunity to indicate our concern to the Haitian government. We remain in regular contact with local human rights organizations. When deemed necessary, our ambassador to that country issues local press statements reiterating Canada's position on the protection and promotion of human rights in that country.

●(1805)

At the Quebec City summit of the Americas last year our Prime Minister emphasized the need for the government of Haiti to respect human rights.

If I had the time I could go on to outline the activities, programs and initiatives that our country is conducting in other countries, such as Jamaica, Mexico, Nicaragua, Argentina, Paraguay, Peru to Venezuela. However, in summary, as pointed out—

The Acting Speaker (Mr. Bélair): I am sorry to interrupt but I have been quite patient.

The hon. member for Surrey Central.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I rise on behalf of the constituents of Surrey Central to participate in the second hour debate on Motion No. 432 moved by the Bloc member for Rosemont—Petite-Patrie. I would like to thank the member for bringing the motion to the floor of the House.

The motion calls on Canada to ratify the inter-American convention to prevent and punish torture. Earlier, when the member for Okanagan—Coquihalla, the senior critic for foreign affairs for the official opposition, spoke to motion, he articulated his position during the first reading of the motion.

The inter-American convention to prevent and punish torture seeks to prevent torture at the hands of a public servant, an employee or a person who acts on their behalf.

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Nothing can ever justify torture. All acts of torture or any other cruel, inhumane or degrading treatment or punishment constitutes an offence against human dignity and are violations of the fundamental human rights and freedoms. Protecting and promoting human rights is a cornerstone of our foreign policy. Of course torture against citizens by a government should be prohibited and condemned. However I have concerns with this motion for several reasons.

First, the definition of torture in this convention is simply too broad. I feel that if this convention were ratified, the implications on Canada's police and correctional services could be negatively impacted. Canada's police forces have enough to worry about without having to fear that by using pepper spray to control a deranged attacker or by holding someone in a modest cell they will be found to have tortured the individual and will be punished for simply performing their duties.

We have all seen how vague definitions have been used by courts to expand the scope of the legislation beyond what was intended by the legislators. This legislation speeds this along by being too sweeping in the first place.

I feel that Canada has enough safeguards in place to protect the rights of perpetrators of crime and it would be those individuals who will be mostly likely to take advantage of any greater protection this convention would afford them. I feel that Canada has to turn its attention to the perpetrators of crime rather than continuing to put safeguards in place to protect them.

Second, acts that would constitute true torture are already illegal in Canada. Those protections are already in place. To use the broad definitions of torture contained in the convention would simply open up a whole new set of challenges for our law enforcement community in Canada.

Third, Canada is a signatory to the UN convention against torture and other cruel, inhumane or degrading treatment or punishment. After the deposit of its ratification instrument in 1987, Canada was one of the first state parties to this UN convention. This convention has a much more reasonable and narrow definition of torture. To avoid conflicts, if Canada is to ratify any convention on torture there must be only one definition of torture used.

There is no question about the laudable aims of the inter-American convention. Though it is perceived that the UN convention against torture provides higher standards and stronger protections than the organization of the American states convention. Nevertheless, there is already a very strong and effective international mechanism with broad support. We must seek further international support in order for that mechanism to become universally accepted.

The fourth concern I have is that under this convention torture includes "inflicting physical pain as a preventative measure or as a penalty". I am concerned that those who would seek to deny parents the right to administer corporal punishment to their children would use the ratification of this convention to further their efforts to deny parents this option.

• (1810)

I am concerned that a teacher trying to break up a schoolyard fight and confine the troublemakers to keep them separated could be prosecuted under a broad definition such as this.

Although preventing torture is a commendable goal, ratifying this convention would cause more harm than good. The Canadian Alliance does not condone the use of torture, however the definition of torture in this convention is too vague and could cause problems for law enforcement and correctional service agencies.

Since we are talking about human rights, I would also like to take this opportunity to bring the attention of the House to another very important issue. The sudden and unexpected disbanding of British Columbia's human rights commission is quite disturbing, particularly when provincial legislation has not been defined, debated or passed by the legislature.

Consultations on the proposed legislation are ongoing through September 15 with debate commencing this fall so the final definition of this legislation is still unknown. It would appear that the province is placing the cart before the horse and circumventing the democratic process of the legislature.

By immediately disposing of B.C.'s human rights commission, it places all human rights complaints and administration in the lap of the Human Rights Tribunal.

It is perceived by my constituents that under new legislation there will be no separation of authority between a body, which is a commission, that mediates and investigates complaints, provides legal, educational and advocacy support from the body, which is the tribunal, that executes the judicial functions.

By doing so, greater authority is placed in the hands of the tribunal that is to fulfill the mandate of both the commission and the tribunal. It will mediate and investigate complaints, select cases for judicial review, as well as exercise final judgment.

This action begs the question: What body will provide an impartial voice for the disadvantaged and minorities? Moreover, B. C. is now the only province in Canada without a human rights commission. This is in contravention of the UN convention requiring state, which is provincial, human rights agencies to be provided with adequate resources to investigate and promote human rights standards as set out by the United Nations, which has been ratified by Canada and thus upheld in law in Canada.

It was only this past April when Canadians marked the 20th anniversary of the Canadian Charter of Rights and Freedoms that afforded Canadian citizens protection from unreasonable and arbitrary government actions in their pursuit of justice.

It is difficult to conceive that British Columbians in pursuit of justice and a human rights tribunal left in a judicial limbo while waiting for an amended legislative mandate that remains to be defined.

Certainly, with virtually no official opposition within the B.C.'s legislature, it is evident that this legislation will pass. However a government should not and must not be so presumptuous as to act before the public consultation process is completed and the laws are democratically passed by elected legislators.

Already the human rights commissioner and others that were summarily discharged will be pursuing legal action. What it cost the taxpayer to pursue this in the courts? The process has already gone too far to backtrack.

I implore the offices of the premier of British Columbia and the Prime Minister of Canada to take immediate steps to fulfill their obligations under the laws of Canada and the UN charter to ensure that the human rights of British Columbians will not suffer as a result of the actions prematurely taken by the province.

I will be writing a letter to the premier of British Columbia. I will also be urging the Prime Minister and this Liberal government to make sure that the law is upheld and that we respect the United Nations charter that we signed.

• (1815)

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, I am pleased to rise today to speak to the motion of the hon. member for Rosemont—Petite-Patrie proposing that the government take the necessary measures for Canada to ratify the inter-American convention to prevent and punish torture.

There are three key points which will help inform this debate and on which all hon. members should agree. First, there can be no doubt that Canada condemns unequivocally torture and other cruel and degrading acts anywhere and at anytime. There is never any justification for torture.

Second, Canada's decision not to accede to the inter-American convention must not be interpreted as suggesting that Canada is somehow soft on torture. The promotion and protection of human rights is an integral part of Canadian foreign policy. Canada is fully committed to the elimination of torture, to investigating the question of torture, to prosecuting those responsible for such acts and to supporting victims of torture.

When Canada deposited its instrument of ratification in 1987, we were among the first states to be parties to the UN convention against torture and other cruel, inhuman or degrading treatment or punishment.

Today the number of states that are parties to that convention is 126. Canada continues to encourage those states that have not already done so to become parties to the UN convention.

At United Nations meetings, including the UN general assembly, Canada has worked closely with other like-minded delegations to negotiate and support resolutions on torture and other cruel, inhuman and degrading treatments or punishments. As recently as this past week, Canada co-sponsored a resolution at the UN commission. The opening words of that resolution are a collective affirmation of the global repugnance against torture. Those words bear repeating in this debate. It states:

Reaffirming that no one should be subjected to torture or to cruel, inhuman or degrading treatment or punishment, that such actions constitute a criminal attempt to destroy a fellow human being physically and mentally, which can never be justified

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under any circumstances, by any ideology or by any overriding interest, and convinced that a society that tolerates torture can never claim to respect human rights....

The UN Commission on Human Rights resolution also notes with appreciation the work of the special rapporteur on torture. We closely follow his work and that of the UN committee against torture, chaired by Mr. Peter Burns, a Canadian independent expert.

Canada is a strong proponent of measures to prevent and prohibit torture and attaches great importance to effective action by the United Nations against torture. Canada supports mechanisms that examine extra-judicial executions or torture and cruel, inhuman or degrading treatment in specific countries. We believe there should be a strong and effective international mechanism with the capacity to make on site visits to places of detention, particularly when there have been allegations of torture. To this end, we have been actively participating in the working group to elaborate an optional protocol to the convention against torture.

We have also provided financial assistance to the cause against torture. Canada contributes \$60,000 annually to the United Nations fund for victims of torture. The aim of the fund is to support the medical and psychological treatment and services for torture victims through rehabilitation centres and programs worldwide. More than 115 humanitarian organizations in 53 countries have been assisted by the fund. In Canada the fund has supported centres of treatment in Calgary, Edmonton, Montreal, Ottawa, Toronto and Vancouver.

• (1820)

One of our key foreign policy priorities is to ensure that there can be no impunity for acts of torture wherever they occur. Canada took a leadership role in the negotiation and adoption of the Rome statute of the International Criminal Court. As hon. members will recall the Minister of Foreign Affairs announced in this House on April 11 the welcome news of the deposit of the 60th ratification for the Rome statute of the International Criminal Court. With the Rome statute's entry into force coming up on July 1, 2002, the International Criminal Court will be a reality. The court will have jurisdiction to try those accused of the most serious crimes known to humankind, including acts of torture that amount to genocide, crimes against humanity and war crimes.

As these initiatives attest, Canada has been an active supporter of international efforts to eliminate torture. Given Canada's level of engagement internationally, some might offer the opinion that it is hypocritical for Canada not to accede to the inter-American convention to prevent and punish torture, the question before us tonight. That assertion must be rejected. Our commitment to the goal of the elimination of torture should not be measured by the number of international treaties to which we are a party, but rather by how effectively we implement our international obligations.

As a recent editorial in the Ottawa *Citizen* entitled "Wronging Rights" noted, progress on protecting rights should not be confused with negotiating new international human rights agreements. Our approach should be to ensure that governments actually respect human rights in practice.

Private Members' Business

No one questions the aims of the inter-American convention. They are laudable. Similarly, it is generally accepted that the UN convention against torture provides higher standards and stronger protections than the OAS convention. Canadian practice has always been to focus our efforts in the effective implementation of the stronger human rights instruments rather than in the ratification of a weaker convention that may ultimately compete with and thereby dilute the strength of the existing UN convention against torture.

The third key point relevant to this debate is that Canada remains fully committed to this hemisphere and to the OAS. Since joining that organization in 1990, Canada has worked in partnership with the 33 other active member states to develop and implement a hemispheric agenda for the benefit of all citizens of the Americas. The OAS is central to our hemispheric policy and has provided an excellent venue to promote our policies on good governance, human rights and democracy.

The fact that we are not a party to the inter-American convention against torture should not be seen as reflecting a lack of support for regional instruments. Indeed, regional initiatives can be critical in building momentum toward the establishment of global norms.

In the initiative to ban landmines for example, the member states of the OAS provided leadership in adopting a regional ban on landmines. This achievement was a key development in the path which led to the Ottawa convention. However that is not the situation we are facing here. There already exists a global instrument which enjoys broad support. Our efforts should be focused on encouraging greater support internationally for the UN convention so that it might enjoy universal acceptance.

I would like to express my appreciation to the hon. member for Rosemont—Petite-Patrie for his motion which has enabled this House to debate and examine Canada's policy with respect to the elimination of torture. We need to be pragmatic in our approach and focus our efforts where they can have the best effect, namely on promoting the implementation and effective ratification of the UN convention against torture and the strong protection it offers against such heinous acts.

• (1825)

[*Translation*]

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I thank you for giving me the opportunity to take part in this debate. The first thing I must do is to congratulate the member for Rosemont—Petite-Patrie for initiating this debate here in the House and to give my support to his motion.

The motion reads as follows:

That, in the opinion of this House, the government should take the necessary measures for Canada to ratify the Inter-American Convention to Prevent and Punish Torture.

This is a very important motion and it is absolutely necessary for the House to have a debate on the issues covered in this motion.

[*English*]

The House has a very important issue before it and I am pleased that we have this opportunity to debate it

Some have suggested in the course of this debate that this idea which calls for Canada to sign the inter-American convention to prevent and punish torture is redundant and unnecessary. It is my view, and I believe the shared view of many in the Chamber today, that it is not true that there is nothing we can do to address the issue of torture. It is important to speak out against the pervasive incidents of torture around the world. Nothing is redundant or unnecessary when it comes to dealing with this matter.

It is important to bring this issue out into the open every chance we can get and to put the facts on the table. The facts are disturbing. They need our attention and need ongoing action by the government and by our partners internationally.

I think all of us are shocked when we read some of the reports produced by Amnesty International as a result of its work in the field and on the frontlines. In its most recent report Amnesty International indicated that people died as a result of torture in over 80 countries and that torture or ill-treatment by state agents occurred in over 150 countries and was widespread in more than 70 countries. Amnesty International has documented how pervasive torture still is today in our society. More importantly for this debate, it has reminded us that governments continue to allow torture and ill-treatment to go on.

The question we are debating today is Canada's role on the international scene in response to the pervasive incidents of torture. The question for us today is not about the adequacy of Canadian police and security forces to address the presence of torture. It is our role in co-operation with other nations to suppress, stop and wipe out the incidents of torture in our society today. Nowhere is this more apparent than in the Americas.

The report by Amnesty International for the year 2002 has documented that very clearly. It has reported that in countries that are a part of the Organization of American States torture is alive and well and must be addressed by all of us. Amnesty International has reported that torture and ill-treatment by security forces continues to be present in at least 20 countries including Argentina, Belize, Bolivia, Dominican Republic, Ecuador, Guyana, Jamaica, Paraguay, Peru, Venezuela and the list goes on.

Amnesty International also focuses on the incidents that are occurring as we speak in Colombia which is significant because of the seriousness of developments, and in particular because the convention that we are talking about today was introduced in 1985 in Cartagena, Colombia. It has recently reported that the human rights crisis in that country has continued to spiral and it is feared that in the post-September 11 climate it will continue to exacerbate. It states that both the army, with their paramilitary allies, and armed opposition groups continue to commit grave human rights violations and abuses against civilians as the principal victims.

The year's statistics are chilling: over 300 people disappeared; more than 4,000 civilians were killed outside of combat, the majority by army backed paramilitaries; large numbers of people were displaced; and over 1,700 people were kidnapped, mainly by guerilla groups.

Private Members' Business

•(1830)

The documentation by Amnesty International and others with respect to the pervasiveness of torture in our society today must be taken into account by the Canadian government. It provides the basis for the government to seriously consider signing the inter-American convention to prevent and punish torture.

We have heard from members of the government side and from the Parliamentary Secretary to the Minister of Foreign Affairs. They have said that any efforts to sign the inter-American convention would dilute and weaken the government's ability to focus on the issue of torture, particularly with respect to the UN convention against torture. It has been suggested to us again today that such a move by Canada would dilute and weaken Canada's efforts in terms of this important international objective.

It is hard to understand the rationale for that kind of argument. It would seem to me that when we are dealing with such a pervasive situation, with torture occurring on such a rampant basis in many countries around the world, everything we can do to send a message, to speak out publicly and to work with other countries to stop torture is important. It seems to me that rather than dilute and weaken Canada's efforts the signing of this convention would strengthen and reinforce our position and send a strong message internationally. I can see no harm with Canada signing the convention.

I cannot understand the rationale of government members for suggesting that all efforts must be focused on the UN convention and anything else would be problematic. I suggest to members of the House that the government ought to take seriously this call for participating as a full signatory in the inter-American convention to prevent and punish torture because it will make a difference.

It will make a difference to those people on the frontlines trying to repress torture. It will make a difference in terms of the message we send to countries where torture is allowed to go on. It will send an important international signal that Canada will not stand idly by and turn a blind eye to any country that refuses to crack down on torture and any government that may be engaged in acts of torture.

It seems to me that when we are talking about something as fundamental as people's lives being put through such torture, pain and agony that the least we can do as a nation is to be a party to a group of nations, as part of the Organization of American States, who want to take action and send a clear message that torture against individuals as outlined and defined by the accord must be opposed. Every effort must be taken to stamp out, crack down and eliminate any incidents of torture in our society today.

•(1835)

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I want to let you and the House know from the outset that we in our party will be supporting the motion. I congratulate the hon. member for Rosemont—Petite-Patrie for his good work on the issue. To remind the House and the listening public of the motion I will read it again. It states:

That, in the opinion of this House, the government should take the necessary measures for Canada to ratify the Inter-American Convention to Prevent and Punish Torture.

It is amazing that the government has not ratified the convention. The hon. members who have spoken, at least on this side of the House, have raised serious questions as to why the government would not move on it. The motion before us is an honourable one which would send a message to the rest of the world. It is a votable motion, which indeed it should be. It is good to put the government on trial and see how many of its members are brave enough to stand and vote it down.

The Inter-American Convention to Prevent and Punish Torture was created in 1985 at the 15th regular session of the General Assembly of the Organization of American States. I remind the House that Canada is a member of the OAS. We became a member on January 8, 1990.

Mr. Speaker, during that debate you stood on this side of the House. As you remember, and I know you have a great memory, the Liberal Party at the time was outraged that the Prime Minister of Canada would move Canada into the OAS. One of those convenient anti-American speeches was given by the Liberal Party. There was a round of questions in question period regarding our entry into OAS, if one can believe it. I was here and was part of the debate. I was honoured to stand in my place in the House and vote Canada, through the Parliament of Canada, into the OAS.

It is reminiscent of the NAFTA debate where the Liberals raged against it and wanted to change it but did not change a comma, period or colon. They simply moved on for whatever reason knowing full well we were right to join the OAS, we were right to enter into NAFTA and we were right to enter into the free trade agreement. However that is old political history and I doubt anyone wants to listen to that tonight.

The OAS is made up of 34 active member countries. The U.S. ratified the convention of which we speak and entered into it on February 28, 1987. Canada is lagging way behind.

The spirit of the OAS convention to prevent and punish torture reinforces the Charter of the United Nations and the United Nations Universal Declaration of Human Rights. That was one of the issues the hon. member for Winnipeg Centre brought to the floor of the House in the last few minutes. There appears to be an inconsistency on the part of the Government of Canada. The convention reaffirms:

—that all acts of torture or any other cruel, inhuman, or degrading treatment or punishment constitute an offense against human dignity and a denial of the principles set forth in the Charter of the Organization of American States and in the Charter of the United Nations—

In order for the pertinent rules contained in the OAS and UN charters to take effect the Inter-American Convention to Prevent and Punish Torture must be ratified. It calls for state parties, in this case Canada, to take effective measures to prevent and punish torture within their jurisdictions and ensure that all such acts are considered offences under their criminal law. It says punishment should be severe and take into account the serious nature of all acts of torture. It also calls for state parties, again in this case Canada, to:

—take effective measures to prevent and punish other cruel, inhuman, or degrading treatment or punishment within their jurisdiction.

Adjournment Debate

●(1840)

The hon. member for Pictou—Antigonish—Guysborough, our justice critic, could speak volumes to this because one of the reasons the government is so reluctant is the sovereignty issue which I hope to touch on. The convention addresses a need to ensure figures of authority such as police do not use torture during interrogation, detention or arrest.

Under the convention anyone claiming to have been tortured is entitled to an impartial examination of his or her case. If an examination results in findings of torture the victim shall be entitled to suitable compensation. However no provisions in the convention shall override the right of the victim or other persons to receive compensation, and this is a key phrase, by virtue of existing national legislation. The convention does not supersede domestic law. It says state parties, again in this case Canada:

—shall take the necessary steps to extradite anyone accused of having committed the crime of torture or sentenced for commission of that crime, in accordance with their respective national laws on extradition and their international commitments on this matter.

The convention does not override criminal jurisdiction exercised in accordance with domestic law.

Speaking of cruel and unusual punishment, one of the reasons the government might be reluctant is because of what we are witnessing on the other side of the House in terms of the cruel and unusual punishment the Prime Minister of Canada is inflicting on the general public and on his own party.

On the positive side, Canada supports the United Nations charter and condemns all acts of violence against human beings. Ratifying the convention would reaffirm our commitment that human rights should be protected for all humankind. I do not think it is news to members that Canada has an excellent reputation around the world for its record and efforts with respect to human rights. Canada's efforts reflect the spirit of the convention, so why the hesitation?

During the debate on whether we should ratify the convention it has appeared that Canada has been struggling with the issue of sovereignty. It goes back to our reluctance to join the OAS, or rather the reluctance of the official opposition Liberal Party at the time. A thread of anti-Americanism still seems to run through and pervade the Liberal Party. The government is debating whether or not we would be buckling under to the United States which is the driving force and dominant state within the OAS.

This seems to be the constant thread that weaves itself throughout any policy that comes from the present government. The Liberal government is not addressing the issue in a fashion we would expect from a national government, especially the government of a country like Canada that has such a great and unblemished record on human rights.

The government should move on, ratify the treaty and make us all proud to be members of the OAS.

The Acting Speaker (Mr. Bélair): 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.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

●(1845)

[*Translation*]

SHIPBUILDING

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, on May 10, I asked to the minister of public works a question about the \$2 million still to be paid to Davie for repairs done at the Champlain dry docks. The work has been completed by Davie Industries.

Here are a few more details on that question. The dry dock has always belonged to the federal government. On March 31, 1998, an agreement was reached stating that once the repairs were finished, Davie Industries would manage the dry dock and use it to do some work there. Earlier, in April, I asked the minister of public works to respect the lower bid of the Davie Industries, even though the company was under the protection of the Bankruptcy and Insolvency Act. The minister of public works has allowed the repairs to the frigate HMCS *Ville de Québec* to take place in the dry dock, which is unofficially under the administration of Davie.

The same department of public works now refuses to pay the missing \$2 million, because it claims Davie is under the protection of the Bankruptcy and Insolvency Act. The contract was for a total of \$12 million.

Today, the minister's representative, the parliamentary secretary has had all the time needed to take note of the question. Indeed, there could be a default. However, could does not mean will. Under the present circumstances, it would be inconceivable that Davie not be able to use it to repair the frigate HMCS *Ville de Québec* and other work, when a vessel is being repaired for the department of public works, for the federal government.

I will listen carefully to the answer given by the minister's representative and I ask him to answer with a great deal of thought. It would help Davie if the \$2 million were paid. It could do other work. It is not the time to withhold payments that are due to a company when it is in dire financial straits, on top of an advance of \$800,000 a year, which the federal government agreed to pay for five years for the operations of the dry dock. Davie is already operating the dock. Why does the federal government not want to pay the \$2 million it owes for work that has already been carried out since December? Why is it putting off paying the \$800,000 that was due last April 1?

[*English*]

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, as you can imagine, the hon. member has described a situation to you that is not exactly simplistic. There is some detail that should be known.

Adjournment Debate

Until March 31, 1998 Public Works and Government Services Canada was responsible for the operation and management of the dry docks at Lauzon. As part of its efforts to divest itself of its marine and transportation assets Public Works and Government Services Canada entered into a divestiture agreement with Industries Davie Inc., or IDI, for the dry docks.

On March 31, 1998 public works divested itself of the dry docks and handed them over to Industries Davie Inc. for a token one dollar plus a contribution payable under an agreement that included a \$12 million reserve for major repair work payable on a pro rata basis as the work was completed. The accrued interest, and this is where the hon. member is getting his \$2 million figure, earned on the \$12 million reserve is not payable until the contribution agreement expires. That is important. The amount of \$8 million represents the present value of the annual operating losses to be paid in installments of \$800,000 plus interest annually.

In August 1998 Industries Davie Inc. filed for protection under the Bankruptcy Act. A proposal for its creditors was accepted in December, 1999. On October 24, 2001 the superior court set aside the proposal and assigned the assets to *Gérald Robitaille et Associés Ltée* because Industries Davie Inc. had failed to comply with all the provisions of the proposal. On November 6, 2001 public works issued a 30 day notice to terminate the obligations under the agreement with respect to the contributions because Industries Davie Inc. was in default according to the agreement.

A portion of the contribution in the amount of \$12 million relates to major repairs, as the hon. member has said. The money was placed in trust in 1998. On December 31, 2001 the trustee confirmed that \$11.7 million had been issued to IDI because the agreed upon work had been completed. On that date \$1.9 million remained in the account, most of which was interest accrued on the initial \$12 million. In accordance with the contribution agreement the funds cannot be claimed until the agreement expires on March 31, 2007.

The crown suspended payments and issued a default notice to Industries Davie Inc. for non-performance owing to the company's bankruptcy. However the trustee in bankruptcy is still responsible for the dry docks and has free access to and control over the docks. The trustee continues to operate the dry docks in accordance with the contribution agreement. We have not terminated the agreement. We are examining every option to continue to support the company.

• (1850)

[*Translation*]

Mr. Antoine Dubé: Mr. Speaker, this answer is incredible. The parliamentary secretary does not specify the reason given, despite alluding to it, implicitly. He says that it is because Davie has not met all of the conditions. Since I know what this is all about, it is that Davie has been placed under the protection of the Bankruptcy Act.

This brings me back to the situation I was describing before. Aware of the fact that Davie was placed under the protection of the Bankruptcy Act, the federal government took advantage of the situation to avoid paying its bill. It realized that Davie needed a dry dock to repair the frigate HMCS *Ville de Québec* and made unofficial arrangements to have the work done.

The government does not even see the inconsistency or the contradiction of its ways. A nice way to help, is that the agreement could be in effect until 2008, ten years later. In an incredible display of generosity—I say this tongue in cheek—it could wait until 2008 to pay its dues. Even better, it would have additional interest to pay. What an answer.

[*English*]

Mr. Paul Szabo: Mr. Speaker, I certainly want to congratulate the member for his tenacity on the issue.

We are embroiled in a legal issue. I do not want to repeat the details that I mentioned in my speech. The agreement is clear. The fact is that Industries Davie did default on its agreement. The crown suspended payments and issued a default notice to Industries Davie for not being able to fulfill its contractual obligations. This is the crux of the issue. The company did not fulfill its contractual obligations.

I want to assure the member that we are committed to examining every option that we might use to continue to support this company.

[*Translation*]

NATIONAL WILDLIFE AREAS

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, a few weeks ago, I asked a question of the Minister of Environment about the funding of the Lake St. Francis National Wildlife Area, among other things.

At the end of May, I went to the Valleyfield area; at Lake St. Francis, there is a national wildlife area that is managed by the Friends of the Valleyfield Wildlife Area. They reminded me of one thing: back in 1978, the Canadian Wildlife Service had acquired 14,000 hectares of land to use as a national wildlife area.

Under international conventions, this wildlife area is considered a Ramsar area, with an ecosystem of international importance. There are many plant species, several species at risk. But the Friends of the Wildlife Area have been suffering from a chronic lack of funding for several years.

Indeed, the whole management of the Lake St. Francis National Wildlife Area has been left to volunteers. The federal government is not taking its responsibilities as the protector of threatened species on its lands. It acquires 14,000 hectares of land, but refuses to take responsibility for supervision, coordination, promotion and development.

As an example, for the Lake St. Francis National Wildlife Area, 24.8% of the funding came from the Canadian Wildlife Service in 1997-1998. In 2002-2003, it will be only 9%. Clearly, the \$12,000 available for the reserve will not be enough to ensure adequate funding to protect our natural heritage.

There are limits to having everything done by volunteers. These people put in a lot of time and energy, but they do not have to assume the federal government's role with regard to the management of its national wildlife areas.

I remind members that the mandate of national wildlife areas is essentially to protect wildlife and not to organize recreational activities to increase revenues.

Adjournment Debate

Funding for national wildlife areas has to be increased. I humbly say so because, in 2001, the environment commissioner's report was very negative on the issue of national reserve management.

In 1999 and 2000, the budget was \$83,000 in Ontario for ten national reserves; in Quebec, it was \$102,000 for eight reserves. It is clear that there is a chronic lack of funding.

I will come back later to the statements made by the environment commissioner, who believes that the current resources allocated to national wildlife areas, particularly the Lake St. Francis reserve, are insufficient to enable them to fulfill their mandate.

• (1855)

[English]

Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.): Mr. Speaker, Canada has a wealth of wildlife, forests, water and protected areas.

[Translation]

We are known all over the world for the richness of our nature. Canadians see nature as an integral part of their identity and are convinced that it contributes substantially to their quality of life.

[English]

Canada is truly blessed in terms of natural wealth. Some 20% of the world's remaining natural areas are located in Canada along with 9% of the world's freshwater and 15% of its forests. About 8% of Canada is part of a protected area. This translates to 80 million hectares.

This network contains some of the most vital habitat sites in all of North America, significant critical habitat for species at risk, and in highly fragmented landscapes. These sites are often among the last remaining areas of natural habitat upon which to base a recovery of the landscape.

I am proud of the work of the many dedicated employees of Environment Canada and of the Canadian Wildlife Service who operate the 143 national wildlife reserves and migratory bird sanctuaries across Canada.

Our national wildlife area and migratory bird sanctuary system is challenged in many ways: in our internal capacity to manage the properties we have, from the stresses and the demands on the landscape surrounding the sites; and in our ability to complete the current sites and add important new areas to the network, particularly marine sites.

We recognize that there are challenges and assets in our protected areas, including the national wildlife areas and migratory bird sanctuaries. We recognize the foundation role that they will need to play for species at risk recovery, sustaining healthy migratory bird populations, and as the building blocks of recovery of ecosystem health in stressed landscapes.

We place a high priority on developing a strategy that takes a logical and well planned approach to managing these areas and developing new ones. We have discussed such a strategy quite fully within the Government of Canada.

It is true that the resources allocated to protected areas have remained static over the last few years. One of the challenges faced by the Canadian Wildlife Service is allocating scarce resources among many competing priorities.

The annual budget for managing the entire network of national wildlife areas and migratory bird sanctuaries across Canada is \$1.9 million.

We are aware of the auditor general's concerns on national wildlife areas and migratory bird sanctuaries. These concerns have been echoed by organizations and I share them as well.

In our response to the Commissioner of the Environment and Sustainable Development we have committed to develop a strategy. The Minister of the Environment intends to present this strategy in the fall.

We must caution that the pace at which a strategy will be implemented will depend on the scope of available resources. The government has already begun the process of revitalizing these very important natural wildlife areas.

• (1900)

[Translation]

Mr. Bernard Bigras: Mr. Speaker, the parliamentary secretary does not seem to recognize that there is an urgent need for resources. Again, I quote from the environment commissioner's 2001 report.

She said, and I quote:

In Quebec, we also observed that Environment Canada lacks the capacity to manage all its national wildlife areas effectively. For example, the Lac Saint-François National Wildlife Area, a Ramsar site, has a management plan dating back to 1986 and no federal staff on site.

In section 5.1.18 of the commissioner's report, she said "There is limited monitoring of public access" in a significant number of national reserves.

It must be understood that the resources allocated to national reserves must be increased if we want to make these reserves and our natural heritage accessible.

[English]

Mrs. Karen Redman: Mr. Speaker, I do not think it is ever possible to do enough to protect all the natural areas in Canada.

I want the hon. member to know that we are developing a strategy and it will be presented this fall.

With the involvement of Canadians, community and conservation organizations, business associations, non-government organizations and other levels of government, we are taking steps to protect the natural wealth and the natural beauty that we enjoy in Canada.

I repeat that Environment Canada is currently working on a strategy that will conserve and manage this network. It is very important to realize that we take this matter very seriously.

SOFTWOOD LUMBER

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, this country's softwood lumber industry is in trouble. I know it and everyone in the House knows it.

Adjournment Debate

The blame lies squarely at the feet of the government. It is unbelievable when we recognize the government knew for five years that the softwood lumber agreement would expire. What action did the government take in that five year period to resolve this issue? The government did not do a whole lot because here we are facing crippling duties, tariffs, and the demise of our industry from one end of Canada to the other. There is not a provincial government that would disagree with me.

As an example, British Columbia produces 12 billion feet of lumber a year. In British Columbia alone 35,000 people are employed in that industry. In New Brunswick the industry employs over 4,000 people. There are 64 mills in the small province of New Brunswick. In British Columbia there are 338 mills. Every one of those mills is threatened. Every one of those jobs is threatened.

It is systemic. There are a number of trade issues on the floor of the House that the government has mismanaged and mishandled. The government has paid no attention to the details, hoping it could coast along and things would get done and things would work out. This is an example of where that laissez-faire management style just does not work. It has not worked in agriculture and it has not worked in steel. It certainly is not working in the softwood lumber dispute.

This is another example of the deteriorating relationship between Canada and the United States. Sometimes personal intervention can make a difference. It is acknowledged that the Prime Minister of Canada has no relationship with the President of the United States because that would run against everything the Prime Minister ever spoke of and believed in. That thread of anti-Americanism that runs in the veins of the Prime Minister has not helped us in this case. He cannot get on the telephone to the President of the United States and talk this thing over and have it resolved.

Even a former minister who now represents us in Geneva, Sergio Marchi, said the same thing. This is a case where Ottawa and Washington have to get together at the highest levels to solve the problem.

Maybe it has to do with that historic relationship years ago when the present Prime Minister accused a former prime minister of going fishing with a former U.S. president, calling him his fishing buddy. The present Prime Minister referred to the former prime minister as being the fish on the hook of the former U.S. president, but it was found that the present Prime Minister was nothing more than a caddy for President Clinton.

The softwood lumber issue is serious and the government has no resolution in sight. Thousands of jobs in Canada are at risk. How in the short term will the government resolve it? What plan does the government have to give us some confidence that it will resolve this issue?

• (1905)

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, I am pleased to respond on behalf of the Minister for International Trade to a question asked in the House of Commons on May 2 by the hon. member for New Brunswick Southwest concerning softwood lumber.

At that time the member wrongly mentioned that the government had nothing to offer Canadian lumber workers. He further stated that the Prime Minister had not taken a special interest in the issue.

Nothing could be further from the facts. The softwood lumber dispute with the United States continues to be Canada's number one trade challenge. On May 22 the United States administration imposed 27% countervailing and anti-dumping duties on our lumber exports following the U.S. International Trade Commission finding that the Canadian softwood lumber exports to the United States were threatening to injure U.S. producers.

The Government of Canada, the provinces and territories and Canadian industry reject the United States government's determinations relating to Canada's lumber exports. Our lumber is not subsidized, it is not dumped, and it is not injuring or threatening to injure the United States lumber industry.

In full co-operation with the provinces, territories and industry, the Government of Canada is challenging the U.S. decisions at the WTO and under NAFTA. We are challenging the U.S. preliminary and final subsidy determinations and we have initiated two more general trade challenges relating to softwood lumber. We are also undertaking two NAFTA challenges as well and are analyzing the threat of injury determination for possible WTO and NAFTA challenges. We are taking every step possible to defend our industry, and let me repeat, in full co-operation with the provinces, territories and industry.

In response to the hon. member's comments that the Government of Canada has nothing to offer our lumber industry and workers, I would like to remind the member for New Brunswick Southwest that on May 27 the Minister for International Trade announced that the Government of Canada would provide an additional \$17 million to Canada's lumber industry so that it can carry out an education and awareness building campaign in the U.S. An industry led campaign is the best way to educate key segments in the United States that softwood lumber duties have a punitive effect on not only our lumber industry but on their domestic market in the home building and other lumber related construction industries.

The Minister for International Trade also announced \$3 million in incremental funding for advocacy so that Canadian officials in our embassy and consulates across the United States can intensify our opposition to U.S. protectionism in softwood lumber and other vital Canadian trade sectors, including agriculture and energy. In essence this will help us raise the volume of our opposition to U.S. protectionist actions.

One month ago, the Minister of Natural Resources announced long term measures that will help our forest industry through diversification and innovation. His announcement will open new markets and foster innovation through enhanced research and development capabilities. The announcement included \$29.7 million for the Canada wood export program, \$30 million to support research and development activities, and \$15 million for the value added research initiative for wood products for a total of \$75.7 million over and above existing programs.

Adjournment Debate

The member would portray this as a matter on which the Canadian government has not acted or has not acted effectively, on which it has just been riding off on its own. That is simply incorrect. By now the member ought to be aware of the concerted efforts of the federal government, the provinces and territories and industry to tackle this problem.

• (1910)

Mr. Greg Thompson: Mr. Speaker, the government has had five years to respond to this and deal with it, knowing full well it was coming.

When the parliamentary secretary gets up and talks about the \$17 million, \$20 million or whatever it is to launch an awareness campaign in the United States, it is something like taking a wet noodle down there and knocking on the door of the president. No one will hear it. Ronald McDonald and the Hamburgler will be more well known in the United States of America than this issue. The government simply has dropped the ball on it. Even some of the former ministers who represented the government in the House admit the same, as does every provincial premier in the country. The government simply has dropped the ball on this issue.

The parliamentary secretary got up and talked about the piddling \$20 million. That would keep the industry in Canada going for exactly 15 minutes.

Mr. Pat O'Brien: Mr. Speaker, the member's argument is so full of holes it looks like a piece of cheese. He talked about the problem being that there is not a good relationship between the Prime Minister and the president. Let me quote the American ambassador, Mr. Cellucci, who said that reports of a rift between the Prime Minister and Mr. Bush are absolutely "not true". Mr. Cellucci says:

The point ...about the President and the Prime Minister not getting along and not having a good relationship, it just isn't true. I've been in the meetings. I've talked with the President about the Prime Minister. I've seen them. The chemistry is very good... It's just not true this stuff that's out there.

There was a conscious decision to let the softwood lumber agreement run out and the member ought to know by now that there is a strong national consensus to proceed on the track on which we are proceeding.

The Acting Speaker (Mr. Bélair): Pursuant to Standing Order 81 (4), the motion to adjourn the House is deemed to have been withdrawn. The House will now resolve itself into committee of the whole to study all votes under Public Works and Government Services in the main estimates for the fiscal year ending March 31, 2003. I do now leave the chair for the House to resolve itself into committee of the whole.

[Editor's Note: For continuation of proceedings see Volume B]

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CANADA

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OFFICIAL REPORT
(HANSARD)

**Tuesday, June 4, 2002
(Part B)**

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, June 4, 2002

[Editor's Note: Continuation of proceedings from Volume A]

GOVERNMENT ORDERS

[English]

SUPPLY

PUBLIC WORKS AND GOVERNMENT SERVICES—MAIN ESTIMATES, 2002-03

(Consideration in committee of the whole of all votes under Public Works and Government Services in the main estimates, Mr. Kilger in the chair)

The Chairman: House in committee of the whole on all votes under Public Works and Government Services in the main estimates for the fiscal year ending March 31, 2003.

To begin this evening's deliberations I give the floor to the hon. Minister of Public Works and Government Services.

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Chairman and hon. members, good evening. Even though I have only nine days of experience in my new job as Minister of Public Works and Government Services, I welcome this early, I would say very early, opportunity to meet in committee of the whole with members of the House of Commons. I hope we can have a useful discussion this evening. As a brand new minister I am certainly anxious to know and to understand the priority interests of MPs in relation to my departmental responsibilities, and I will always try to respond constructively to what members of the House have to say.

Given the fact that I am a new arrival in this portfolio, I hope colleagues will bear with me a bit tonight if I rely on my officials and their briefing materials a little more than usual. In nine days, as I am sure members can imagine, I am on a bit of a steep learning curve, but I will do my best to be as forthcoming as possible.

To assist me tonight I would like to introduce my officials: first, my much respected deputy minister, Janice Cochrane, who arrived in this role at Public Works and Government Services Canada in April of last year, and second, Mr. Guy McKenzie, who is the executive director of Communications Canada as of last fall. Some members will probably recall his work in guiding Canada's Y2K preparations a couple of years ago as well as in a previous phase of the Canada infrastructure program. Finally, I have with me tonight Mr. Rod Monette, who is assistant deputy minister of government operational service at Public Works and Government Services Canada. He has

held several positions of increasing responsibility within the federal public service, most recently at the Treasury Board, before coming to Public Works and Government Services Canada last year. I am happy to note that his family originally comes from Coronach, Saskatchewan, a rural community in my province that I know rather well.

In addition to my continuing duties as minister responsible for the Canadian Wheat Board and the Federal Interlocutor for Métis and Non-Status Indians, on May 26, as members of the House know, I became the Minister of Public Works and Government Services and Minister responsible for Communications Canada and for Defence Construction Canada. Those new roles, taken together, entail responsibility for about \$4 billion in budgeted departmental activities, some 14,000 employees, attention to 59 separate pieces of legislation, interactions with more than 100 government departments and agencies, as well as the Canadian public, of course, and the administration of some 60,000 contracts for goods and services worth more than \$10 billion per year.

Within this huge envelope, most of the public and parliamentary focus in recent weeks and months has been on the sponsorship program of Communications Canada. Given the obvious interest in this program, I think this is where I should start in my opening remarks tonight.

It is a relatively small program. Sponsorships are budgeted annually at about \$40 million. That is approximately 1% of the dollar value of the activities to be funded within my portfolio for the coming year, but big or small, Canadians have a right to expect that every government initiative should function efficiently and effectively with transparency and accountability achieving value for the taxpayer's investment. That means that the sponsorship program must be substantially improved. Indeed, the drive for improvement has been underway since the year 2000 and is showing some positive results.

To put all of this into its proper context, let me summarize a brief chronology of some important events. In early 2000 an internal audit of the sponsorship program was initiated by Public Works and Government Services Canada. That internal audit was obviously conducted by the internal audit section of my department. I would note that the auditor general has said that the section is excellent, that it is courageous and that it does very good work. As a result of the internal audit, an action plan was developed and was implemented starting in April 2001 to substantially improve the management of that sponsorship program.

Supply

•(1915)

The measures included new guidelines on the awarding of sponsorships, contracts awarded in conformity with treasury board guidelines, new guidelines to support decision making and approval processes, better documentation of files and the verification of documentation prior to the approval of payments, an improved payment structure, meaning 50% up front and 50% on completion instead of the old 80:20 breakdown, more rigorous follow ups, requirements for prior documentation and approval for changes to sponsorship agreements and verification of postmortem reports prior to final sponsorship disbursements.

In February 2002 an improved management framework was also announced by my predecessor. That framework includes clearer definitions of objectives and priorities, close monitoring of delivery agencies, in depth analyses of certain files and new management guidelines.

On March 6, 2002, a follow up review was conducted by the internal audit division of Public Works and Government Services Canada. That internal audit review concluded that corrective measures had in fact been implemented over the preceding year or year and a half or so and that they did meet the requirement of good management. Therefore, the original internal audit done in the year 2000 was verified in the year 2002 as having borne fruit in terms of improvement.

On March 19 of this year the then Minister of Public Works and Government Services asked the Auditor General of Canada, Sheila Fraser, to review three particular contracts that had been awarded between 1996 and 1999 to one particular firm called Groupaction. Madam Fraser and her team did their work as requested by the former minister.

On May 8, 2002, the auditor general referred the handling of three particular contracts to the RCMP for further investigation. She also indicated that she would be doing a government wide examination of sponsorships and advertising contracts.

In the meantime, in response to the report of the auditor general, further new measures were announced by my predecessor. New standing offers will be created to increase access for small and large companies across the country and a selection process for new communications agencies will be conducted this summer leading to the fall of 2002.

Activities and events eligible for the sponsorship program will be more clearly defined. The value of contracts granted to any particular contractor will be limited to 25% of all contracts awarded under the sponsorship program including, and this is an important change, the work of affiliates and subsidiaries. Rules that apply to subcontracting activities being procured on behalf of the sponsorship program will be more clearly defined.

Companies with majority Canadian ownership as opposed to 100% Canadian ownership will now be able to compete for contracts to support sponsorship activities increasing the number of firms that can compete, and that is obviously good for transparency.

As well Public Works and Government Services Canada is again reviewing every sponsorship file between 1997 and 2000 to identify

potential issues and to assist in every way possible the ongoing work of the auditor general. In addition, the Prime Minister has asked the president of the treasury board to re-examine how the government deals with advertising, sponsorships and polling to ensure a proper management framework and strong governance.

Upon my arrival in this portfolio on May 26, I initiated an additional step. For the current sponsorship year, I have placed a freeze on further project approvals until I am satisfied that the program criteria are in fact as good as they can possibly be and that all new projects comply with those criteria. My review under that freeze is nearing completion. It is not done yet but I hope to conclude it in the next number of days.

By way of background, there was about \$18 million worth of sponsorship business this year representing some 225 community projects which were essentially completed or too far advanced to be frozen when I announced that moratorium on May 27.

•(1920)

That leaves about \$22 million worth of activity, perhaps 350 applicants that are caught in this freeze process for the time being while that moratorium remains in place. I understand the difficulty that the moratorium causes for the community groups and organizations and I want to assure them that I will complete my review at the earliest possible moment.

My review thus far has shown three things.

First, sponsorship activity is in fact a legitimate activity. It is done by all levels of government and by the private sector, non-profit organizations and so forth. There is a demand for this type of Government of Canada support in all parts of the country.

Second, the vast majority of community based projects which seek sponsorships are truly worthwhile. Many of them indeed have the active endorsement and support of members of the House.

Third, the problem areas appear to be associated primarily with the marketing agencies that are in fact used as the delivery mechanisms.

While I hope to lift my freeze in the next short while for this year, for the longer term, beyond the steps already taken and announced either by me or my predecessor, I am examining a variety of other questions. For example: How can the cost effectiveness and transparency of the agency's system be sufficiently improved? Can it be sufficiently improved?

Would it be better overall in some cases, in most cases or in all cases to attempt to administer and deliver a sponsorship initiative as an internal government program without outside contracts?

How can we accurately assess and measure the value obtained for the money invested in an area that is inherently subjective? Whether it is done by this government or any other government or the private sector, trying to measure the impact of something like a sponsorship is obviously a subjective exercise.

How do we evaluate success in that circumstance? Should we engage, for example, a blue ribbon panel of external experts in the field of advertising and sponsorship that can give professional external advice on the measurement of this kind of an intangible? Or is this an area upon which the new standing committee on government operations and the estimates may have some views to put forward or some research work to do?

Finally, how do we work toward greater regional equity, balance and consistency in sponsorship funding from coast to coast to coast?

These are among a few of the issues that I want to address for the future.

As for the past, first, let me reiterate that another departmental review is underway for that period, from 1997 until the year 2000. Second, a government wide audit is being undertaken by the auditor general. Third, references to the appropriate police authorities will be made when circumstance warrants that kind of reference. Fourth, the treasury board is examining governance and management frameworks.

Let me repeat the commitments that have been made by me and by the Prime Minister. Where there are administrative errors, they will be corrected. If and where we find overpayments, they will be recovered. If laws have been broken, they will be investigated and they will be prosecuted.

Having dealt briefly in the time available to me with the sponsorships, let me turn to the broader activity in the last few minutes of the Department of Public Works and Government Services.

The department's goal within the current public policy context is to provide modern client focused common services to the departments and agencies of the Government of Canada, and Canadians generally, at the best value for Canadian taxpayers. Our department tries very hard to provide the best solutions to our clients while respecting the values of prudence, probity and transparency and contributing to improving the quality of life of Canadians.

Within the department, as the estimates will show, there are eight business lines in Public Works and Government Services: Real Property Services, Receiver General, Public Service Compensation, Supply Operations Service, Telecommunications and Informatics Common Services, Consulting and Audit Canada, the Translation Bureau and Operational Support. The department strives to provide excellent service to its clientele in all these areas.

● (1925)

To a significant extent, economic competition among the nations of the world includes competition about the efficiency of government operations. Recent achievements in public works and government services have helped keep Canada in the ranks of the world leaders in government efficiency. Here are some examples for members to consider.

The first example is the application of new technologies by my department to give Canadians a wider choice of ways to do business with the government itself. Fifteen years ago there were just two ways to make a payment to government, by mail or at the counter of a government office if in fact there was one where the person lived.

Supply

Today, depending on what is being paid, a person can use a debit card, or a credit card, or pay on the Internet or pay through the bank using a personal computer or by means of telephone banking.

As of 2001, people who pay their taxes quarterly can authorize the government to withdraw the amounts from their bank accounts electronically. Canadians travelling or living abroad can now use credit cards online to make payments for taxes and services to Canadian embassies.

The second example I would like to use is what we call the secure channel. Simply put, this is a private line for communication between Canadians and their government. For that reason, it is an essential building block of the new e-government development. An increasing number of Canadians are paying taxes, receiving pensions and purchasing government services online. The secure channel will make it possible for them to do so with confidence that hackers and other would be intruders will be unable to tap into their personal information about them. This is again another area where we hope to keep Canada in the forefront of the world.

Concerning the public accounts of Canada, there has been an event of rather historic proportions recently. That is the successful phase in of the financial information strategy or FIS in which my department has been intimately involved. This was a huge technological challenge and the greatest change in government accounting and financial reporting since Confederation.

The FIS involved a shift to full accrual accounting by the government, an approach that produces a more accurate picture of program delivery cost. It makes Canada one of a small group of nations using full accrual in government accounting. In fact, several delegations from around the world have visited Public Works and Government Services Canada to see how we went about achieving that goal. Moreover, our success was rewarded with a gold medal at the 2001 Government Technology Distinction Awards.

Let me conclude with this final thought. Our strategic priorities at Public Works and Government Services Canada can be really summed up in one word, excellence: excellence in services, excellence in value for money, excellence in workforce skills and excellence in our overall contribution to the economic and social well-being of Canada.

I hope that members tonight will find it useful to go through the estimates of this department to see the range of things that Public Works and Government Services Canada does. At the same time, we will touch upon any areas that members feel are problematic or deserving of more sharp questioning, to ensure that we can deliver to Canadians through our parliamentary process what my department tries to achieve through its administrative process; that is transparency, accountability and value to the taxpayers for money invested.

I look forward to tonight's discussion.

Supply

•(1930)

The Chairman: I think it merits for the Chair to take a moment to repeat what was part of a motion unanimously passed in the House earlier this day with regard to tonight's business. It states:

Within each twenty minute period, each party may allocate time to one or more of its Members, for speeches or for questions and answers, provided that, in the case of questions and answers, the Minister's answer shall not exceed the time taken by the question, and provided that, in the case of speeches, Members of the party to which the period is allocated may speak one after the other.

I know members will want to extend to the Chair some flexibility because I can anticipate that if a question is extremely short and technical, we must be fair to the minister. On the other hand, I am sure the minister would never intend to—let me use an old hockey expression being as we are competing a bit with the Stanley Cup finals tonight—rag the puck. I am sure we can find some balance and get on with the proceedings.

I now turn the floor over to the hon. member for Battlefords—Lloydminster.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Chairman, it is a pleasure to take part in this exercise tonight. As the minister stated in his remarks, he has only had nine days in the hot seat. I wish him many more. I am sure we will see some movement on a lot of files in the next little while whether by inertia or by someone pushing.

However one thing he forgot to say is that he has had nine years in government and in cabinet at the executive level, so he brings those skills to this posting. He is not exactly a rookie in this job.

The minister talked about 14,000 employees in the public civil service and that 60,000 contracts are issued annually by the public service. How many of those, Mr. Minister, go to you for just an oversight which you just has to rubber stamp and send along. How many do you actually run up and down a thermometer or a benchmark as such and say that this one is good or this one is bad? Do you make recommendations on those 60,000 contracts or do you just rubber stamp them on through and pay the bill?

•(1935)

The Chairman: Before the minister replies, I again remind members that the usual practice will prevail that comments and questions will be made through the Chair. It can be helpful from time to time. The practice serves us well. I ask for everyone's co-operation with regard to that matter.

Hon. Ralph Goodale: Mr. Chairman, I am advised by my officials that historically, of the total volume of contract work that goes through the department, probably between 1% and 3% are of such a nature, mostly based on value or size, that they require the direct attention of the minister.

Otherwise, as the member can tell from those statistics, the largest percentage are delegated according to treasury board rules, to appropriate officials at the appropriate level within the public service, always being accountable upstream to the minister.

This is an area that is subject to ministerial discretion. Ministers may conclude that a larger proportion or a smaller proportion could appropriately be subject to ministerial review. Being relatively new in the portfolio—

The Chairman: I am sorry to interrupt, and I understand that we are early in the evening, but flexibility can only take us so far. With no disrespect to anyone on either side of the House but we do want to get in as many questions as we possibly can because that is the intent of this format. I am sure we will have co-operation from the minister who is not in an enviable position when we have so many time constraints.

Mr. Gerry Ritz: Mr. Chairman, it is still true that each year the minister signs off an authority card, which is that he delegates signing authority and dollar values to deputy ministers, heads of communications and all those types of positions? Does he have a dollar value in place for each person so that they would be available to check and okay procedures without his okay?

Hon. Ralph Goodale: Mr. Chairman, the delegation of signing authorities is reviewed periodically from time to time as required. There is no rigid schedule that it must come up for review on an annual basis or that sort of thing. It is on an as required basis.

As a new minister in a portfolio, I would expect to see the delegation of signing authorities in the next short while to see if I consider them to be appropriate. Whenever my portfolio has changed in the past I have routinely taken the opportunity to examine the delegation of signing authorities, and I expect that to be forthcoming.

Mr. Gerry Ritz: Mr. Chairman, at this particular point in time has the minister delegated anyone to sign a cheque for up to \$1 million?

Hon. Ralph Goodale: Mr. Chairman, there has been no new delegation since May 26.

Mr. Gerry Ritz: Mr. Chairman, either the minister has not signed any cheques or no money is going out of the department at this time.

In part three, plans and priorities, the Communications Canada organization states that it is headed by an executive director reporting to a cabinet committee. I am wondering who chairs that committee. Is the minister on the committee? Who else in cabinet sits on that particular committee?

Hon. Ralph Goodale: Mr. Chairman, it is the cabinet committee on communications. As the Minister of Public Works and Government Services and the minister responsible for Communications Canada, I chair that committee. We could provide to the committee of the whole later on this evening the membership of the committee.

•(1940)

Mr. Gerry Ritz: Mr. Chairman, has the membership on that committee changed in the last little while, say in the past year? Several ministers have gone through the chair. Have other people on that committee changed as well or has it just been the ministers?

Hon. Ralph Goodale: Mr. Chairman, the only members of the committee are ministers. Obviously there are some ministerial changes from time to time. It is the Prime Minister's prerogative as to which ministers sit on which committees.

We have, as members know, the economic committee of cabinet, the social committee of cabinet, the treasury be communications committee. The membership varies from time to time. It is a decision of the Prime Minister as to which ministers are on which committee.

Supply

Mr. Gerry Ritz: Mr. Chairman, the minister talked about 200 sponsorship contracts being sneaked through the pipeline as the freeze was being applied. They are in the game plan now. Has the minister seen these contracts? What was the value of them, and that type of information?

Hon. Ralph Goodale: Mr. Chairman, I know the hon. gentleman would have used the word inadvertently, but there was no sneaking here. It was according to the established procedures.

Naturally, when one comes in part way through a \$40 million program and imposes a moratorium or a freeze, one will catch some things in progress because it will be part way through the year.

My intervention came at just about the halfway point. Eighteen million dollars worth of work was essentially done for the year. Another \$22 million remains to be done. I am in the process of focusing particularly on those ones that have been caught in process.

Mr. Gerry Ritz: Mr. Chairman, of the 200 that are in the pipeline, as the minister says, an \$18 million value, how many of those are placed with Groupaction and what is the dollar value of those. How many are with Groupe Everest and what is the dollar value of those? What about Lafleur Communications? Those are the three companies that we have been talking about in this place.

Hon. Ralph Goodale: Mr. Chairman, it will take me a moment to dig out those specific statistics. This is quite detailed statistical information. Perhaps it would be acceptable to the hon. member if I filed it with the committee in writing rather than taking the time to read through all the statistics. It is quite a complicated set of numbers. I would be happy to file the paper if I could.

Mr. Gerry Ritz: Mr. Chairman, is the minister able to table that tonight?

Hon. Ralph Goodale: Later on this evening. I will advise exactly when, Mr. Chairman, in just a few moments.

Mr. Gerry Ritz: Mr. Chairman, if the minister could table that before the end of the evening so that we could have it for the last go around that would be acceptable. .

The minister talks glowingly about review, review, review. The former public works minister brought in a five point plan and the new minister has added a couple of his own fingerprints to it, which is great, but under the new rules of today, how many contracts that were awarded say last year would not have made it through the mix under the new process? Does the minister have any idea?

Hon. Ralph Goodale: Mr. Chairman, in the days since May 27 we have not had the opportunity to take the hypothesis of the new rules and apply them to an old situation. It is an interesting question and, if the hon. gentleman would permit, I would like to reflect on the question and see what the impact would be.

It is important for us make improvements and to be able to measure the nature of the improvements. I would very much like to take that suggestion under advisement.

• (1945)

Mr. Gerry Ritz: Mr. Chairman, it puzzles me. The minister says that he is reviewing all these files and that he is going back through them to ascertain if there was any criminality or if any moneys should be clawed back. If he is in the middle of doing that, how

would he not have a knowledge of what would have been rejected? Those would be the ones that are coming up red-flagged at this time.

I understand he is not quite finished but there must have been some already that he would say "We have to go back after this and claw some money back". The first one that pops into my mind of course is Groupaction, where the RCMP are stirring the pot and looking around.

I wonder how he could not have an idea of what would have been rejected if he is going back through to look specifically for rejection status.

Hon. Ralph Goodale: Mr. Chairman, I just want to give the committee an idea of the magnitude of this task. What we are reviewing is the time period from 1997 to the year 2000. The year 2000 was the year in which the internal audit took place. That was a very important event in the flow of history here.

However in 1997, 1998 and 1999 there were probably about 500 projects processed per year, so the volume of files we have to review is a significant volume. We are going through them as rapidly as possible. In fairness, it is still just a bit early to draw any statistical conclusions. However, in the improvements we are making, we want to be able to measure progress. That is something that is just as important to me as I am sure it is to him.

Mr. Gerry Ritz: Mr. Chairman, as the minister puts his eagle eye over all the projects that are under his scrutiny now, I am wondering, under his new procedure, of the 200 that are in play now and the other 350 that are sitting in limbo and being looked at one by one, how many have been rejected to this point?

Hon. Ralph Goodale: Mr. Chairman, in doing the review of the files for this year, the problems that we are identifying are not problems associated with the community based projects themselves. The problems appear to be connected to the delivery mechanism rather than the project.

At this stage it is too early to predict whether any of those community based projects per say would be rejected. I suspect few if any of the community based projects would be rejected.

What we will focus on is the methodology of the delivery, which is where the problem is, not with the project itself.

Mr. Gerry Ritz: Mr. Chairman, following up on that, as he gets into this overview and goes further on, who will define criminality in a project? How will it be defined? What is the criteria?

Hon. Ralph Goodale: Mr. Chairman, just as a matter of good practice within the public service and also consistent with the terms of legislation, such as the Financial Administration Act, if and when a public official discovers a circumstance that raises questions about legality, there is an obligation on the public servant to draw that matter to the attention of the appropriate officials, including the police if the police happen to be the appropriate officials.

The officials in my department are applying that principle. If there are suspicious circumstances the reference is made to the appropriate police officials. They decide whether or not an investigation is warranted.

Supply

• (1950)

Mr. Gerry Ritz: Mr. Chairman, there is a bit of a glitch in that argument. Many of the files we are reviewing and looking at for criminality were done on a verbal basis. The minister will know as a lawyer that a verbal contract in Canada is binding. How does one decide to proceed with a criminal investigation when there is a verbal contract involved?

Would not a fully independent public inquiry be a better vehicle to go on since there may not be criminality in a verbal contract but still may be morally and ethically reprehensible to Canadian taxpayers?

Hon. Ralph Goodale: Mr. Chairman, we are going at this at several layers. If there were in fact something that looked like illegality, there would be the appropriate reference to police authorities but that is not the only arm or measure that we are taking in terms of our review of this.

My departmental officials are looking at each and every one of those files between 1997 and 2000 once again. The auditor general is doing a government wide examination of all sponsorship and advertising initiatives. The President of the Treasury Board is undertaking a review of the management framework and the governance principles that are involved here.

We are coming at this from three different dimensions covering the perspective of an auditor, law enforcement officers and good government administration.

Mr. Gerry Ritz: Mr. Chairman, these are all wonderful things. They look great and they are also great smoke to hide behind. The problem with the auditor general is that her scope is limited. She can only call certain witnesses.

The problem with an RCMP investigation is that it is looking for criminality. We need to get beyond that. If the government were truly serious about transparency and accountability I suggest that it would have to go the route of a public inquiry. Why does the minister protest so much if accountability and transparency are paramount?

Hon. Ralph Goodale: Mr. Chairman, we have launched four different examinations of this situation over the last number of weeks and months. We are proceeding with this in a solid and methodical way. We are engaging all of the proper techniques for getting to the bottom of what has been wrong, identifying the problems and ensuring that those problems are fixed. We have action moving on a whole variety of fronts that will serve the public interest.

Mr. Gerry Ritz: Mr. Chairman, everyone is cognizant that we have had audit after audit. If we were to go back to former auditor general Denis Desautels nine or ten years ago he would point out these same problems at that time. We have had interdepartmental audits and tremendous work has been done, as the minister said earlier in his opening remarks.

We have no problem with the audits. As taxpayers and opposition parties we have a problem with the lack of action on the problems pointed out by those audits. Why would we believe that the minister will do anything different this time than we have seen over the past nine years?

Hon. Ralph Goodale: Mr. Chairman, I believe that in this regard the action so far has been positive and encouraging.

The problems with these files were identified in the first instance by an internal audit undertaken by the internal audit section of Public Works and Government Services Canada. That was in the year 2000. To ensure that the corrective measures were put in place that internal audit section went back to review the situation in the spring 2000 and confirmed that the corrective action had been implemented in the intervening year and a half.

I would point out again that the auditor general has said the internal audit section of my department is an excellent section and it does very good and courageous work.

Mr. Gerry Ritz: Mr. Chairman, we have seen a pattern here. There has been no oversight on performance. Did the taxpayers get a bang for their buck?

We have reports that are missing or non-existent. We have analyses of reports that are missing and yet someone got paid for them. We have no contracts or verbal contracts only. We have a Prime Minister who said that we have lost a couple of million dollars and asks: What is the big deal? Does the minister agree with the Prime Minister's analogy that it is only a couple of million dollars?

• (1955)

Hon. Ralph Goodale: Mr. Chairman, the issue here is a matter of different timeframes. In terms of the problems that were identified in relation to the sponsorship program those problems related to the time period between 1997 and 2000. We would agree with both the auditor general, our own internal audit section and with the critic for the official opposition that the management practices that were applied in that period between 1997 and 2000 were not up to snuff. They were not acceptable.

The audit revealed to us how corrections could be made. The review of the audit in 2002 indicated that the corrections had in fact been made. On the matter of old verbal contracts it needs to be noted that if criticism was valid at some point in time it was prior to the year 2000 under the old regime. Ever since the year 2000 corrective action has been underway.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Chairman, I would like to ask the minister if the use of agents with regard to sponsorship programs—known agents such as Groupaction, Groupe Everest, Media IDA Vision and these nine firms that are friends of the Liberal Party—does not cost taxpayers more money than if these functions were performed by public servants employed by the government.

Would that not take away at least the appearance of a conflict of interest? Most of these agents make generous donations to the Liberal Party of Canada and the fees they charge are exorbitant. They try to bite off more than they can chew. This is my first question to the minister, but I have many more.

Supply

[English]

Hon. Ralph Goodale: Mr. Chairman, first let me say retroactively to the previous questioner and in the first instance to this hon. member that we are in a formal way being introduced as minister and critics in our first exchange. I appreciate that and I should have said earlier. I am glad to have the opportunity to work with them in the advancement of the public interest.

On the point that the hon. member has just raised, the cost of using external agencies versus the cost of running a program like this in the more conventional, internal style, is a subject matter that I am carefully examining. I want to look at some statistics and see some alternative models in terms of program administration. My initial impression is that it may well be cheaper and more cost effective to administer a program of this kind in the more conventional fashion rather than contracting out.

I do not have hard information yet that would lead me to a definitive conclusion but I share the sense of the question and it is an issue I intend to pursue.

[Translation]

Mr. Ghislain Lebel: Mr. Chairman, to start with these allegations, and I will not speak of corruption, I want to say I think the minister is sincere, and I honestly give him the benefit of the doubt.

But let us take the case of Groupe Everest. It says: we charge 3% of the initial amount of sponsorships. I have many examples here, because I have a document from public works giving the whole list of sponsorships for 1996-97.

Let us take for example the *Journal de Montréal* and the *Journal de Québec*, which received \$1,647,500. It means a payment of \$197,700 to Groupaction, which is always there or almost, but \$49,425 for Groupe Everest. This is 3% of \$1,647,500 basically to write a \$1,647,500 cheque.

I would like to make things crystal clear for the taxpayers who are watching us so they can understand the situation fully. The minister takes money out of his budget, sends a cheque in the amount of \$1,647,500 to the firm that is supposed to manage the project, in this case the Groupe Everest. This firm writes a cheque in the same amount of \$1,647,500 for the *Journal de Montréal* and the *Journal de Québec*. On top of that, it charges \$49,425 just for writing that cheque.

I understand that this is a large sum, but will the minister suggest here that 3% of a \$1.5 million sponsorship or a \$2 million sponsorship is a reasonable payment just for writing a cheque?

Today, we asked a question on another incident. Just to write a \$550,000 cheque to Groupaction, Media IDA Vision was paid \$16,500. It wrote just that one cheque, and did not check the work, because it was never done. It did not read the report, because it was never found. But it did get \$16,500.

Can the minister confirm that he is beginning to find this quite expensive and that this 3% fee is paid just for writing cheques?

● (2000)

[English]

Hon. Ralph Goodale: Mr. Chairman, I have made some broad inquiries about the commission percentages that have been apparent in the sponsorship program. It would appear in general terms that these percentages are broadly consistent with the normal practice in the private sector. Still, I have questions in my mind about the dollar values involved.

There is a real issue that needs to be further pursued as to whether or not the Government of Canada could actually run this kind of program directly without the use of intermediaries. It may well be that the answer to that question is yes. I do not have that hard information yet but it is certainly a point that I intend to pursue because it may well be possible to provide good and valuable sponsorship activity without costly interventions by the private sector.

[Translation]

Mr. Ghislain Lebel: Mr. Chairman, I would point out to the minister that an intermediary does not work for nothing. In any markets, one pays the intermediaries one uses.

The minister can check with Mr. Bédard from the government of Quebec, with whom I was speaking this morning; he told me that for this kind of intermediary, for Cossette Communication in Quebec City, 3% is the norm for what they do, which is to manage a sponsorship or a budget for a particular event. Cossette Communication charges 3%; that is what the government of Quebec pays.

Here, if we take the case of residential real estate, for instance, for real estate agents who must advertise a house in the local papers, find a buyer and find a vendor who will agree to put his house up for sale, the rate is 6%. If one wants to advertise Canada-wide, in other provinces, it is 7%. We are talking about newspaper ads, which cost quite a bit.

Intermediaries like Groupaction or Groupe Everest often do not have to look for a buyer. There is a vendor, as it were, the government, which is prepared to put millions of dollars into a sponsorship, provided that it gets some visibility; and there are buyers, those being sponsored, who are on their knees at the doors to the offices of Groupaction and Everest. They are saying "Get the money, I need it". There are no expenses for management and advertising in the newspapers, and they charge 12%.

In terms of percentage, 12% of \$200 is not too terrible; not enough to go crying to one's mother about. But once percentages are involved, 12% of \$4 million, or 12% of \$2 million, the costs are exponential. They are uncontrolled and uncontrollable, as far as I can see.

The minister tells us that 12% is the norm. Whose norm? It is the norm in terms of what one is accustomed to paying without asking any questions, Mr. Minister. That is what I am asking you.

Does it seem logical to you that it is 12%, given that the intermediary has practically nothing to do?

Supply

• (2005)

[*English*]

Hon. Ralph Goodale: Mr. Chairman, there are two things. First, as I have said in two previous answers, I share some of the concerns that have been expressed by the hon. gentleman about the dollar values involved and the value for money received. I intend to look at this question very carefully to see if there is a better delivery mechanism that would avoid the problems of the past.

I would also point out that it would not be accurate to say that none of the contracting agencies did any work. In fact the opposite is true. Their obligation is to plan the purchases of the appropriate media and sponsorship tools; to provide the necessary databases and measurement techniques; to co-ordinate and adjust the overall sponsorship plans; to co-ordinate with creative agencies to purchase the right material; to stick within the guidelines to confirm media placements and so forth; and to deal with invoices, proofs of performances and so forth. If they are in that agency of record category, which is the 3% that was referred to earlier, there are specific contract obligations that have to be performed.

That having been said, I want to repeat that I am looking at my alternatives for the future because I want transparency and I definitely want value for the taxpayers' money.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Chairman, while he is reviewing and pondering, I would like the minister to think about the link between those agency names that pop up all the time and the contributions to the Liberal Party of Canada.

People question the credibility of the system because of the link between the excessive 12% rate for sponsorships and the number of those companies that have made contributions to the Liberals' campaign fund.

The minister is being very naive. We almost want to give him communion without confession, as people used to say when I was young and folks still used those expressions derived from our Judeo-Christian tradition. We would almost be tempted to do so. I would also like him to think about that.

Furthermore, I would like the minister to examine the proposal of the Bloc Québécois asking that there no longer be any intermediary and that the total amount of the visibility sponsorships of the government of Canada be paid directly to the organisations responsible for the events, even if you have to appoint officials—you have officials with you—who will check whether the rules for the awarding of sponsorships were followed or not.

We must not forget that all this is being done with taxpayers' money. I would like to correct an error the minister made in his preliminary comments. He compared these contributions to those of a private company sponsoring an event.

I am sorry, but this is not like a private company. If, for example, Volkswagen, Audi or BMW sponsors the Grand Prix de Trois-Rivières, or if BMW sponsors the Vancouver Grand Prix, what we have is a private company that is accountable only to its shareholders.

However, in the present case, we are talking about taxpayers' money, and people have a right to ensure that the money is given in full to the organizations responsible for the events.

• (2010)

[*English*]

Hon. Ralph Goodale: Mr. Chairman, I have two or three points in response.

On the issue of transparency, I think in this whole difficult controversy we are seeing transparency at work. For example, the statistics that have been referred to this evening about the value of sponsorships in past years and the commissions paid and so forth, that information is made accessible either through our websites or through the well established access to information procedure. That form of accessibility and transparency is obviously working as it should.

With respect to the financing of the Canadian political system, we have a law governing that subject that requires disclosure and publication. That system is working as it should.

There are some well established examples of transparency here that are functioning quite well.

In terms of the hon. gentleman's basic point about sponsorships that are contributed by the Government of Canada being a use of taxpayer dollars, that absolutely goes without saying. If a sponsorship is offered by a private sector corporation, as the hon. gentleman said, the corporation obviously has a responsibility to its shareholders. In the case of a sponsorship offered by a government, whether it is the Government of Canada, the government of a province or the government of a municipality, then the shareholder is the taxpayer.

I want to assure the hon. gentleman of my absolute respect for the taxpayer's dollar and my determination that in the sponsorship program there will be transparency and accountability. The taxpayer will get value for the dollars expended.

[*Translation*]

Mr. Michel Guimond: Mr. Chairman, in the same vein, what does the minister intend to do about the payment of commissions when no work was actually done?

I give the example, among others, of Groupaction's second report, which cost \$525,000 or \$550,000, and which has yet to be found. The former minister responsible for the department, the hon. member for Glengarry—Prescott—Russell, told us very clearly in this House that he was unable to find this second report. Yet, taxpayers paid \$550,000 for it.

Does the minister maintain what he said earlier, namely that a 12% commission for work done is reasonable? What do we do with regard to Groupaction's second report, which no one can find?

Supply

[English]

Hon. Ralph Goodale: Mr. Chairman, my predecessor looked at this very situation when it was drawn to his attention. He found it to be unacceptable and he invited a full audit by the auditor general of three particular contracts with that particular firm. At the same time he suspended business activity under the sponsorship program with that firm.

The auditor general did her work. She concluded that those particular contracts were unacceptable and she made certain references to police authorities as she should have done.

Accordingly, the matter is being pursued in the appropriate manner by the government, by the auditor general and by the police authorities. We are just as anxious as any other member of the House to make sure that particular issue is fully ventilated and that the proper course of justice is taken.

[Translation]

Mr. Ghislain Lebel: Mr. Chairman, I have here a list which comes from his department. It is the list of sponsorships and I believe that his advisers will recognize it. It really is from his department.

For example, there is a column showing the date of the event. In the following column, you have the word requested which probably means amount requested, support requested. The word value is a bit more complicated, but it seems to correspond to the amount given as a sponsorship. Then we have the 12% and the 3%. Other columns follow.

In the case of the Jeux de la Francophonie, beside the word requested we have an amount of \$545,000; beside the word value, an amount of \$850,000. They gave \$300,000 more than what was requested.

Again for the Jeux de la Francophonie, for a request of \$1,245,000, they gave \$1,285,000, or \$40,000 more than requested. Groupaction or Groupe Everest took its 12% per cent on that amount and the one who signed the cheque took another 3%. The grants given exceeded what was requested. Does the minister consider this to be normal?

● (2015)

[English]

Hon. Ralph Goodale: Mr. Chairman, as the hon. gentleman no doubt knows, the Francophonie games are a very large undertaking wherever they may be held in the world from time to time. In the case of the event that was held in Canada, the planning and preparation was spread over a number of years. In particular there was sponsorship activity over a two year period.

Given the nature of the event, I think it is fair to say that budgets and requirements change over time. This happens from time to time. It is not the normal case with every file, but in some cases, particularly when we are dealing with large international events, the budgetary requirements periodically change.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Chairman, like my colleagues from the other parties, I would like to begin by welcoming the new minister to his new challenging task. We all have a great deal of hope and optimism that some of the many problems we have been dealing with will finally be dealt with properly.

I would like to compliment the minister for what I see as a very good first week in three different senses. First, for having frozen all payments on the sponsorship contracts, at least until a proper investigation can take place. That was the right thing to do and I believe the hon. minister did it within 48 hours.

Second, I approve that more things are being referred to the RCMP as they come forward, to expand the things that we are putting in front of the RCMP to look for criminal actions.

The third and final thing that I will praise the minister for, and then we will revert to customary estimates debate, is he volunteered to consider repatriating this work within the public sector. I am very glad that it came from the minister.

By turning a comment into a question, I would ask the minister to consider this first. There are more things here than just the cost factor and the cost benefits. There are more and better reasons perhaps for bringing this work back into the public sector than just the cost savings. I would argue that even if it costs more to deliver it through the public sector, we could do away with what I call the terrible graft corruption.

The evidence that the auditor general has unearthed and the body of evidence the RCMP is dealing with now would indicate that this set of contractors have soiled their own nests to such a degree that the government should not trust the communications sector with this important work.

What would the minister need to hear in terms of arguments to convince him that the right thing would be to take that work away from the private sector and bring it back into the public sector and under the scrutiny of the public accounts committee and the oversight of parliament?

● (2020)

Hon. Ralph Goodale: Mr. Chairman, first, let me thank the hon. member for his kind words. I hope he and I and all other members of the House can work constructively to ensure that in the future some of the problems we are discussing tonight are avoided and that we can refer someone else's estimates to the committee of the whole so other ministers can enjoy this exciting phenomenon.

I would have to apply one caveat. In any matters that have been referred to police authorities, at this stage no charges have been laid and no findings have been concluded. We need to be careful when arriving at conclusions before police investigations, and in some cases before they have even been launched, have arrived at a result. In deference to the legal process, we need to be careful about that.

On the point about the arguments that need to be mustered about how best to change the administrative process, I will certainly be looking at a whole range of models for how we might do this in future. I would welcome the input of members of the House of Commons either individually or perhaps through the new committee on government operations and the estimates. That might be an appropriate vehicle. Let me just say that my door is open. If anyone has a good idea on how to do this better, I would be more than happy to have all the advice I can get.

Mr. Pat Martin: Mr. Chairman, I appreciate the openness of the minister's remarks.

Supply

The public accounts committee is dealing with the Groupaction sponsorship scandal, if we can call it that. As of today we finally agreed on a partial list of witnesses. Two of those witnesses are two members of the staff that the minister has brought here today, the deputy minister and the executive director of communications.

When being briefed by the Law Clerk of the House of Commons, one thing that came up was that sitting public sector employees may not feel comfortable being forthright in answering all questions completely openly and honestly. In fact they may in fact have a legal right in common law to not divulge everything due to the duty of loyalty to the employer.

Given that the standing committee has some power to oblige people to respond, would the minister direct those civil servant witnesses who are still employed by government, because some of our witness are in fact no longer in the civil service, to answer forthright, openly and divulge everything they know about the delivery of the Groupaction scandal when those questions come before the public accounts committee?

Hon. Ralph Goodale: Mr. Chairman, obviously all of us want to ensure that these matters are dealt with completely. I have only had a week and a day to get to know my new officials but I have no doubt that they are endeavouring in every way to be open, transparent and forthright. They very much want to be associated with program successes that are a credit to the department, to the government and to all Canadians. I believe they will do their very best to be completely forthcoming with the committee.

If some legal impediment stands in the way, I do not know of it. If there is one, I would be happy to look at it and see if there is a way it can be removed. My view at the moment, based on my very brief association with my very good officials, is that they will co-operate in every way to deal with the issues that are outstanding and improve things for the future.

• (2025)

Mr. Pat Martin: Mr. Chairman, the last point I will make on the sponsorship scandal is to comment, for the record, that I do not mind spending \$40 million a year or even more if it means promoting the Confederation of Canada across the country to remind Canadians what a great and fragile nation we are dealing with today.

What I do object to is a great deal of that money is being spent in one province, the province of Quebec, on the unity issue. Coming from western Canada, especially rural western Canada, there is barely any visibility or one would never know there is a strong central government in Canada. With all the privatization, cutbacks and closing of public institutions, there is not even a federal building in a small town in rural Manitoba. However at the post office in the 7-Eleven, a whole generation of kids are growing up thinking the post office is 7-Eleven. They do not give the Canadian government credit for those fixtures. The only presence of the federal government might be rented space in a strip mall.

I do not think we should throw out the baby out with the bathwater and cancel the federal government sponsorship programs. If the minister is going to continue with the \$40 million or more per year, would he commit to each province getting an equal amount of this \$40 million, at least by ratio and proportion? Will he look retroactively at some makeup pay for some of those provinces like

mine and probably other provinces in Atlantic Canada that were ignored and bypassed by these programs? Will he make the commitment that if spending continues, it will be done on a fair shared basis across the country?

Hon. Ralph Goodale: Mr. Chairman, first regarding the hon. member's initial comments about investing in ways in Canada, that build inclusiveness, cohesiveness, adhesion and a sense of unity, it is appropriate to note that we live in a fair, decent, diverse and tolerant country, one that is the envy of much of the rest of the world. When we see events as they are unfolding at the moment in places like the Middle East and elsewhere, it indicates what a precious thing it is to have the capacity as we do to live together so successfully in our diversity, and we need to contribute to all of that. I support the sentiment he has expressed about the sponsorship program where it contributes to that kind of attitude.

The problems we are dealing with tonight are ones that existed in an old style program prior to the year 2000. Since 2000, we have been working hard to identify the problem areas and to make the necessary corrections. We have made progress. We have a way to go yet. We will certainly be examining delivery mechanisms that will improve upon the situation that existed in the past. Coming from Saskatchewan, the province next door to his, I always look for regional balance, regional equity, regional consistency and that will be one of the objectives for which I will strive.

Mr. Pat Martin: Mr. Chairman, as I have a few minutes left, I will ask one more sponsorship related question.

Compass Communications is a Halifax firm owned by a Tony Blom, who was a Liberal strategist in the last election and the cousin of former provincial Grit party president, Gerry Blom. He seems to get all of the contracts in Manitoba.

Only twice since I have been a member of parliament has a Liberal cabinet minister allowed me to deliver money in my own riding. Usually that is done for me by neighbouring Liberals. Both sponsorship contracts were from communications-public works. Both times they were little rinky-dink cheques and both times they had to be administered from Halifax by Compass Communications. I could not understand that a lousy \$50,000 contribution to a great big music festival had to be administered for a fee from Halifax.

Would the minister, as part of this new commitment to try to be more equitable regionally, not admit that if the money is to be delivered within Winnipeg we can find a Winnipeg communications company, that is, if he has not repatriated by then and delivered it himself?

We have skilled and talented people in the province of Manitoba, some who have communications skills as well. Would the minister make commitment to us that in the future we do not need to farm this out across the country?

Supply

● (2030)

Hon. Ralph Goodale: Mr. Chairman, the nine firms that are acknowledged as standing agents for this program, as it stands at the moment, were all selected by means of a competitive process. My predecessor identified some of the problems with the present roster, including the issue of regional balance. He indicated, while he was Minister of Public Works and Government Services, that we would go through the process again of a new request for proposals and a new selection of standing agents. That process is to commence on or about June 15, with a full national competition to be concluded in the fall.

Certainly one of the objectives of this new exercise would be to remedy any deficiencies that are apparent in the list, including the question of regional balance. That is something that will unfold over the course of the next number of months.

I would also note in my answer the caveat that the hon. gentleman referred to in his question and that is, for the future there may or there may not be a requirement for external agencies at all. That remains to be determined and I am certainly looking at the alternative of not requiring such agencies for the delivery of a program like this one.

Mr. Pat Martin: Mr. Chairman, moving from that, the issue of sole source contracting keeps coming up. Certainly the auditor general commented on that.

Under the current rules, sole sourcing is an exception to the competition process. It is acceptable, under government contract regulations, when there is a pressing emergency, when the contract is valued at less than \$25,000, when it is not in the public interest to solicit bids or when only one person or firm is capable of doing the work.

When public works wants to sole source, it has to do an advance contract award notice. I believe it is called an ACAN. An ACAN is used to publicly advertise the government's intention to award a sole source contract. Given that it is only acceptable in emergencies or when the contract is \$25,000 or less, in 1997 contracts over \$25,000 totalled \$3.9 billion and \$1.34 billion of that was sole sourced. Clearly, more than 25% was sole sourced.

How does the department justify that? Is that still the current situation? Is there as much sole sourcing now as those rather dated statistics?

While I am at it, I have more specific questions. Of those, an examination was done in 1999 by the auditor general. Of a sample of 50 sole sourced contracts that were examined, 25% were neither adequately justified or linked to program objectives, 95% did not include an analysis of alternatives that were adequate to support the decision to contract and in 46% of the cases the statement of work and requirements, the expected performance and the outcome, the level of effort, the value and the costs were completely unclear. They were incomprehensible in fact.

It is a long question regarding the issue of sole sourcing. What is the current status? How much of the overall spending is sole sourced? Do we continue to be plagued by the problems that the auditor general identified in that practice?

● (2035)

Hon. Ralph Goodale: Mr. Chairman, the statistics I have available to me on the question would indicate that back in 1997, which I believe was the year referred to in the question, in Canada's case, competitive contracting stood at the 80% level. At that time it was significantly higher than Europe which was at 63% or the United States which was at 63%, or Japan which was at 73%. We were doing better than most of the world even in the situation that was referred to in the question and described as unacceptable back in 1997.

I am pleased to report that in the intervening five years the Canadian performance has continued to improve and for the latest year for which statistics are available, which would be the calendar year 2000, 92% of the total value of government contracts in Canada were awarded competitively. We have moved up from 80% to 92%.

I agree with the general sentiment in the hon. member's question that we should be striving for competitive bidding to the maximum extent possible. There will be circumstances based upon pressing emergencies, dollar values, the public interest, or the single capabilities of a particular supplier where sole sourcing will make the best public policy. However that should be the exception and not the rule.

Mr. Pat Martin: Mr. Chairman, I would like to ask a question that merges two of the minister's portfolios. The government owns 68,000 buildings under public works, many of which are not energy efficient because of the time they were built. Would the minister commit to energy retrofitting more of those buildings to save operating costs, create jobs and reduce harmful greenhouse gas emissions? What sort of a schedule would he recommend to rehabilitate those energy wasteful buildings?

Hon. Ralph Goodale: Mr. Chairman, there is one interesting statistic. Back in 1995 when the current Minister of Health was the energy minister she set the target, in terms of greenhouse gases from federal government operations, to reduce them to 20% below 1990 levels and to reach that target by 2005. We have already reached that target. Our new target is now to get to 1990 levels minus 31% by the year 2010 and we are confident we will reach that.

The federal buildings initiative is a key part of this. It is so innovative. The private sector finances it and is paid back through the energy efficiency savings over time. It is a terrific program. We have promoted it reasonably well. We can go a lot further. I am glad to say that the public works department is one of the leaders in promoting this program through the Government of Canada.

At the moment I do not have a specific timeline to offer the member, but I refer him to the government House in order commitment that we made under action plan 2000 for Kyoto. He will find more detail there in terms of how we intend to pursue it.

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Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Chairman, I wish to thank the new public works minister for being here and undergoing this rigorous new process, and also to express my regret that we were only working such a short time in his previous portfolio as government House leader. I do note that his predecessor was there for a relatively short time. I also would note for the record and for members present that the previous minister to undergo this process was dismissed from office. I do not wish that upon the minister in any way.

The minister spoke of the excellent and courageous work done in his department. I want to acknowledge that and predicate my questions with a concern that the government in many instances seems prepared, particularly the Prime Minister, to blame bureaucrats for what happened with respect to scandals in this department.

The auditor general issued what generally was received by Canadians as a rather scathing condemnation of the actions of some senior members within the department, and yet the trace seems to be one which suggests that they were acting upon instructions. Some of those commentaries by the auditor general, Ms. Fraser, include observations that there was no documentation on how the need for the services was determined or how the price was arrived at. The basis on which contracts were awarded was unclear.

She goes on to talk about the payments that were made. We were informed about verbal advice but no such advice was either stipulated in any way or contracts documented as having been received. She talked about the practice of senior bureaucrats saying that was how business was done. She basically went on to say, as an overall comment, that every rule in the book was broken.

With that as a backdrop I am concerned, as are Canadians, about the way in which these sponsorship programs are being administered, where the blame is being placed and this effort, not of this minister in particular but of the government, to shift the blame away and avoid any kind of ministerial accountability.

I want to put on record some important comments made by the Prime Minister on June 12, 1991, and recorded in *Hansard* where he stated:

I took all the credit. On the other side of the ledger, when I made a mistake I took the blame.

This was in reference to civil servants. He went on to state that same day:

You take the blame when something is wrong and you do not finger anybody else but yourself. That is what a person of dignity does.

Further he stated:

—every minister in the cabinet that I will be presiding over will have to take full responsibility for what is going on in his department. If there is any bungling in the department, nobody will be singled out. The minister will have to take the responsibility.

Two ministers preceding the current minister did not appear to be willing to take any blame. In fact one predecessor was awarded and given a diplomatic appointment to Denmark.

There is a longstanding pattern, and I would suggest epidemic, of political interference when grants are rejected or the amounts awarded seem to be deemed insufficient. For example, the intervention with the Francophonie Games, the Highland Games,

the deputy minister's intervention with the Tulip Festival, the regatta in Shawinigan that seemed to get more money for no good reason, and the Prime Minister's much heralded intervention with the president of the Business Development Bank of Canada.

I have two questions for the minister. What concrete steps have been taken to guarantee that senior civil servants, or any civil servants for that matter, will not be singled out for blame if they are overruled in their decision making capacity for political reasons? Would he also agree that this highlights the need for whistleblowing legislation to protect that scenario from playing out as it has in recent days?

● (2040)

Hon. Ralph Goodale: Mr. Chairman, the internal audit that was done by the internal audit section of Public Works and Government Services Canada found, in relation to that period of time from 1997 to 2000, deficiencies in documentation. There were deficiencies in contracting procedures and in management practices.

But that internal audit did not disclose evidence of fraud, misuse of funds or criminal intent. Similarly, in the findings of the auditor general it seems to me on a fair reading of her report that she found unacceptable management practices and procedures but did not make a finding of political interference.

What has happened subsequent to that is that she of course is undertaking a full value for money audit on a government wide basis with respect to all sponsorships and advertising activity. In addition, either the auditor general or the other appropriate government officials, if and when matters requiring legal action were drawn to their attention, would make the appropriate reference to police authorities.

The evidence would show that all of the necessary steps are being taken to ensure that the level of probity that the hon. member would seek to achieve is being pursued aggressively by me, and by the department.

I would add one small point about political representations made by members of parliament. There were some allusions in the hon. member's question to that indirectly. It is perfectly legitimate for members of parliament to indicate to the minister responsible for a program that they support that program or a particular application under that program.

There are letters on file with my officials from members of all political parties in the House indicating their support for particular sponsorship initiatives. We would not want that form of representation on the part of members of parliament to be in any way impugned or limited, and I do not think the hon. member meant that in his question but I wanted to make the point clear.

Supply

• (2045)

Mr. Peter MacKay: Mr. Chairman, I appreciate the minister pointing that out because that is not at all what I was suggesting. There is an important difference to be pointed out. The actions of individual members of parliament, be they opposition members or government backbench members, differ greatly in that they might make representations that show support or illicit support for a certain project in their riding. They do not have their hands on the levers of power to make that happen. That is the important difference. That is where other ministers, not this minister in this government, have crossed that line.

I want to allude to the point that the minister made himself. He admitted there was no problem with community events. We agree with that. Previous speakers have mentioned they support these type of events being sponsored by the government. The problems rests in the delivery of these contracts. The government is responsible for the delivery.

The auditor general, in committee just last week, indicated that the officials in public works were well trained, experienced and senior enough to know that they were breaking the law, or breaking government guidelines or acts, in their actions. The auditor general's report states clearly they went about their business in an improper way. This leaves one conclusion. These senior bureaucrats were not doing this for their health or advancement. They were taking direction. Who would be giving that direction, if not the minister?

Hon. Ralph Goodale: Mr. Chairman, again on the basis of the information that is before me at the present time, information that would be drawn from our own internal audit or information that would be drawn from the work of the auditor general thus far, there is no evidence that I am aware of, of fraud or misuse of public funds or criminal intent.

I would say that if and when there are any suspicious circumstances that come to the attention of me or of my officials, we are not only honour bound but indeed under the legal duty to refer those matters to the appropriate police authorities. Those authorities decide quite independently, as should be the case, whether an investigation should be launched and in what direction that investigation should go. The police are totally independent in making those decisions.

I want the hon. gentleman to know that we are pursuing all of these issues in a very assiduous way. I for one want to get to the bottom of any questionable circumstances as rapidly as possible and have the course of justice pursued.

• (2050)

Mr. Peter MacKay: Mr. Chairman, I thank the minister for his response but he would also know that the auditor general in her capacity has a very limited mandate to go far afield in probing these issues, as does the RCMP. It is limited, as the minister has correctly pointed out, to look for illegal actions as opposed to immoral or improper ones. A broad public inquiry is what is needed.

The Prime Minister stated in Winnipeg just the other night that perhaps millions were stolen. I would suggest that similarly he should be turning over any information that he might have, if he is aware that millions have been stolen. More to the point, what is

being done to recover that money? Has that investigation been started to recover that money?

Hon. Ralph Goodale: Mr. Chairman, the Prime Minister and the Deputy Prime Minister have been asked similar questions in the House in the last number of days. They have pointed out that perhaps there were some comments by the Prime Minister that were taken out of context and misinterpreted.

The real gist of what the Prime Minister was saying is something that I repeated earlier this evening in my opening remarks. We are determined to find the administrative mistakes and problems and to ensure that they are corrected. Where there may be overpayments, we certainly want to see that money recovered and recollected by the Government of Canada. If there is any evidence of illegality on the part of anyone, that must be investigated and prosecuted under the law.

It is certainly my intention to make sure that for the future this program stands up to the tests of transparency, accountability and value for taxpayers' dollars that Canadians would expect and that the problems that existed in the past are properly pursued.

Mr. Peter MacKay: Mr. Chairman, just before I turn the floor over to the member for Saint John, it is my understanding that private advertising companies that sell advertising must charge GST and remit to the government.

Can the minister confirm that Communications Canada does in fact charge GST? For example on the Lafleur contracts, on behalf of his department or Heritage Canada, does it charge or remit GST and if so, how many contracts were awarded where GST was charged?

Hon. Ralph Goodale: Mr. Chairman, my best information this evening is that it deals with the GST in the normal fashion. If the hon. gentleman would just bear with me on that rather technical question, I will check further to see if I can get him some better information, if not tonight, then in the next day or so. However my information is that the normal GST applies.

Mrs. Elsie Wayne (Saint John, PC): Mr. Chairman, I have great respect for the hon. minister.

Just last month while on a visit to Saint John, New Brunswick which is my riding, the Minister of Labour who is from Moncton stated on a local radio show that in order to get government contracts or grants or sponsorships the people had to elect a Liberal member of parliament and it would have been far better for my riding if the people wanted to get any contracts or any business whatsoever to have elected a Liberal member.

Does the minister agree with these types of comments? Is that the way the government functions, not for the whole of Canada when it is elected, not to do what is best for all of Canada, but just for the ridings that elect a Liberal member of parliament?

Hon. Ralph Goodale: Mr. Chairman, obviously during election campaigns candidates for all political parties are trying to make the most aggressive, convincing and compelling cases that they can make on behalf of their respective political affiliation.

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Whether it is during an election or otherwise, I am sure the member for Saint John has a very colourful inventory of arguments as to why her electors would want to vote for her, not the least of which is that very exciting blue Santa Claus outfit that she wears every Christmas.

Let me say that all of us in this place have a duty to rise above our partisan considerations. When we are in this Chamber, which is a remarkably privileged place in our democracy, we have a duty to act on behalf of all Canadians.

• (2055)

Mrs. Elsie Wayne: Mr. Chairman, on June 7, 2001 the Prime Minister confirmed the existence of a cabinet committee responsible for overseeing the process to replace our Sea King helicopters. The Prime Minister further confirmed that the former Deputy Prime Minister was the chair of that committee. Can the minister inform us tonight who is the chair of the committee at this time and what are their responsibilities?

Can the minister tell us if he has been briefed on the maritime helicopter replacement program? More specifically, has he received a briefing on the costs and benefits of that contract having been split in two?

Also, the former Minister of National Defence and the minister's predecessor at public works and government services both indicated that the maritime helicopter program has been marred by delays. Could the minister now tell us the cause and nature of those delays and provide us tonight with an updated departmental timeline for the completion of the tendering process through to the delivery of the finished helicopters?

Hon. Ralph Goodale: Mr. Chairman, there were a remarkable number of questions in a very short space. If the member could bear with me, I suspect there may be a supplementary.

The creation of cabinet committees, the staffing of cabinet committees and the chairing of cabinet committees is the prerogative of the Prime Minister. Since I have been in this role now for only nine days, I must confess I have not had an opportunity to discuss this particular matter with him or with the new Minister of National Defence. We will no doubt get to that very shortly because we understand the importance and the magnitude and the urgency of the situation.

I am at a bit of a disadvantage tonight. I really have not had an opportunity to canvass this fully with the Prime Minister or other members of cabinet.

I can tell the hon. member that a process is moving forward with respect to the procurement of the maritime helicopter. She will know that on January 29 we did post a draft pre-qualification letter and the latest specifications for the basic vehicle on the MHP website.

The deadline for industry feedback on that draft was March 15. We are now in the process of reviewing all of the comments received. We continue to dialogue with industry on this matter to ensure that when the process is formally launched, it is open, fair and transparent and not subject to challenge after the fact.

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Chairman, it appears that treasury board guidelines were broken

when Lancaster Aviation, a company which at best had a contract which was questionable itself, moved spare parts owned by the Government of Canada into a warehouse. It allowed them to be moved into a warehouse in Florida owned by a convicted felon whose assets were seized by the government of the United States on charges that were laid against him. He was convicted of those charges but I have never received any assurances or documentation that the Government of Canada received fair payment. The government says it has but it has never provided us with the documents.

In addition to that, the serial number—

• (2100)

The Chairman: Order. That is one of the challenges we have when parties choose to share time. It is very difficult. We have to be mindful that we have time constraints of five hours and at the end of the day it means we might be taking away a slot from someone. It may not be the party who presently has the floor but that is neither here nor there. Please let us be mindful of the time.

Hon. Ralph Goodale: Mr. Chairman, I know that the hon. gentleman has a very passionate interest in this subject. I dealt with one dimension of it when I was House leader in terms of the answering of questions so I understand his interest and sincerity.

The information I have before me is that the value of the assets that would be remaining in that particular warehouse would be something less than \$1 million and that they have been disposed of in the proper manner for proper value received.

I will undertake the commitment this evening, even though I have not had a chance yet to fully explore this issue, to review it with my officials. Previous questions and answers notwithstanding, I will do my very best to provide as much information as I possibly can to alleviate the concern that the member has expressed.

My understanding is that there is nothing at all untoward about these circumstances, but because of the member's persistence on the subject I will try to be as forthcoming as I can as rapidly as I can as soon as I have the details.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Chairman, after two weeks on the job—

Hon. Ralph Goodale: Nine days.

Mr. Roy Cullen: Nine days, and the minister is doing an incredible job.

I know there are some serious questions being addressed that have to do with procurement and sponsorship et cetera, but I will just change the pace a little bit, if I may, and talk about government online, e-commerce and some of those aspects. It is an area that is of great interest to me. Our colleague from Winnipeg South has spent a lot of time studying government online. One of his initiatives is to try to encourage more online activities and initiatives for the Government of Canada.

Government online of course has many different components. Some of them include accessing information for citizens. Some of them have to do with transacting through the federal government and that could be for goods and services.

E-commerce is of course a rapidly growing area where many productivity gains are possible. We hear a lot about consumer to business e-commerce. There is government to business e-commerce. There is business to business e-commerce. In fact I believe that globally we have only begun to scratch the surface of what we can do with e-commerce.

I would appreciate it if the minister could comment on this and give us an update on the government online initiative, especially the secure channel project.

Before he does that, I would like to speak briefly about the MERX system. MERX is an acronym for something, but I do not know what. It is government online procurement. A small or medium sized enterprise or in fact any type of enterprise can log on to the online system. Through that system a business can very easily discover what procurement contracts are up for bid. It is a very handy tool. I know that many small and medium sized businesses, in fact many businesses of all descriptions, use this system. MERX is a relatively new system. It replaced the former system, but nonetheless I think it is an advanced and a better version of what preceded it.

Very recently at the House of Commons Standing Committee on Finance we were looking at the question of cost recovery and user fees. We did have a brief presentation by the Canadian Federation of Independent Business, the CFIB, which represents, as all of us in the House know, a very wide spectrum of small and medium sized businesses across Canada. It brought its brief to the finance committee in the context of cost recovery and user fees, and the CFIB was concerned because the fees had gone up from \$5 a month to \$30 a month, I think it was.

CFIB's discussion with the finance committee centred on the process. In its view the process had been fast tracked and there had not been adequate consultation, et cetera. That was one aspect of it and that really fits more into the vein of the cost recovery and user fees, which really falls within the purview of the Treasury Board, but nonetheless it is an area in which I have developed quite a keen interest and I am working on a number of initiatives.

The other aspect was that a small or medium sized enterprise that was paying \$5 a month to access this government procurement system was then suddenly faced with a bill of \$30. This is quite a significant increase. Representatives of CFIB were quite concerned about that, because for many small and medium sized enterprises this was the vehicle, the way that they could discover in an efficient and effective way what types of procurement contracts were available.

• (2105)

I wondered if the minister could discuss the MERX system and how effectively it is working and if he also could address the concerns of the Canadian Federation of Independent Business in regard to the fee going up from \$5 a month to \$30 a month without, in its view, adequate consultation, but particularly from the point of view that this is quite an additional cost burden.

I wonder if the minister could take that point and elaborate on it to give us a briefing regarding where we are with government online services, government procurement of goods and services and particularly the secure channel initiative. Could the minister put it in the general context of e-government with a particular focus on the

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MERX system and some of the concerns raised by small and medium sized enterprises?

Hon. Ralph Goodale: Mr. Chairman, this whole subject area is a fascinating field of technological development that 10 years ago was essentially unheard of. In this day and age we are right in the thick of the so-called e-commerce, e-government phenomenon. It is revolutionizing the way in which governments around the world do business. Those governments that are the most successful and those that are prepared to lead the pack will be the ones that have a decidedly significant competitive advantage in this knowledge based, technology driven, highly skilled world in which we live. Both of the things the hon. gentleman mentioned in his question are a part of that.

For the benefit of some hon. members and perhaps anybody who may be watching this evening, the MERX system, the government electronic tendering service, advertises procurement opportunities subject to national and international trade agreements and is provided under contract by the Bank of Montreal using the service called MERX. That is where the acronym comes from.

The previously existing MERX contract was to expire at the end of May 2002 and it was extended under certain procedures. For the information of members I would note that a complaint has been received about the contract extension by the Canadian International Trade Tribunal, which is a trade resolution dispute mechanism in Canada. Because that complaint has been raised and referred to the CITT, it is not possible for me to comment in detail about anything else having to do with the contract extension because the CITT will deal with it in a quasi-judicial process in due course.

On the point about the fee that was charged, the evidence was pretty compelling that at the previous level the MERX system was losing money. If we were to continue this service on this broad based electronic basis to companies all across the country, a fee increment was required to keep it viable. I appreciate that moving from \$5 a month to \$30 a month is a hefty increase, but even at \$30 a month it is less than some newspaper subscriptions and less than the average cable bill. It is a reasonably small amount of money.

Nevertheless, because the hon. gentleman has raised it and, as he mentioned, it has been raised in a committee of the House, I will certainly make some inquiries about the reasonableness of the fee increase and whether there is any possibility of any recourse with respect to it. However, it is important for this system to pay its way so that it can be available on a broad basis across the country.

With respect to the secure channel that the hon. gentleman referred to, this is another dimension of e-government and one in which my department is playing a leading role in establishing. Once it is completed, the secure channel will serve as a fundamental component to enable highly secured, responsive and economical online access to Government of Canada information and services, services such as: registering a business online; obtaining a federal business number; paying corporate taxes online; giving a company the ability to securely view its accounts with the Canada Customs and Revenue Agency online; and status requests for immigrant applications on behalf of Citizenship and Immigration Canada. Those are some examples of the kinds of transactions that we want to be able to do online.

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● (2110)

Because of the nature of the information involved in just those few examples I referred to or in other cases with respect to veterans' benefits or commercial transactions and so forth, I think colleagues in the House would see why security on this channel is an extremely important thing. In order for Canadians to have confidence that they can use this new technology to its maximum advantage, they need to be assured about its security, therefore we are leading the way in establishing this secure channel.

Services such as registering a change of address with the Canada Customs and Revenue Agency should be available online by the end of the summer of this year. Services such as an individual between jobs being able to apply for employment insurance benefits or for job training approvals online with HRDC, Human Resources Development Canada, should be available by the fall of this year.

Services from Veterans Affairs, such as applying for veterans' benefits online, services such as being able to competitively bid for federal government contracts online with my department, services such as the Department of Foreign Affairs and International Trade Export and Import Controls Bureau's online system, all those services where privacy and security are key elements, are on the future agenda, which we hope to accomplish at the earliest possible date.

We have a schedule of how we intend to move forward in this regard. We want to do it right. We want to get the security right and we want to get the service right so that Canadians can deal with their government efficiently and in the absolute confidence that their information will be safe and secure. We want to make Canada the leader in the world in e-government and we are moving in that direction.

● (2115)

Mr. Roy Cullen: Mr. Chairman, I thank the minister very much for that update on some very exciting and worthwhile initiatives that are on the way in his department and also for the commitment to at least review the fee for the MERX system. I do appreciate that.

I want to switch gears and talk about another topic. It is always useful when a minister takes on his new portfolio to raise an issue. Some time ago I had discussions with a company in my riding that makes modular floor systems. If during or after installation someone wants to wire computers, these systems are easily replaced. As the computer configuration is changed, the wires can easily be put in different places. In terms of ongoing operating costs, if the office space has to be renovated it is a lot more inexpensive.

The problem the company ran up against is that the capital costs for its system are greater than those for a conventional system, but the ongoing operating costs are reduced as companies restructure, add more technologies and rewire their offices. What they ran up against of course, in their view in any case, was a bias toward getting the lowest price capital costs through the public works system.

Looking at it, I wondered at the time and in fact communicated with the minister at the time to say that on the basis of simply the capital costs this bid would lose out, but I asked if anyone was actually looking at the operating costs. This was an operating cost that would be incurred by a department of the federal government,

but I forget which particular federal department. On an ongoing basis its operating costs would perhaps be increased but their capital costs would be reduced in the short run.

I just put that challenge to the minister. Maybe when he fully assumes all his responsibilities he might ask that question: Is anyone in the government looking at this on a life cycle basis and saying that not only do we need to look at capital costs but we need to look at ongoing operating costs? For the federal government as a whole, those operating costs would end up in various government departments. I put that forward to the minister.

Hon. Ralph Goodale: Mr. Chairman, what the hon. member has described is an important concept. Part of what we contract for in terms of the various goods and services we acquire on behalf of the Government of Canada is related to upfront capital costs, and part of course is related to operating costs over time.

Earlier this evening we had a good example of the distinction when a question was asked about the federal buildings initiative. By and large, if we install energy efficient equipment in either new buildings or retrofits the upfront capital cost will be higher. However after a while it is amortized and we make savings on lower energy bills. The way we have done this through the federal buildings initiative has been so successful it is now entirely financed by the private sector which gets paid back over time on the savings that come from energy efficiency. The upfront capital cost is higher but the ongoing operating costs are sufficiently lower that we are ahead of the game and the private sector makes a profit.

I refer to this to underscore the member's point that there are two elements: initial cost and operating cost. We should be prepared to look for the best long term value because a cost is a cost whether it is initial capital or operating costs over time. Both are important from the taxpayer's point of view.

The whole issue of procurement reform is something we take seriously. I will try to make it a priority in finding better ways to achieve value for taxpayers.

● (2120)

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Chairman, I have lots to say to the minister regarding the Groupaction problem. The minister has been making all kinds of warm and fuzzy noises about how he will get to the bottom of the issue. I want to ask him a couple of simple questions.

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Because this is on behalf of the Canadian taxpayer, will the minister work with his departmental officials to voluntarily disclose any illegalities or any breach of the Financial Administration Act he may discover, either to the RCMP if it is a criminal situation or to the House if it happens to be an administrative situation? Will the minister do this so we can see that he is interested and committed to getting to the bottom of the situation?

Hon. Ralph Goodale: Mr. Chairman, this is my first formal opportunity for an encounter with the hon. member for St. Albert. I do not know whether that is good or bad but it will certainly be interesting. In any event, I am pleased that we are in our respective roles. I hope we will have a constructive relationship pursuing what we both want in terms of the public interest.

On the issue of disclosure, it is an operating principle and practice of my department and my officials. Complete co-operation with the auditor general is a fundamental dimension of what my department does and would do in all circumstances. The auditor general has a function to perform and it is the obligation of government departments to co-operate and collaborate with her. There are specific provisions in the law including the Financial Administration Act that require collaboration and disclosure when certain kinds of information come to the attention of officials.

Mr. John Williams: Mr. Chairman, I hope the minister did not purposely evade my question. I specifically asked if he would direct his officials to voluntarily disclose as they investigate their files or the verbal commitments that have been made because in many cases there are no files. Will he make that commitment?

I am not talking about collaboration with the auditor general. I am asking if the minister will voluntarily disclose to the RCMP if he finds there are illegalities or to the auditor general or the House if he finds there are serious breaches of the rules of contracting for government.

Is the minister serious about getting to the bottom of the problem? Will he disclose what he finds rather than waiting to collaborate with someone who comes along and asks the question?

Hon. Ralph Goodale: Mr. Chairman, the sections of the Financial Administration Act I referred to a moment ago are by no means passive or reactive. They impose a positive duty on public officials to make the kind of disclosure the hon. gentleman has referred to. The duty exists in the law already.

However as I have said on many occasions in the House, there will be full co-operation on my part and on the part of all my officials with any investigation that may go forward whether by another government department, the auditor general or the RCMP. The proof is that we have already made references to the RCMP as we are obliged to. We will continue to do so.

Mr. John Williams: Mr. Chairman, it seems the minister is purposely avoiding making a commitment to voluntarily disclose information. He is talking about collaboration and co-operation with other agencies. I hope the minister has directed his officials to go through the files, take a look at everything in which the name Groupaction shows up and ask whether it is legitimate, proper, and has received the appropriate approvals. If something is not legitimate I hope he would voluntarily disclose the information. I hope he

would not wait for the auditor general to try to find it or for the RCMP to launch a criminal investigation.

However let us move on. A lot of this has to do with advertising. The Prime Minister said it is better to waste a few million dollars on illegalities than to lose the province of Quebec. I do not believe that for a minute, but let us find out how much advertising is going to Quebec and how much is going elsewhere. What is the total advertising budget of the Government of Canada, and what is the breakdown by province?

• (2125)

Hon. Ralph Goodale: Mr. Chairman, first, I will deal with the first part of the hon. gentleman's question. He is going to considerable lengths to leave the impression that I am not being forthcoming, that I am declining to disclose information or that I am hiding something. The record in the House for the last nine days discloses exactly the opposite.

I have indicated very clearly that where there are administrative mistakes we will find them and root them out. Where there are overpayments we will recollect and ensure the Government of Canada is reimbursed. If there is any evidence of illegal or criminal activity it will be instantly referred to the RCMP. I have said that over and over again. Any implication on the part of the hon. gentleman to the contrary leaves the misimpression that there is an effort to hide something. I know enough about being House leader that I cannot use unparliamentary language, but I would appreciate that he not do so because on my part it is flatly untrue.

Second, with respect to the advertising question, the global amount on an annual basis is in the neighbourhood of \$200 million. I do not have a province by province breakdown with me tonight but I will try to obtain the information and provide it subsequently if it is available.

The hon. New Democratic member from Manitoba raised the issue of regional balance and fairness in government programs. I would indicate again my absolute commitment to that. Coming from a region of the country I am very anxious to see a balance from coast to coast to coast.

Mr. John Williams: Mr. Chairman, I thank the minister for answering the first part of my question. We now have a commitment from him to be forthcoming and voluntarily disclose information.

If the minister does not have a regional breakdown on a province by province basis could he tell us how much of the \$200 million is spent in the province of Quebec?

Hon. Ralph Goodale: Mr. Chairman, as I indicated, I do not believe we have the provincial breakdown available tonight. We are checking to see if it is accessible this evening. If it is, fine, we will provide it. If not, I will provide the best breakdown I can as soon as possible.

As to the earlier point about being forthcoming with information, making references to the police where appropriate, fully providing information to the auditor general and so forth, I made that commitment last Monday, less than 24 hours after coming into office.

Supply

Mr. John Williams: Mr. Chairman, in addition to Groupaction and Groupe Everest there is the problem with Canada Lands. The minister's predecessor who is now Ambassador to Denmark seemed to be embroiled in something there.

I will give some background as to how Canada Lands operates. The fundamental concept is that when the government wants to dispose of property it transfers it to Canada Lands and takes back a promissory note for the approximate value. When the land is sold the promissory note is repaid with cash from the sale of the property. It is a fairly simple transaction. It is not that complicated.

However with Downsview Park Inc. some property was sold there for \$19 million. Rather than repaying the promissory note it was used as a cash flow to start running a business of property development. This was outside the confines of the rules of parliament which say the money should have gone to the Consolidated Revenue Fund. Why did it not come back to the Consolidated Revenue Fund? That is question number one.

The other point is that there were two loans of \$50 million each, totalling \$100 million interest free for 49 years. The government does not expect to see it again because it is now treating it on financial statements as equity rather than a debt to the Government of Canada.

Why is the minister permitting that situation when Canada Lands and Downsview Park are not subject to the Access to Information Act?

• (2130)

Hon. Ralph Goodale: Mr. Chairman, as much as I would dearly love to be able to respond to the hon. gentleman's question I must point out that I am not the minister responsible for the Canada Lands Corporation. That is within another minister's portfolio. I would certainly wish the other minister the joy of a committee of the whole proceeding so that he might answer the question, but it is not within my portfolio of responsibilities.

Mr. John Williams: Mr. Chairman, I hope the hon. minister will not avoid all the questions about Canada Lands. His predecessor who is now Ambassador to Denmark was heavily involved in Canada Lands and said "the rest of Canada is for Canada Lands to administer but Quebec is for us to administer".

I will ask the minister a blanket question: Will he answer any questions about Canada Lands or do I need to find another line of questioning?

The Chairman: I will let the minister answer but Canada Lands does not fall under the purview of his responsibilities.

Hon. Ralph Goodale: Mr. Chairman, I do not have responsibility for the Canada Lands Corporation. It is my understanding that the responsibility would fall to the crown corporation that is in the hands of the Deputy Prime Minister. Quite frankly, I am not sure whether in the last 24 hours there has been some rearrangement in that regard because of the Deputy Prime Minister's new responsibilities. That question would properly be referred to the Prime Minister. However Canada Lands is not within my portfolio.

Mr. John Williams: Mr. Chairman, it certainly seemed to be within the purview of his predecessor.

With respect to Groupaction, there is evidence that the second contract for over half a million dollars was awarded verbally. There were no written criteria for why the program was needed, how applicants were to be chosen, et cetera. Civil servants do not operate this way unless they are covered by their political masters.

None of these things will be investigated by the RCMP or the auditor general because they fall within the administrative review the minister is doing. If the finger is pointed at someone other than civil servants in the Groupaction fiasco, say, the current Ambassador to Denmark, will the minister do the honourable thing and recall the ambassador to Canada to answer the questions?

Hon. Ralph Goodale: Mr. Chairman, it is not within my jurisdiction to recall ambassadors. However in relation to the Groupaction matter the set of files was referred to the RCMP by the auditor general. The auditor general was invited to make her inquiry in the first place by my predecessor who is now the government House leader.

It was my predecessor who initiated the process. The process led to an inquiry by the auditor general. The auditor general made the reference to the RCMP. The RCMP has confirmed publicly that it is pursuing an investigation. The RCMP has said in the media that it will pursue the investigation wherever it leads.

Mr. John Williams: Mr. Chairman, let me quote from the estimates of Public Works and Government Services Canada, page 54, Financial Table 3: Details on Transfer Payments by Business Line under Grants, Grant to Parc Downsview Park, forecast spending is \$2.8 million and planned spending in 2002-03 is \$3.17 million. Why is the minister avoiding questions on this issue when his department is funding Downsview Park?

• (2135)

Hon. Ralph Goodale: Mr. Chairman, I am advised by my officials that the Department of Public Works and Government Services is the mechanical device by which this transfer of funding takes place. The policy responsibility rests with the minister responsible for the crown corporation and that is not the Minister of Public Works and Government Services.

Mr. John Williams: Mr. Chairman, do you care to give us a ruling since we are talking about the estimates of public works? It is in the estimates of public works. We are talking to the minister of public works and he is saying that he is passing the buck.

Mr. Chairman, could you give us a ruling as to whether he should answer the question?

The Chairman: I do not believe the Chair will make a procedural ruling where one is not required. Either the minister is responsible for the matter raised or he is not. Only he can reply. I think the premise of all our work in the House is the integrity of each and every individual member.

Hon. Ralph Goodale: Mr. Chairman, the fact of the matter is that I do not have policy responsibility for this matter. That rests with another minister.

Supply

However, in the spirit of being forthcoming with the hon. gentleman, if there are serious questions that he wishes to raise with that other minister I will certainly undertake to make sure that this matter is drawn to that other minister's attention so that he can reply to the questions that the member for St. Albert might wish to raise.

However, as I am not the minister responsible, and as much as I might want to reply, I simply cannot reply to a question that is outside my jurisdiction.

Mr. John Williams: Mr. Chairman, it seems to be a farce that we are talking about the numbers in the estimates of the Department of Public Works and Government Services and the minister refuses to reply because it is not his responsibility, it is someone else's responsibility. How are the members of the House supposed to be able to question the people who are involved if the responsibility is passed around to some other minister just to get this minister off the hook? We cannot have that.

I would hope that when the minister comes back the next time, having had more experience in his department, if he sticks around for a year or more, that he will answer these questions because they show up in his statement and in his estimates. This is what this debate is all about.

I guess we cannot proceed any more so I will change the subject to ACAN. An ACAN is what the government sometimes calls a competitive bid. ACAN, in my opinion, is not a competitive bid process because it is merely a posting of a non-competitive bid award on the website saying that the government will give the contract to this contractor unless somebody disagrees and files a complaint. That is not a competitive bid process.

When I talked to the minister's predecessor, the hon. member for Glengarry—Prescott—Russell, he said that he would look into the matter. I am asking this minister to recognize that filing a complaint is not a competitive bid process. Could we have some assurance that if ACAN is to be truly a competitive bid process he will make it so?

Hon. Ralph Goodale: Mr. Chairman, ACAN is obviously a process by which a bid or a potential contract award can be publicized before it is finalized to determine whether or not there are any objections.

I asked for the statistics on this matter because I too was curious about it. I found out that of the 3,311 ACANs published in the year 2001, objections were raised in about 10% of the cases. That would be 323 cases. Of those cases that were objected to, the objections to 245 cases were found to be justified and the process went to tender. I think those statistics tend to verify that the process is working. In the vast majority of cases there are no objections but in cases where objections are raised they are in fact treated seriously.

If the hon. gentleman has some specific suggestions on how a properly functioning ACAN system can in fact be improved in the interests of competitiveness, I would very much like to hear what those suggestions are and I will treat them seriously.

• (2140)

Mr. John Williams: Mr. Chairman, we do not have the time to discuss my concerns and proposals regarding ACANs. The one little point I have on ACANs is that when there is a complaint or a

grievance filed it goes back to the person who originally decided that it was uncompetitive bid but we will fix that later.

Because we have heard so much about these verbal contracts and commitments, could we have the minister's assurance that he has issued a directive that it will never be tolerated again by any civil servant that verbal commitments on behalf of the Government of Canada will be allowed?

Hon. Ralph Goodale: Mr. Chairman, my understanding is that sort of message is already very clear. Quite frankly, I will make some inquiries to see if it needs to be clarified further.

The situations that were described by the internal audit people in my own department as well as by the auditor general were unacceptable. Those practices need to be improved in a major way.

Between the year 2000 and now those improvements were and have been made in a very progressive way. However it is very clear to me that when we are dealing with public money and the taxpayers' trust there needs to be transparency, accountability, value for the money expended and proper filing and bookkeeping to make sure the paper trail is evident.

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Chairman, I would like to join my colleagues in congratulating the new minister on his portfolio and on the outstanding job that he is doing in it.

I am very fortunate to have in my constituency the superannuation directorate of the Department of Public Works and Government Services. This directorate of the minister's department manages the pension plan and pays pension benefits to almost a quarter of a million retired public servants and their survivors.

The superannuation directorate, as one can imagine in a small community in Atlantic Canada with 410 employees, is a major source of economic prosperity for that community. I had a chance to visit this directorate of the department on two occasions. The directorate has a new director general. She is an outstanding public servant and a very dynamic new director. The employees are very pleased with her energy, dedication and desire to motivate them to continue to do the excellent work they have done.

This directorate of the Department of Public Works and Government Services serves as an excellent example of a decentralization policy of a previous Liberal government. I can tell everyone that Atlantic Canada communities like Shediac, where this unit is located, have benefited enormously from the presence of these public service jobs.

[*Translation*]

I said I had the opportunity to visit that unit of the department on two occasions and the second time it was with the minister's predecessor.

Two months ago the former minister came with me to Shediac. We met all the employees and I must say that their enthusiasm resulting from the presence of the minister in their community did a lot of good.

I hope I will have the opportunity to invite the new minister to visit this unit at the appropriate time.

Supply

• (2145)

[English]

The minister's predecessor had indicated to me that the department was looking at a modernization initiative for the superannuation directorate. When we visited the unit and spoke to many of the employees we were struck by the need to upgrade and improve many of the information systems and some of the technology that these dedicated public servants were using to serve their clients so well.

The objective of the Department of Public Works and Government Services and the superannuation division, our directorate in Shediac, would be greatly improved if the government proceeded with this modernization study to see how, for example, new technology, new information systems and perhaps, in some cases, additions to the current building and infrastructure that exists in Shediac might better serve the clients of this directorate.

I am wondering if the minister might be able to inform us on his department's plans for the superannuation directorate. I had a discussion with his predecessor about some of the concerns that employees would have. For example, the word out-sourcing for public servants in a community like Shediac, New Brunswick, obviously leads to some concern about their jobs either being downsized or eliminated. There is also a real concern that in some cases some functions are being pulled back to Ottawa, repatriated back to headquarters, and the important work done by these dedicated public servants in Shediac, New Brunswick would somehow be diminished.

I would be interested to know if the minister could update us and reassure the employees who work in Shediac and who contribute enormously to their communities that the work they do is valued by the government, as I know it is, and that they can continue to provide the excellent service they do to the many clients they serve.

Hon. Ralph Goodale: Mr. Chairman, I can fully understand and appreciate the sentiment that has been expressed by the hon. member with respect to his province of New Brunswick and his part of New Brunswick, specifically the community of Shediac. There would be many parts of my own province of Saskatchewan where the same line of reasoning and the same feeling and sentiment would apply.

The Speech from the Throne that opened this session of parliament talked about such exciting concepts as innovation for the future and so forth. One recurring theme through that throne speech was the theme of inclusion, inclusion of all Canadians in every region, every province and every community where they feel fully plugged in to their country and that we function together as a cohesive national whole. That is a principle which is extremely important to the government.

I am very sympathetic to the line of reasoning that the hon. gentleman applies with respect to a significant Government of Canada operation in a community like Shediac. The superannuation directorate located in that community employs approximately 410 people. They pay over 220,000 annuities to retired public servants and/or their survivors across Canada.

At the present time my department is actively looking at several ways of modernizing its various pension systems and modernizing the way we do business with respect to pensions. As we go about

that modernization study, we will want to be inclusive with respect to the employees at Shediac.

I want to say clearly that we have no plans with respect to privatization or closure of that facility. Obviously with modernization will come some degree of change. I fully intend that to be change that is characterized by opportunity for things to improve and to be dealt with properly in terms of future additional technology, learning opportunities, employment and so forth.

Shediac is very much a part of our plans. I for one will be working very closely with the hon. member to make sure the issue is dealt with properly and fairly. If that was an invitation to visit Shediac in the next little while, let me say that I accept.

• (2150)

Mr. Alex Shepherd (Parliamentary Secretary to the President of the Treasury Board, Lib.): Mr. Chairman, it is a great opportunity to ask the minister a question.

The issue of advance contract awards has been already mentioned here tonight. There is a great ongoing debate with the auditor general and various departments of government, not the least of which is treasury board, to deal with the whole issue of whether these contracts are awarded on a competitive basis or not. The auditor general is of the opinion that they are not competitive.

As I understand the whole concept of advance contract awards, essentially it is a process that allows the government to continue working efficiently. Every time a contract comes up, it is very difficult for the government to simply open it up for tender because of the time constraints involved in switching suppliers and so forth. Unfortunately, or maybe fortunately, I do not know, governments are very large. They need to secure their channels of procurement in such a way that there is not a significant disruption of services to the general public.

In my riding General Motors has a great influence. While the plant is not in my riding, a lot of the workers are in my riding. General Motors more or less has a very similar system in the sense that it cannot afford to shut down the production of manufacturing cars to have a competitive open bidding system every time a contract comes up for bumpers.

What advance contract awards do, as I understand it, is they provide an opportunity for competition because they are posted. Posting allows anybody who is interested to, as the minister mentioned, challenge, but I am told that we are not supposed to use the word challenge any more. We are supposed to use a different kind of word. The concept was that anybody could provide a similar service given their capabilities. What we ask the supplier to do is give us a list of their capabilities of fulfilling the contract. It is clear the government cannot run the risk of offering contracts to those who have no real way of fulfilling them. It essentially allows other competitors to come forward.

Supply

There is a 15 day window. Maybe the minister could elaborate on that. As I understand it the 15 day window is actually considered to be long in the business community. Clearly where contracts are signed over the Internet in a matter of hours today, 15 days is considered a significantly long period. As I understand it, a lot of the thought process behind why it is 15 days is to allow small and medium size businesses that may not have the same reaction time as some of the larger suppliers in the country to be part of the process.

It is clear that the whole concept of ACANs is to provide a competitive process. I also understand that they are in compliance with our NAFTA obligations and they are also in compliance with WTO obligations.

For this reason the big difference of opinion between the Government of Canada and its auditor general is that the auditor general does not figure that is a competitive process. I think any reasonable person looking at that will see that it allows for competition. It allows people to challenge these contracts. The minister just mentioned the number of people who have successfully challenged ACANs, so there is a process.

I understand that 83% of all transactions over \$25,000, and this is a very important number for people to grasp, are competitively bid in this country by a method of open bidding, tendering or using ACANs. That is a fairly significant open bidding process where people have the opportunity and well they should. I have been approached by representatives of small and medium size businesses in my riding. They say that just because they live far away from Ottawa does not mean they should not be able to compete in the process.

• (2155)

These contracts are posted over the Internet. This allows the smallest contractor to submit a bid. I know some small and medium size businesses in my riding that have successfully bid on these small contracts. The whole idea of using the Internet and electronic commerce is to allow more people to participate in the bidding process.

What is the minister's opinion regarding the policy guidelines that have been put in place to do with ACANs? Does he feel that those policies are being carried out within the Department of Public Works and Government Services? Their importance to us as a government is to ensure that the people of Canada see that the process is a fair, open and competitive one. What are the minister's views on the use of ACANs?

Hon. Ralph Goodale: Madam Chairman, by way of background perhaps I could offer a bit more explanation.

In November 1999 the auditor general tabled a report on the use of advance contract award notices, otherwise known as ACANs. The more significant observations made by the auditor general included the following: that there was in her view no independent review of challenges to ACANs; there was a lack of justification for posting of ACANs; there was a lack of information contained in ACANs; and ACANs were often not posted for the required 15 days. Those were the observations back in November 1999.

The auditor general's report was the subject of a series of meetings by the Standing Committee on Public Accounts. The committee

reported similar observations and criticisms about the ACAN system as those referred to by the auditor general. It made a couple of recommendations that in fact went beyond the observations of the auditor general.

In any event, following the tabling of the auditor general's report back in November 1999, an interdepartmental working group chaired by the Treasury Board Secretariat and of course involving my department was formed to address the various issues the auditor general had raised about ACANs.

As a result of that process, guidelines were prepared. They were subsequently published in November 2000. This information has been broadly circulated throughout the government to all procurement officers, noting the key points and the way in which this policy is evolving and changing over time.

We are obviously anxious to ensure that ACANs are fair and reasonable, that they are handled properly within the system, that they enhance a competitive system. I think the statistics bear that out.

As I mentioned earlier, the statistics we have for 2001 would indicate that there were in that year 3,311 ACANs issued. About 10% of them were challenged, that is 323. So the vast majority were not challenged, even though the opportunity to challenge was there. Of those that were challenged, 76 were found to be cases where the challenge was valid and in 76% of those cases they proceeded to a formal tendering process.

As the hon. member mentioned in his question, the ACAN system provides the opportunity for competition. In the statistics I have cited that opportunity seems to be a legitimate one.

I would point out that there is now a minimum requirement of a posting of 15 calendar days so that everyone has a full and fair opportunity to know that the notice is out there and has the ability to respond within that time frame.

I would also point out, contrary to some assertions that were made earlier tonight, we have put measures in place to provide an independent review of the statements of capabilities that come in to make sure it is not the same person sitting as judge and jury on the appeal, that there is in fact due process and fairness. Sometimes it will be totally different officials from the first officials that looked at the case. Sometimes it will be independent third party fairness advisors from outside the government.

We understand the concerns that were expressed by the auditor general. We are trying very hard to make sure that the ACAN system is not a way to circumvent competition, but a means to complement competition and make sure that the system is transparent and fair.

• (2200)

[*Translation*]

Mr. Ghislain Lebel: Madam Chairman, the minister has had the opportunity to express himself on a lot of different topics today. If I look at the list of the advertising sponsorships the government foots the bill for, I see in the year 1997-98, just choosing at random, the item radio spots. I will explain to the minister what a radio spot announcement is.

Supply

You are driving along and you hear a message aimed at people who like to fish. "If you are going fishing, when you pick up a worm to thread on your hook, start at the tail end, it's easier that way. The Government of Canada wishes you good fishing".

Or another, from December 28. "Hare hunters, be sure you know the difference between a hare and a partridge, because the partridge season ends December 31. Happy hunting from the Government of Canada".

Or, "We wish you a good festival, good strawberry picking, a good bike trip" and so on. We have \$1.36 million worth of this for 1997-98.

If the government wanted to gain some good publicity, I would not object. I would not criticize it. Maybe it could put its little Canada flag on every little milk container it handed out to hungry school kids in the morning. There are 1.5 million poor people in Canada. Does the minister not think it would be more worthwhile to use the money for this than to say "Be sure you put your worm on from the right end".

Here is a real opportunity, choices that are really up to the minister. I would like him to start by answering this question.

[*English*]

Hon. Ralph Goodale: Madam Chairman, the point raised by the hon. member about this type of advertising is a valid point. I am advised that steps were taken some months ago to stop these types of radio spots because they simply did not fit within the proper definition of a sponsorship initiative.

[*Translation*]

Mr. Ghislain Lebel: Furthermore, Madam Chairman, the hon. member for Beauséjour—Petitcodiac addressed decentralization, and I agree with him. Sponsorships were really concentrated.

The justice minister told the House earlier this week that ministers should play a more active role and get involved in the selection of government contractors.

Another member thinks that calls for tenders are cumbersome, that they tie up the system, that they are a real bother and totally ineffective. I would just like to point out to him that democracy comes at a high cost. Ignoring democratic principles does save us much money. You can ask every dictator on this planet. They do not bother with such things. But where there is no democracy, people are facing other problems.

Does the minister agree with the remarks of the justice minister, whose chief of staff, incidentally, is a former vice-president of Groupe Everest? If the minister realizes that this is a network, and that the immigration minister spent several nights at the condo of the president of Groupe Everest over a period of a month and a half—I understand that the Prime Minister is still working on clarifying the eight points to be announced soon—should the minister not feel bound by the choices made by other ministers?

When the justice minister wants to launch a \$500,000 advertising campaign, should the need for such advertising not be demonstrated to him? What purpose will it serve? Is it really required? After all, he is the Minister of Public Works and Government Services; it is not the other way around.

● (2205)

[*English*]

Hon. Ralph Goodale: Madam Chairman, one thing that I have been struck by in the eight or nine days that I have been reviewing the files in this portfolio is the strong interest that many members of parliament take in this program. They are members of differing political parties, provinces and communities from right across the country.

Members of parliament making their views known, particularly about the projects they support, is an extremely valuable thing. That is an issue I will be looking at in terms of the future administration of the program. Is there a vehicle by which members of parliament can indicate to me the types of projects that have that kind of community merit that would justify sponsorship by the Government of Canada?

In terms of the contracting process I am pleased to be able to tell the hon. member that 92% of the contracts managed by this department were awarded on the basis of competitive tenders. There were only 8% that were managed in a different way and needed to meet the requirements with respect to sole sourcing.

Competition is the foundation of our contracting process and if I can find ways to enhance the competitive process to make it more open, competitive, transparent and therefore, as the bottom line, more fair and probably less costly to the Government of Canada, I will be interested in pursuing those various techniques.

As I said earlier, sponsorship performs a valuable service. Sponsorships are provided by the private sector, municipal and provincial governments, and by the federal government. They support good and worthy activities across the country. The issue is not the principle or the validity of the concept, nor is it the merit of the local community based projects. The issue is the delivery mechanism and I am committed to finding the most cost effective, open, transparent, accountable and value for money effort to deliver on these sponsorships in the way that Canadians would expect.

● (2210)

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Chairman, I have here, in the list of sponsorships approved by the federal government, a series of quite astounding details.

I would like the minister to explain how this meets the expectations of citizens.

Here is what we find: Canadian Football League, \$95,000; Montreal Expos, \$1,223,000; the Montreal Expos caravan, \$54,000; the soccer club l'Impact, \$300,000; the NHL All-Star Game, \$80,000—and hockey players are not what you would call disadvantaged people; the Senators, season 1997-98, \$355,000.

I could go on up to a total of \$20 million invested in professional hockey teams or basketball and baseball teams. In Canada, over a period of four to five years, professional sports teams received \$20 million from the government.

What do we say to taxpayers who ask us questions about the usefulness of giving sponsorships to professional sports teams?

Supply

[*English*]

Hon. Ralph Goodale: Madam Chairman, there are various purposes that are served by a sponsorship initiative. One purpose is to support the event or activity to which the sponsorship is committed. Another purpose is to promote and explain the programs and services of the Government of Canada across Canada. Exposure at major national sporting events or cultural events can be a good way to communicate with a large number of people in a concentrated area.

There are a variety of purposes to be served here. I do not think there is one single purpose or one single formula that would suit the sponsorship initiative in all cases. There has to be a little flexibility. As we identify the problem areas and move forward in a way that is constructive for the future, I would look forward to having the advice of members of parliament, in terms of the kind of activities or the magnitude of activities that would be appropriate in terms of future terms and conditions.

I take it the hon. member is suggesting that there is more merit in a sponsorship program focusing on smaller, more community oriented activities than larger and more commercial types of activities. That is a representation that I am happy to take into account. It perhaps goes to the credibility of the program and I would want the program to be credible.

[*Translation*]

Mr. Pierre Brien: Madam Chairman, what bothers me is that it is my impression that the government is trying to slip this through the back door, since it could not get it through the front door.

I remind the House that when the Deputy Prime Minister floated the balloon of helping professional sports teams, there was an outcry from Canadians that led the government to back down within 24 to 48 hours and say “no, we will not support hockey clubs”, which was the case at hand at the time.

If we look at the numbers here, we see that the Ottawa Senators, the Montreal Canadiens, the Montreal Expos, every year, \$300,000, \$400,000, \$500,000, \$800,000 and \$900,000 was paid and each time, fees of 12% were paid to communications agencies. All this adds up to \$20 million. The numbers show that the government did what it said it would not do: support professional sports clubs.

I see that the minister understood my point and the question proves this. However I think that people have been fooled, when we see that the government did what it said it would not do, particularly when the Deputy Prime Minister said no way. In the end, they flipped on the matter.

How does the government explain that today the figures contain \$20 million for professional sports clubs?

• (2215)

[*English*]

Hon. Ralph Goodale: Madam Chairman, I will take the hon. member's point as a representation. If I am correct, he is saying clearly that in his view sponsorship funding could better be directed toward other types of sporting, cultural or community activities rather than professional sporting events. I would be interested in

hearing the views of other members of parliament on that same point.

For this year, and the years that have gone by, that type of activity did fit within the program criteria. For next year, and subsequent years, we have the opportunity to reshape things somewhat differently. I would be interested to hear whether members of parliament and others think that program criteria should be changed in such a way as to make the type of activity that he has referred to specifically to be outside the criteria of the program.

I would again make the point that I have made a couple of times earlier this evening. In the specific examples that are being used here they are, in every single case, in the period of time that predated the year 2000. We are talking about that period in which difficulties did occur prior to the year 2000. Since the internal audit in 2000 and subsequent corrective actions we have taken steps to substantially improve the administration of the program.

[*Translation*]

Mr. Pierre Brien: Madam Chairman, in this list of programs sponsored by the federal government, we see a lot of radio flashes related to the agrifood industry, the environment, hunting and fishing. That is what my colleague from Chambly was saying earlier.

I spend a lot of time in my car and I hear the Government of Canada wishing me a good trip, telling me to drive safely, to eat sensibly, to have a nice bicycle ride, to have a good partridge hunt on the 28th when the hunting season is practically over, and so on.

If you listen to *Les amateurs de sport*, from 4 to 7 p.m. on Radio Media, you will hear dozens of these flashes. The minister said earlier that he had put an end to all that. It is not true. These ads can still be heard on the air. There is \$1,154,000 for agrifood flashes, the same amount for environmental flashes, and so on.

That does not exist anywhere else except in Quebec. Why do Quebecers and nobody else in Canada need to be told to have a good trip, to have a nice bicycle ride or to have a good partridge hunt? How can the minister explain that the Government of Canada has run these ads only in Quebec?

[*English*]

Hon. Ralph Goodale: Madam Chairman, I indicated earlier that the type of advertising the hon. gentleman has referred to is now explicitly excluded from the criteria of the program. The complaint that he has expressed is one that the government identified earlier, and we have taken corrective action.

In terms of specific projects that receive sponsorships, the hon. gentleman has indicated his objection to some types of projects. I would be interested in his views on a couple of other projects, like the projects known as Rimouski en blues and Tour de l'Île d'Orléans à la nage. I have letters of representation from members of parliament in the Bloc Québécois supporting these projects and I wonder if he would support them as well.

• (2220)

[*Translation*]

Mr. Pierre Brien: Madam Chairman—

Some hon. members: Oh, oh.

Supply

Mr. Pierre Brien: If members wish to hear my answer, perhaps they could at least listen. I am certain that many events in small communities have much more merit than coming to the assistance of the Montreal Expos, the Montreal Canadiens, the Ottawa Senators, the Toronto Raptors, or the Vancouver Grizzlies.

I am sure that the public will find that there was more merit in helping small community projects than professional sports, where those involved earn in the millions.

That is my last question, because I know that time is running out. In the House, the minister was very surprised when we told him that the federal government had bought advertising space in *L'Almanach du peuple* at a cost of \$500,000 a year, when the government of Quebec had paid 35 times less for the same amount of space.

I do not know whether he will remember this but he was told in the House that the government of Quebec had paid 35 times less than him for the same advertising space. This goes back ten days or so. He has just taken up his new position. I can understand that it has taken him a certain amount of time to get up to speed.

Where is he at with the audit of contracts handled by Groupe Polygone, which cost the federal government 35 times more than they cost the government of Quebec? Where is he at with that? In this case, there was no RCMP investigation, it was not referred anywhere, and it is completely scandalous that this much money was spent.

Where is he at with his audits concerning the specific case to which I am referring today?

[*English*]

Hon. Ralph Goodale: Madam Chairman, I believe that the particular case the hon. gentleman raised in his question, having to do with the advertising in *Almanach du peuple*, will in fact be one of the areas in which the auditor general will be inquiring as she does her government wide review with respect to advertising and sponsorship issues.

However I would point out that my predecessor took the decision to terminate that advertising because in his view, I think correctly, he felt that it did not fall within the proper definition of sponsorship. The promoters behind that idea were referred to other types of government programs for which they may qualify. They made some inquiries and found out that they were not eligible there either so that initiative no longer exists.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Chairman, we have heard a lot in the House about ethics. Ethics of course is a code of conduct, how we as individuals conduct ourselves whether in business, industry, government or in whatever profession we might be. We have heard often, I think with reckless abandon, comments made in the House about ethics. Clearly we all learn ethics when we are very young. We learn what is right and what is wrong.

When one uses a wide brush and says that government is unethical, one is not only smearing and attacking the institution of government but also smearing and attacking the servants of government, whether they be elected officials or members of the civil service. I think we need to make that very clear.

This minister is in charge of Public Works and Government Services Canada. We have heard significant attacks on the issue of ethics in that department. I note that the Conference Board of Canada, hardly a biased organization, has recognized the minister's department as a leading edge organization for its ethics programs.

Mr. Peter MacKay: What does the auditor general say?

Mr. Bryon Wilfert: I am sure the House would be very interested in what this ethics program contains, how it is applied and how it is developed in ensuring that the highest ethical standards are there, keeping in mind that in any organization there are going to be some bad apples.

The fact that we have a program in place which was recognized by the Conference Board of Canada speaks volumes. I would be interested to hear the minister's comments on that.

● (2225)

Hon. Ralph Goodale: Madam Chairman, ethical behaviour is a topic that should be treated seriously and it is important to every member of the House. It certainly is to me. I am very pleased that my department has very recently been recognized by the Conference Board of Canada as a leading edge organization for its explicit ethics program. In my early briefings by departmental officials last week that was one of the programs that was drawn to my attention. I am very glad that the department does have that very explicit program.

As the question was being asked, someone called out from somewhere in the House and said that that may be what the conference board thought but what did the auditor general think. The auditor general has described the ethics program of Public Works and Government Services Canada as very sophisticated.

The ethics program is intended to provide a framework to guide and improve the ethical conduct of employees by promoting awareness, leadership, decision making and action in the field of investigation. It is important to concede where there are areas of difficulty and to pursue the solutions to those difficulties aggressively.

As I said earlier this evening, my department in a typical year does something in the order of \$4 billion of business on behalf of Canadians. The complaints that have been raised over the last number of weeks and months have related to one particular program that involves a budget of about \$40 million. That is \$40 million on an expenditure base of \$4 billion. That is 1% and I think it is important to keep things in proportion.

Having said that, let me make it clear that whether the issue is big dollars or small dollars, every penny counts and it is very important for high ethical standards to apply whether it is a big contract or a little contract, a big issue or a little issue. We must all bear in mind the ethical principles that should guide us.

Supply

I am very pleased that my department has a formal policy with respect to this matter and that it has been recognized both internally and externally for the efforts that it is making. I certainly intend to advance that cause within my department and to build upon the ethics foundation that is there.

Mr. Bryon Wilfert: Madam Chairman, I appreciate the comments of the minister. It is important to put some of these issues in perspective. When we talk about ethics, it is important to relate it to what we are doing. Being proactive is extremely important whether in government or whatever particular endeavour one is in.

It is important for colleagues to keep in mind that one thing about being proactive, whether it is a company or a government it, is getting the message out to explain what kind of services are available to the public.

I do not want to get into a yelling match with my colleagues across the way because clearly they have more experience at yelling than I have. However it is important that we talk about the fact that in getting that message out, we as a government, and particularly the minister's department, put out a brochure last year on which many of my colleagues and I have received comments from our constituents. It was called "Services for Youth". It was guide about the type of services provided by the Government of Canada. It had nuances in different parts of the country in terms of the types of programs that might be available.

By putting this out, the Government of Canada was trying to indicate very clearly that it was here for Canadians, that it had services for them and that it wanted them to respond. People will not know what programs are available if they do not have the information. People criticize the government and say that they do not know because the government does not tell them. Therefore we are telling Canadians and Canadians have responded.

Could the minister tell us how they responded? Could the minister talk about the objectives of this publication? What were some of the outcomes that the government was looking for in terms of this guide? How much did it cost? Is there an evaluation mechanism? How do we evaluate these?

As members of parliament, when we send something out, whether it is a news letter or householder, we know the kind of response to a survey. Sometimes we know certain things will work. Sometimes they will not. Therefore it is important when we send out a publication that we are able to evaluate it and say that this has worked and it is effective but in other areas it has not worked. How do we make sure that we get value for dollar?

One thing that I think all members of the House agree with is that it is important when we are dealing with taxpayer money that we get value for the dollar. Could the minister explain that? I would appreciate it and I am sure my colleagues would as well.

• (2230)

Hon. Ralph Goodale: Madam Chairman, the publication in question is called "Services for You". It was a national guide to the services available to Canadians from the Government of Canada. It was mailed last November to 11.7 million households in the country. The guide cost \$4 million in total to print and distribute. That works

out to 32¢ per copy to better inform Canadians of the many services that the Government of Canada offers them.

At about two-thirds of the cost of a first class stamp this initiative did provide us with good value for money. It provided useful information about tax reductions and benefits; retirement planning; health care; environmental protection; security, particularly in the wake of the events of September 11; Internet resources; and a variety of other activities.

One thing that was especially important about this particular distribution was that it was broken down on a regional basis. Part of the information provided was relative and timely with respect to all Canadians in all parts of the country and part of the information was directly aimed at subject matters that would be of particular interest to people in a particular region.

For example, in the Ontario edition there was information about cleaning up the Great Lakes and internship programs in northern Ontario. In British Columbia there was information about the Gulf Islands ecosystems and about certain local initiatives dealing with homelessness. In Quebec there were issues related to the environment, youth, the RCMP's drug awareness services and so forth. I could go through 11 different versions of the guide that tailored information to what Canadians in different parts of the country would be particularly interested in.

One thing that was important was that in every case the information included access to Government of Canada information and services, the 1-800 O-Canada line and the Government of Canada website. For anybody who is listening at this hour of night it is www.canada.gc.ca. One can get virtually every bit of information that one might want to have about the Government of Canada.

I note that in the market research we did with respect to programs of this kind we found a full 42% of Canadians saying they did not have enough information about government services that were available to them and were making requests for more information of that kind.

• (2235)

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Chairman, I expect the minister is wondering if anyone is watching. I imagine there are some people watching although I do not know how many in Nova Scotia where it is past 11.30 p.m. Perhaps there are some who cannot sleep and are watching these interesting and worthwhile proceedings.

It is important to know that this is a new process. When have we ever seen this before? When has a government had ministers come before the House for five hours at a time and answer all manner of questions and have their departments held to account? That is transparency. It is an important new development brought about by the government and we as members of parliament should be pleased and proud of the fact that this has happened during this parliament.

Supply

One of the things I want to talk about is the role of the Department of Public Works and Government Services as a landlord. I served on the Prime Minister's task force on urban issues which reported its interim report recently. One of the issues we looked at regarding urban areas was the question of how the Government of Canada could work better and more effectively in urban areas. We asked what it could do to ensure that it was doing the most it could to help urban areas be competitive and help them develop in a sustainable way.

One of the ways in which the Government of Canada interacts with those large urban areas in the country is as a landlord. In Halifax, for example, the Government of Canada owns a number of buildings. It has CFB Halifax and other military bases around metro. It has a national park right in the middle of Halifax, the Halifax Citadel. There are a number of ways in which it interacts. It is a responsible landlord in my city as in many cities across the country.

There is the issue of grants in lieu of taxes which at times has been a concern for the city of Halifax. HRM, now Halifax regional municipality, has concerns about whether or not it is getting the amount of money it should. It is important that we deal with that in a responsible manner.

There are also issues relating to transit and traffic and where buildings and offices are located. I was told by Rear-Admiral Maclean that when there are snow storms the hours of people's arrival are sometimes adjusted to ease traffic problems. It is important to consider those factors because that was what we considered in our task force. Issues relating to air quality are important concerns.

There is also an issue relating to Dartmouth. There are plans in Dartmouth to move offices downtown to a new building. Could the minister tell us anymore about this aspect of the work of his department?

Hon. Ralph Goodale: Madam Chairman, there is no question, given the size of the Government of Canada and the property management responsibilities of the Department of Public Works and Government Services, that we have a profound impact upon the quality of life in a great many urban areas across the country.

The recent work done by the Prime Minister's task force on urban issues, of which my hon. colleague is a member, will make a contribution to improving government policy in respect of urban communities with some constructive advice about how the government, including the department of public works, can better conduct itself in relation to urban communities and municipalities.

Tonight I am pleased to inform the House that we are working on a new explicit policy for my department that we will probably call our good neighbour policy. It is being finalized right now. It is intended to be an explicit statement of how this department will interact with local communities and municipal authorities in making the property management decisions that we need to make for the future proper administration of the Government of Canada. Obviously we need to meet the requirements of federal departments and must do so by being consistent with all Government of Canada policies and in a manner that is the most cost-effective.

However, in doing that we will take into account the needs and the requirements of local communities. The Government of Canada does not want to be an unwelcome intruder in an urban community. It wants to be a good and welcome neighbour.

The hon. member has referred to a number of circumstances in and around Halifax and Dartmouth where the Government of Canada already has a big impact. With the application of the good neighbour policy that impact will be increasingly positive.

I will give the member another example in practical terms of what this new policy could mean in relation to my own community in Regina. Some months ago the Government of Canada, through the Department of Public Works and Government Services, announced that it would be proceeding with the purchase of a downtown office tower and ultimately over time converting that office tower for Government of Canada purposes.

This announcement was well received broadly in Regina. The mayor, city council and local regional economic development authorities spoke positively about it. However, the economic development authority and the city council said there were other urban development objectives that they wished to achieve in downtown Regina. If the Government of Canada wanted to go about the development of this major property in the centre of the city in a certain way, then it had to contribute more broadly to the municipality's objectives.

All it calls for is dialogue, understanding, flexibility and a willingness to get along and trying to achieve everyone's mutual objectives in the best interests not only of the Government of Canada but of the local community.

I hope that within the next number of weeks, perhaps even faster than that, I might be in a position to formally announce the good neighbour policy of the Department of Public Works and Government Services to ensure that we are not only meeting federal objectives but that we are also making a material, positive contribution to the local objectives as well.

• (2240)

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Madam Chairman, my first question for the minister has to do with the fact that for a number of weeks this has been an issue in the House of Commons. We have had a situation where the entire government seems to be funnelling all kinds of contracts for advertising, polling and sponsorship programs through public works to all kinds of Liberal friends.

Very often the criteria for receiving these contracts are non-existent. There are verbal contracts and there is money going to companies like Groupaction which are paid to produce reports but then do not produce any reports at all or produce photocopies of reports. These are all Liberal friends.

These companies then turn around and in many cases give back huge amounts of money to the Liberal Party of Canada. In some cases, like with the case of the former public works minister, they are in a position to receive a personal benefit. In the situation of the former minister, he actually stayed at the chalet of one of the people with whom his department does business.

Supply

My point is that this is a huge issue. It has gripped the country and calls into question the entire integrity of the government.

The minister has been saying for a number of hours now that he has not really been briefed adequately on all of these things. My question is, what in the world has the minister been talking to his officials about over the last nine days if he cannot tell us fundamentally what went wrong with companies like Groupaction?

Hon. Ralph Goodale: Madam Chairman, the hon. gentleman is obviously ignoring the facts.

The Groupaction files were discovered by my predecessor. He called in the auditor general to examine those files. The auditor general did her work. She reported those files to the RCMP. The RCMP has confirmed that it is conducting an investigation.

Those are exactly the steps that should have been taken. They were taken promptly by the government and the matter is now being dealt with properly by the police.

● (2245)

Mr. Monte Solberg: Madam Chairman, obviously the minister is not familiar with the facts because it was an access to information request that found some of the problems in Groupaction and it was the audit of 2000 that revealed some of these problems.

There are a number of issues that flow from this. One of them is that the minister is saying that after nine days he does not have a handle on what is going on in his department. Clearly this is a huge issue. He keeps ducking and dodging what he knows about the problems in his department. I would like to hear some answers about some of these contracts that have been awarded.

Can the minister explain to the House how it is that millions of dollars are awarded to friends of the Liberal Party and companies that have associations with the Liberal Party, for instance, on the basis of a verbal agreement? Can he explain that to the House?

Hon. Ralph Goodale: Madam Chairman, I have said, my predecessor has said and the auditors have said that is an unacceptable business practice. It has been corrected in the process of the internal audit that started in the year 2000 and the corrective measures that have been introduced since that time.

Where there are administrative errors, those errors are being corrected. If there is any evidence of any illegality, the matter is referred to the RCMP. We are taking the appropriate corrective action. Any insinuation to the contrary is simply wrong.

Mr. Monte Solberg: Madam Chairman, that raises another issue. In the case of verbal contracts, this is clearly something that is unacceptable. It is not clear to me at all that we are going to be able to deal with the issue of verbal contracts through an RCMP investigation.

What I am concerned about is that the government has refused a full judicial inquiry into this while on the other hand knowing that an RCMP investigation will not get at issues like verbal contracts. How can the minister have any confidence that an RCMP investigation will expose all these other problems of integrity that have to do with things like verbal contracts or reports that are photocopied and in fact may be within the bounds of the law but obviously are things that do not demonstrate integrity?

How can he be confident that any of these things will ever be exposed if we do not have a proper, full judicial inquiry into his department?

Hon. Ralph Goodale: Madam Chairman, bear in mind that the time period being considered here is that period between 1997 and 2000. The practices that have been identified as questionable relate to that time period prior to the year 2000. Corrective action began to be instituted in 2000 and following as a result of an internal audit that was conducted by the department of public works itself by an internal audit department that was recognized by the auditor general as being exceptional, excellent and courageous.

The corrective procedures are under way. If there is any evidence of illegality, that is a police responsibility to investigate.

Mr. Monte Solberg: Madam Chairman, one of the corrective actions we have seen is sending the former public works minister to Denmark to be an ambassador which is a scandal in itself.

I have some questions about current practices. Since becoming the minister, has the minister signed any contracts for advertising, for polling and for sponsorship?

Hon. Ralph Goodale: Madam Chairman, no, I cannot think of any that I have signed. I have in the normal course of events signed treasury board submissions that flow through the government review process but I have signed no direct contracts myself.

Mr. Monte Solberg: Madam Chairman, will the minister promise that because of the extraordinary circumstances from here on in he will make public details of contracts for advertising, sponsorship, polling, any of those sorts of things until such time as we have some kind of confirmation from the auditor general that things have been cleaned up?

● (2250)

Hon. Ralph Goodale: Madam Chairman, with respect to issues related to sponsorship which is the particular topic of complaint here, I would remind the hon. gentleman that I explicitly froze the process as of Monday last week and it remains frozen. No new approvals have been made since that time. I indicated I wanted to be satisfied that the criteria of the programs were correct and that all the projects would fit within those criteria.

In terms of the publication of contracts, my understanding of the ordinary operating procedure is that all contracts issued by my department are automatically registered on the contracts Canada website.

Mr. Monte Solberg: Madam Chairman, there is the question of Groupaction. Is it the minister's position that Groupaction will not receive further contracts, that it is suspended now and it will not receive any further contracts pending the outcome of the police investigation?

Hon. Ralph Goodale: Madam Chairman, under the sponsorship program that is correct. That position was taken by my predecessor.

Mr. Monte Solberg: Madam Chairman, I want a clarification. Is that any contracts? Will the minister confirm that it will not receive any contracts of any kind while this investigation goes on?

Supply

Hon. Ralph Goodale: Madam Chairman, the suspension of activities specifically relates to the sponsorship program. As I understand it, the company has some other relationships with other government departments that do not appear to have problems or issues associated with the company. As far as the information that I have before me tonight, those other relationships are perfectly in order.

Mr. Monte Solberg: Madam Chairman, I cannot believe what I just heard. The minister is saying that Groupaction is under criminal investigation for previous sponsorship contracts yet he refuses to say it should be barred from doing business with the government from this point forward until such time as that investigation is over. Is it the minister's position that he is willing to put millions more taxpayer dollars on the line while we wait for the RCMP to investigate? That is ridiculous. Is that the minister's position?

Hon. Ralph Goodale: Madam Chairman, there are certain principles of natural justice that might apply here. It is important to observe that while inquiries and investigations are being made, convictions have not been found.

I am perfectly happy to receive and consider other legal advice but—

Mr. Monte Solberg: Madam Chairman, the minister's advice is not legal advice.

Hon. Ralph Goodale: Madam Chairman, maybe the hon. gentleman would have the simple courtesy of waiting for the end of the answer.

I would simply say that I am happy to receive other legal views. If the hon. gentleman has specific allegations that he would like to advance, I would be glad to have them.

The concerns in the case immediately before us were identified by the auditor general. The auditor general made the specific references that she made, as was the exactly proper thing for her to do.

If other people have other information that should be drawn to my attention, I invite them to do so and I will take the appropriate action.

Mr. Monte Solberg: Madam Chairman, the fact is the auditor general found that the practices surrounding Groupaction were appalling. She noted that the government could not locate one report. On the other hand, Groupaction apparently roughly photocopied one of the previous reports and billed the government half a million dollars for that report.

Is the minister saying that is an acceptable standard and because the company has not been proven to be that untrustworthy with some of the other business it is doing with the government, at least not that we have found yet, we should just completely overlook those low standards from Groupaction and allow it to continue to do business with the government with respect to advertising and some of the other areas? That is ridiculous. Does the government not have any quality standards at all?

• (2255)

Hon. Ralph Goodale: Madam Chairman, let me read the third paragraph in the report of the auditor general:

It must be noted that our conclusions about the management practices and actions related to these three contracts refer to those of public servants. The rules and regulations we refer to in this report are those that apply to public servants; they did

not apply to the contractor. Consequently, our conclusions cannot and do not pertain to any practices that Groupaction followed.

Mr. Monte Solberg: Madam Chairman, does the minister deny that those reports were substandard? In one case one of them was basically a photocopy of the other. Does he deny that? If he does not deny that, then how can he continue to argue that Groupaction should be defended and that Groupaction should continue to be a supplier for the federal government?

Hon. Ralph Goodale: Madam Chairman, where circumstances arise that raise questions with respect to the legal propriety of certain conduct, the appropriate authorities to pursue the investigation are the police authorities.

When issues came to the attention of the auditor general, she made her observations from an audit point of view, and she also took some other action which is to refer matters to the RCMP.

The RCMP are in the best position to determine what further action should be taken. They are the police. That is their job.

Mr. Monte Solberg: Madam Chairman, that is an interesting dodge. I am asking about the quality of the report.

I remind the minister that Groupaction's international partner, J. Walter Thompson, has dropped it, probably in part because of the poor quality of its work. When a report is photocopied, clearly that is not value for money from the standpoint of the taxpayer.

If the government has accepted a report that is essentially a photocopy of another report, why would it have any confidence at all that the company is going to provide good quality service in any other area that the government does business with it?

Hon. Ralph Goodale: Madam Chairman, there are two things.

First of all, we have obviously not accepted the quality of that previous work. That is why the auditor general was invited to conduct an audit. That is why all of the subsequent steps have been taken. The government does not accept or condone work that is clearly substandard or deficient in the variety of ways that have been identified.

The other departments of government that have relationships with advertising agencies are undoubtedly making sure that the quality of work delivered to them is up to the standard they would expect and all within specification.

Mr. Monte Solberg: Madam Chairman, first of all, the government did accept it. The government paid half a million dollars for the report, three times as a matter of fact.

My point is if a company does substandard work for the government, is it the position of the minister of public works that the government should continue to contract with the company? That is really the issue. Is that what the minister is saying?

He has said already that he thinks the report was substandard. On what grounds can a company be fired for providing contracts to the government if the company does substandard work and the government continues to do business with the company, especially when it is under criminal investigation and it has Liberal ties that call into question conflicts of interest?

Hon. Ralph Goodale: Madam Chairman, again the hon. gentleman seems to be ignoring the multi-layered approach that we are taking to deal with this problem. We have referred matters to the RCMP. The auditor general is conducting a government wide audit with respect to advertising and sponsorships. The President of the Treasury Board is reviewing the management framework and the government system with respect to advertising sponsorships and polling. My own department is conducting its own internal review. We are pursuing this issue on all fronts to make sure that no stone is left unturned.

Where there is conduct that does not live up to government standards, that conduct will be remedied. If it goes beyond simply mismanagement or mistakes, if it borders upon that which requires legal proceedings, then the appropriate references to the appropriate authorities will be taken. The proof of that is that we have already made those references.

• (2300)

Mr. Monte Solberg: Madam Chairman, the minister has already stated that he thinks Groupaction should be allowed to continue doing business with other departments in the government despite the fact that it is under a criminal investigation and despite the fact that it produced a substandard report, in fact a report that effectively was a photocopy that the government paid half a million dollars for.

The point I want to make is that Groupaction has 10 or 12 employees and these employees produced a report that was effectively a photocopy. They will now be entering into contracts in other areas of the government producing advertising or other kinds of reports, who knows exactly what they will be doing, and the minister seems to be saying that just because they were guilty of very shoddy workmanship this one time does not really mean that we will disqualify them from other contracts with the government despite the fact, again, that they are under criminal investigation and they effectively cheated the government out of half a million dollars.

What standards do people have to meet in order to get a contract with the government? Are any standards okay? Do they have to produce any kind of value for money if they want to win a contract with the federal government?

Hon. Ralph Goodale: Madam Chairman, three specific contracts were found to be questionable. The auditor general was called in to examine those contracts. She provided an ample report on what she found deficient with respect to those matters and she indicated that two further follow up actions would be taken. First, she said that she would refer the matter to the RCMP, which she did and which was entirely proper and appropriate in the circumstances; and second, she indicated that she would conduct a government wide review with respect to advertising, polling and sponsorship. The activity is underway to ensure that the proper standards are adhered to.

In this particular case we know of three problem areas where the appropriate vigorous action has been taken. I want to assure the House and certainly assure this hon. member that if there is any evidence of a problem that exists elsewhere, the appropriate action will be taken promptly.

Mr. Larry Bagnell (Yukon, Lib.): Madam Chairman, I will begin by congratulating the minister on his new portfolio which I believe he has been in for nine days. He has done a tremendous job over the last four and a half hours.

Supply

I have two questions for the minister. The first one will be pretty hard considering the short time he has been in the office but it relates to the rural lens. As people know, the Government of Canada has a process whereby all expenditures and new programs are looked at from the point of rural Canada. As my colleague, who spoke before me, talked about urban Canada, I wanted to make sure rural Canada received its fair time and attention tonight.

The rural lens looks at all the programs. I would like to know how the department has used it, if at all, or at least that the minister is committed to ensuring that his staff uses it when they do programs.

While he is thinking about that, my second question relates to an update on the Government of Canada website. This is a very wise expenditure in the estimates for my riding. It is an important expenditure and an important investment because in the more rural ridings, the farther one is from large cities the harder one has getting information on government programs. Sometimes a community is so small, like some of the communities in my riding, that they have never had a federal government office or even a large number of employees who could answer a lot of questions. This new technology is wonderful in that respect. People can now have access to all the government programs.

Just before the minister answers those two questions, I occasionally like to talk to the people who are watching out there. In my riding of Yukon, which is in the farthest part of western Canada, it is only 8.05 p.m., so lots of people and even children are watching. I would just remind them that the Government of Canada website has millions and millions of pages on every department, on all the programs and a lot of things for businesses all on the opening page. The address is www.canada.gc.ca. I will repeat that at the end of my remarks in case they are just logging on and do not have broadband yet, which is very important to rural Canada as well, so they can get on quickly. It also has a whole section about government on the right side of the page. It has all the processes on how government works.

For those children who may be out there watching and who need to do projects for school, if they go to "About Canada" right in the middle of the page, there are maps of Canada, facts on its history, Canada's symbols and quizzes.

What I would like to know from the minister is the progress that has been made on the website. It continually needs updating and advancement and I hope we are making good progress on the Government of Canada website.

Supply

● (2305)

Hon. Ralph Goodale: Madam Chairman, I think this is a useful question to indicate that the activities of Communications Canada are considerably more than simply the sponsorship program. If one were to judge only by the volume of commentary, one would think that Communications Canada does nothing but that. I do not mean to diminish the seriousness of the problems. Those problems are serious and they do need to be corrected, but there are other important activities that Communications Canada undertakes.

The 1-800-O Canada toll free telephone line receives more than 1.3 million calls from Canadians per year. The Canada website has thus far received more than 44 million page requests from Canadians across the country. The fairs and exhibits program has posted more than 1.2 million visitors in the last year alone. The list goes on about what Communications Canada does.

I would note, in relation to those three things in particular, the 1-800 number, the website and the fairs and exhibits program, those are specific initiatives that extend into rural Canada and reach rural Canadians in a very sensitive way.

I would also note that in the market surveys we conduct in order to try to assess the needs of Canadians, there is a deliberate effort to make sure that rural Canadians are explicitly included in the sample. We want to make sure that we are not just hitting an urban audience but that we are also reaching and understanding a rural Canadian audience. That is a part of the rural lens obligation that every department of government has.

Our colleague in the House, the Secretary of State for Rural Development, has drilled it into the head of every cabinet minister that the rural lens is not just a theoretical proposition but that it is something real and that we have to look at our policies through that lens. We are making use of the tools that have been provided by Communications Canada.

We are also making good use of technology. Government online, for example, e-government, establishing the e-business relationship between government and Canadians. That is particularly useful to those Canadians who do live in rural and remote locations where there is not a Government of Canada office just across the street or around the corner. Technology helps to eliminate some of the distance and some of the isolation factors.

As I have said in response to questions from other members earlier tonight, coming from a province like Saskatchewan I have a particular interest in making sure that we overcome those feelings of exclusion sometimes, of distance and of being left out. A department like Public Works and Government Services Canada can help build a sense of inclusiveness among all Canadians in the way we do business in every corner of this country and in the way for example we handle our contracting. We make sure, through our online tendering processes, that all qualified Canadian bidders, whether they are in downtown Ottawa, in the remotest corner of Yukon or in some part of rural Saskatchewan, have a part to play and have the means by which they can engage in what the Government of Canada has to offer.

Closing on this topic I would just point out that there is an international rating firm called Accenture that publishes periodic

reports about how well different governments around the world are doing in relation to their e-government activities. I am pleased to say that out of 23 countries in the latest Accenture report, Canada ranked first in the progress that we have made with respect to e-government, reaching out to Canadians whether they are in downtown Toronto or in Tuktoyaktuk.

● (2310)

Mr. Larry Bagnell: My next question, Madam Chairman, relates to the improvements that are going on in the Parliament Buildings. As the citizens of Canada may know, there are ongoing renovations to the buildings on Parliament Hill to make them more functional and to fit in with the modern technologies and wiring needed in buildings today. I hope that the minister will make sure there is full consultation with all of us who work in these buildings every day. I notice that there could be vast improvements in the routes, the paths we take and the functions. I hope that members are consulted in detail. I think we have good input to make to those plans.

These buildings are of course a great part of our heritage. They are a symbol of our democracy. As a matter of fact, after September 11 I wrote to the Speaker about the preservation of these buildings because they are of such importance and are seen by Canadians across the country as a symbol of our democracy. Of course the foundation of our democracy is not in the buildings. It is in the hearts and minds of our people. However, thousands of Canadians come here every year to see these buildings because they are proud of them. I would hope that the minister could give us an update on the renovations on Parliament Hill.

Hon. Ralph Goodale: These renovations are important, Madam Chairman. As I think all members know, the government has approved a long term vision and plan for the parliamentary precinct and we are now proceeding with its implementation. It is to be phased in gradually over a period of time. I think that all members probably well recognize the need to modernize the parliamentary buildings and also to preserve their character and their heritage in the context of our democratic traditions.

I would note particularly, as members will know if they at any point cross the Hall of Honour just down the way, that renovations to the Library of Parliament are proceeding as anticipated. Additionally, there have been announcements with respect to a new building within the parliamentary precinct, known broadly at the moment as the Bank Street building.

All of this fits within the phased in plan that will run over a period of 25 years to try to ensure that the integrity of these facilities is preserved for future generations.

One thing that is important is to make sure that this work is done sensitively, with a lot of consultation with a lot of Canadians. These are premises that do not belong to any one of us. They belong to all of us and to generations yet to come, therefore the consultative process to make sure that this is done right is extremely important.

Supply

I am very pleased that my predecessors have announced the creation of a parliamentary precinct oversight advisory committee, which is under the very distinguished chairmanship of the Hon. John Fraser and includes a number of other distinguished Canadians, including Mr. Denis Desautels and others, who will have the responsibility of overseeing this process and ensuring that such consultations as are necessary are appropriately undertaken.

In this matter as with all others we want to be transparent, we want to be open and we want to make sure that the job gets done right, not just for us who happen to be here temporarily now, but for generations of Canadians yet to come.

• (2315)

Mr. Larry Bagnell: Madam Chairman, I want to talk about a warning that goes along with fixing of administrative problems. When it is determined that there are administrative problems and new systems are put in place to fix them, sometimes we can go overboard. I had an experience in my riding, and I am sure it is similar across the country, where certain programs received so much attention that we went overboard.

Social service client groups told me that they were being held up so long because the administrative procedures that we had put into place to solve a problem, which was not enough care in the delivery of the program, had gone overboard. I want to warn against the Government of Canada in general doing that at any time. We need to be careful not to go overboard and over-administrate to the extent that hurts people, especially those who are the most needy.

I can see where a similar thing could come up in the minister's department if the programs and services were slowed down too much in respect to two huge megaprojects that we will have shortly in northern Canada. I hope we will have them because of the great benefits. One is the Mackenzie valley pipeline and the other is the Alaska highway pipeline. To a large extent these pipelines will go through small rural communities that then will have a massive influx of people, at least for a short time. They therefore will need government services to deal with those people and it will have to be done on a timely basis, because if Canada is not ready for this the United States will get its gas from some other source and Canada will lose all the benefits.

I do not expect a long answer to this, but I hope the minister, as he does reviews and ensures that programs are well handled, will keep in mind the fact that they are also done on a timely basis so that Canada can remain competitive in regard to services his department might have to provide.

Hon. Ralph Goodale: Madam Chairman, first, I take the hon. gentleman's point about the apparent conflict sometimes between control issues on one side and service issues on the other side. Obviously our objective here is to provide the very best possible service to Canadians. We want to do that in a timely way, but we also need to make absolutely sure that the public interest and the public trust are being respected.

As we have discussed quite amply this evening, in relation to some aspects of one particular program within Communications Canada there have been some problems in years gone by. Those problems have quite rightly raised public concerns and we are now in the process of addressing those public concerns, one of the steps

being the freeze that I applied to any future activity as of last Monday.

I recognize that there are community groups and organizations across the country that would have been anticipating certain funding support, which is now being held up. That may well be causing them some local problems. I am very sensitive to that. I will try to arrive at any conclusions I can with respect to the moratorium as rapidly as possible to make sure that if there are difficulties caused at a local level they are kept to a minimum.

However, at the same time I want to be able to assure the general public that there is that level of transparency, accountability and value for taxpayers' money that Canadians have every right to expect. It is a tough balancing act in terms of delivering on expectations but doing so in a way that respects the public trust. I will try to come out with the right balance at the end of the day in being sensitive to all the requirements that are there.

In terms of northern gas, there is not an immediate direct and obvious role that the Department of Public Works and Government Services would play, except in terms of supporting other departments. Obviously in terms of northern gas there will be important roles to be played by the Department of Indian Affairs and Northern Development, the Department of Natural Resources, the Department of Human Resources Development and a range of other departments. My department would naturally be called upon from time to time to provide support services to them. I want to assure the hon. member that whenever we are called upon to deliver on behalf of other government departments we will do our very best to respond promptly.

• (2320)

Mr. Larry Bagnell: Madam Chairman, I notice that my colleague from Nunavut is here and I would like to ask a question in that respect. When we appeared before the Romanow commission a couple of hours ago, she again made the point that in rural parts of the northern territories some people feel that they would like to have the problems we have here in southern Canada. The differences are inconceivable. These people are faced with no running water. There is no infrastructure. Health facilities in some areas have requirements that people cannot imagine. I read somewhere that someone questioned the need for infrastructure. Such people should tour this part of Canada, these very rural parts of my riding and those of Nunavut and the Northwest Territories.

I would like to ask for a commitment from the minister for him to come and see some of these parts of Canada that many Canadians never see. This would enable him to tailor his programs and services and speak in cabinet about these people whose lives are totally different from the lives of the vast majority of Canadians.

Hon. Ralph Goodale: Madam Chairman, this probably does not relate directly to a program or a service provided by my department, but it does relate to a very important principle, and that is the principle of inclusiveness.

Supply

We live in a country that occupies the second largest land mass on the face of the earth. We run from sea to sea to sea, from the same latitude as the state of California to the North Pole. This is a huge land, a very diverse, far-flung land. There are parts of it that can sometimes feel pretty remote and pretty left out simply because of the sheer force of distance.

I take the member's representation seriously and I think it applies to every minister in our government. We need to work hard in every way we can, discharging our responsibilities so that people in the northern part of Canada in Yukon or Nunavut or the Northwest Territories can feel plugged into their nation and wanted and very much respected by their nation.

We do a lot of work on behalf of DIAND and indeed on behalf of the Department of National Defence in terms of northern Canada. One of the interesting activities being undertaken by Defence Construction Canada has to do with remedial work on the DEW line, which is obviously extremely important in the member's part of Canada.

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Madam Chairman, I want first to congratulate the minister on his appointment and also on his endurance this evening. A daunting challenge lies ahead for him. There are three at bat and two have struck out.

Of concern is the 69% of Canadians who truly believe their government to be mismanaged, to have corruption in it, to have ethical problems, and they are looking for an ethical home run, but they doubt they are going to get it.

I would like the minister to tell us what he has done that is an improvement over what the last minister did, and let me repeat, the last minister, not the first of the three ministers. Could he tell us what he has done to change this perception, real or imagined, in this short time?

● (2325)

Hon. Ralph Goodale: Madam Chairman, I would note just for the record that in the market research to which the hon. gentleman has referred, the 69% figure referred to no particular government or political party but indeed to the federal political system. Quite frankly, I think it was a message to all of us that we have to be very sensitive to the concerns among Canadians about the administration of public business.

We can perhaps talk about some of the initiatives that can and should be taken, but one specific step that I would note for the hon. gentleman is that on Monday last, when I had been in office for less than one day, I did take the step of applying a moratorium to any new approvals under the sponsorship program. My concern was to satisfy myself that the criteria of the program were proper and appropriate in the circumstances and that the projects in process would meet those criteria.

That freeze remains in effect. I have been examining the questions over the course of the last week. I hope to remove the freeze in the next number of days but not until I am satisfied that the information before me indicates a situation which respects the public trust. That is an incremental step that I took immediately upon coming into office.

Mr. Peter Goldring: Madam Chairman, one reason the public seemingly lost confidence, and it goes along with a statement that the minister made earlier to my colleague from Battlefords—Lloydminster, was that the management style of public works was clearly inadequate prior to the year 2000.

Many would say that there have been seriously inadequate management and ethical challenges in several key areas since the year 2000, at a time when the government clearly was being bogged down for 27 years procuring a replacement for the Sea Kings. Yes, 27 years ago the Liberal government started replacement proceedings for the then 12 year old Sea Kings. That was in 1975. A political procurement nightmare still continues and it is still at the bottom of the action list of things to do today.

In response to the member for Saint John, the minister said that he had not been briefed on the maritime helicopter project yet. Nine days is not a very long time but I would think, for a project that is the largest single government procurement in history, that the minister would find the time to be briefed on the file in his first nine days.

My question for the minister is this. When will he be briefed on this file? When will he crack the file on this major procurement project?

Hon. Ralph Goodale: Madam Chairman, I am sure the issue of this procurement is one that will preoccupy me and the Minister of National Defence in a major way in the weeks ahead. It is obviously a large acquisition by the Government of Canada.

At the moment certain steps have been taken and are ongoing. There was a prequalification letter published in draft form in the early part of this year with respect to the latest specifications for the basic vehicle for the maritime helicopter purchase. There was a feedback period that went until the middle of March for industry to respond to the draft letter. Its input is now being reviewed and assessed. There is an ongoing dialogue with the industry. The objective is to ensure that when the procurement actually does occur, it will be absolutely above reproach, it will be fair, open and transparent and it will not be subject to challenge.

One can imagine that this is a complex process. These are highly complicated machines. It is not like the simple acquisition of the ordinary family car. We have a lot of things to take into account to ensure that the process is fair and that taxpayers receive the best value available. To facilitate that along the way, we have used and will continue to use independent fairness monitors to ensure we are handling it properly.

I want to assure the hon. gentleman that this will be a major preoccupation. I take his point seriously, that this is an important issue and it is one that I have no intention of treating lightly.

● (2330)

Mr. Peter Goldring: Madam Chairman, I would like to know the minister's opinion on this. Earlier this evening one of the Liberal members made the comment that in procurement not only was the original capital cost of the procurement a concern nor should be looked at solely as the major concern, but also attention should be paid to the long term maintenance or carrying costs of an item. The example given was energy saving devices that cost more initially to procure but obviously operate on a less continuing cost.

I would like to know if the minister will be carrying that same thought forward when he is reviewing the maritime helicopter project, not just look at the helicopter project based on their performance, range, mission capability and safety but also on the follow up cost savings that would be inherent by having common helicopter frames, power and parts supply that would be a common product.

The new search and rescue helicopters are one particular airframe. Would it not be a sensible way to view that commonality of two airframes when viewing the tremendous purchase costs of the maritime helicopter project? Will he be entertaining those considerations too?

Hon. Ralph Goodale: Madam Chairman, there are a whole range of factors to take into account in comparing one bid against another. When we are dealing with something as huge and complex as a helicopter contract, it is a challenge but it is extremely important to ensure we are comparing apples to apples and oranges to oranges and coming out at the end of the day with the wise use of taxpayer dollars.

Our procurement process ensures that the companies will be bid exactly what the military needs and therefore will allow the government to seek the lowest price from among compliant bidders. Assuming that all other factors are equal in comparing one bid against another bid, then obviously the conclusive factor would be one of price, but it is a very complicated thing.

It probably cannot at the end of the day be reduced to a single decision making factor. There are a variety of things that need to be taken into account, but broadly speaking, if everything else is equal, then price would be the determining factor.

• (2335)

Mr. Peter Goldring: Madam Chairman, perhaps the minister could answer a question. If the procurement is going to be above reproach, then why are we breaking fundamental treasury board guidelines in the procurement process for the maritime helicopter project? Why are we not looking at best value rather than just lowest price? This is a basic treasury board guideline.

Hon. Ralph Goodale: Madam Chairman, I am trying to ensure that I clearly understand what the hon. gentleman is arguing. I would reserve the opportunity to come back to him on another occasion to discuss this in further and better detail.

Clearly there is an implication in that last question that somehow the contracting strategy with respect to this helicopter does not in some way respect the treasury board contracting policy with respect to best value. I believe our strategy is consistent with the contracting policy which states, and I will quote this phrase:

—the objective of government procurement contracting is to acquire goods and services and to carry out construction in a manner that enhances access, competition and fairness and results in best value or, if appropriate, the optimal balance of overall benefits to the Crown and the Canadian people. Inherent in procuring best value is the consideration of all relevant costs over the useful life of the acquisition, not solely the initial or basic contractual cost.

The best value and the lowest price are not necessarily mutually inconsistent, as I said, when we are dealing with something as complex as this transaction.

Supply

I would like to better understand exactly the point the hon. gentleman is making. Perhaps we are talking about the same thing and just using different phrases or perhaps we are on fundamentally different pages, but I clearly want to understand his point. I certainly would entertain the opportunity to carry on the dialogue with him because I treat the point seriously.

Mr. Peter Goldring: Madam Chairman, to be more specific I am referring to treasury board guidelines 9.1 and 9.2, which state:

In such instances, detailed analysis of materials and components in terms of their function and price may be needed before the contracting process. This should clarify the requirement which should, in turn, result in best value.

This is to ensure that a purchase of major equipment is not treated as simply purchasing office supplies or whatever. Something sophisticated like a high tech naval helicopter should be procured on the best value.

The question really is: Why is the government not following its own procurement rules by deciding to purchase a new naval helicopter much in the same way it would purchase office supplies, in other words strictly on the lowest tender?

Hon. Ralph Goodale: Madam Chairman, the hon. gentleman has referred to two specific treasury board guidelines. Let me make this undertaking to him. I will review those guidelines and get back to him at a later date and as rapidly as I can to satisfy him that the appropriate treasury board procedures are being respected.

Mr. Peter Goldring: Madam Chairman, I will move on to a question that has been raised on the purchase of Challenger jets. The question I would like to ask the minister is this. Could the minister confirm the statement of the former defence minister that it was cabinet that made the decision to purchase these Challenger jets?

• (2340)

Hon. Ralph Goodale: Madam Chairman, to the best of my knowledge that is correct.

Mr. Peter Goldring: Madam Chairman, I would like to ask the minister if the reports are true that the newly purchased Challenger jets were actually cancelled Chinese airline jets, in other words left over from the Chinese order when it was cut from four jets to two? Were these jets originally part of an order from China? Is it possible that these aircraft originally were intended for another country?

Hon. Ralph Goodale: Madam Chairman, I have no knowledge at all of the allegation the hon. member is making. I have no information before me that would indicate that the allegation is at all true.

Mr. Peter Goldring: Madam Chairman, perhaps to clarify and make clear, obviously with technical craft of this nature the lead time from an initial PPRA, or preliminary project review and approval, would be a span of time until a project actually is reviewed and approved for purchase from cabinet.

Could the minister inform us on what date this requirement for Challenger aircraft was taken as a preliminary project review to cabinet to be reviewed before it was taken out to the industry for quotations let alone before it was ordered? Could the minister provide us with the date that this preliminary project review was undertaken and taken to cabinet for quotations?

Supply

Hon. Ralph Goodale: Madam Chairman, as the hon. member probably knows the purchase was an off the shelf purchase. It was reviewed appropriately by ministers. I do not have before me tonight the exact date that those transactions would have taken place. I will see if I can find him further information.

Mr. Peter Goldring: Madam Chairman, most people would understand that a technical product like a jet airliner would hardly be off the shelf. There are no parking lots filled with jet airliners sitting there waiting for people to pick them up.

More likely, and in this particular case, the product is on order from the manufacturer and has been in manufacturing for some months now. My first question to the minister is: At what point was this project initiated and taken to cabinet? My second question is: When was the decision made by cabinet to purchase the \$100 million Challenger aircraft?

Hon. Ralph Goodale: Madam Chairman, I am just seeing if I can find for the hon. member the specific date in my materials. I can advise him that the date upon which the contract was issued was March 28, 2002.

In response to an earlier point that the hon. member made with respect to Chinese matters, I have asked my officials if they have any knowledge of that reference. To the best of their knowledge or information no.

• (2345)

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Madam Chairman, the House is still sitting. We have been debating in committee of the whole the 2002-03 estimates of the Department of Public Works and Government Services.

The minister led off this debate and this opportunity for all hon. members from all parties to ask questions on any aspect of this particular department's operations. Although the estimates themselves are substantively the budgets and the projected expenditures for a department, clearly the questioning lies in the area of policy, direction, priorities and planning. The Minister of Public Works and Government Services has done an excellent job of providing factual and forthright information to all hon. members.

I want to remind the House that the Department of Public Works and Government Services is a large department. It has a unique role in that it provides goods and services to about 140 other federal departments and agencies. It is a centralized purchasing, asset disposition, service acquisition, supplier, and manager of a number of things. In 2001 the department awarded some 60,000 contracts in the business of the Government of Canada worth \$10.5 billion. It also is responsible for providing things like office accommodation for over 187,000 public servants.

Running a government is a big business. It takes an important department like public works and government services to ensure that the services are provided in a businesslike, professional and timely manner in order for our excellent public servants to do their jobs, and parliamentarians as well, in more than 2,500 locations across the country. We have a real estate portfolio worth about \$6.8 billion.

The department manages the Government of Canada's accounts and financial operations and provides translation and interpretation

services. It is heading up a significant e-commerce initiative. The department is also developing an international program to strengthen Canada's presence and image worldwide and to promote a healthy environment within a framework of the department's sustainable development strategy.

The department is responsible for Communications Canada. This has had a great deal of discussion tonight and I do not have to explain the nature of the activities, but Canadians may be familiar with the 1-800-O-Canada toll free line. This is managed and provided by Public Works and Government Services Canada through Communications Canada. In 2001 there were 1.2 million calls from Canadians to get information about their government. This is a very important service.

Communications Canada does a number of other things, such as communicating and engaging citizens and letting them know how the Government of Canada is there to serve them, and providing them with their informational needs so that they can continue to enjoy the benefits and services that all Canadians want to have.

Suffice it to say the Department of Public Works and Government Services is a large department. All hon. members will understand what an enormous challenge it is for any minister to manage a department of that size and with that diversity. Members from all parties have come to me voluntarily to let me know that they were delighted with the minister's performance to date. They were telling me that their sense of appeasement is driven by the fact that the minister has been decisive in his actions. He has shown great respect for the House by virtue of his forthright and constructive answers to all hon. members. Members appreciate that, want that and need that to be able to do their job. I really believe it is important.

• (2350)

Tonight we have effectively had a five hour question period. The mood and the tone in this place tonight has been much different than we are accustomed to during regular question period when the rest of our colleagues are here. I wish Canadians could see members working tonight, working in committee and working in their constituency offices.

Unfortunately, when we come to question period it is a time when the press is here. There is a lot of enticement and tradition of heckling. In fact, constituents probably tell every member of parliament that they act like a bunch of children. If they could only see members of parliament outside of that 45 minutes, debating in the House and working in committee. I think we want to have the respect for our positions.

It concerns me that tonight, notwithstanding the forum and the good faith that has been shown, words have been used which I do not believe should be used in this place, such as, kickback, cronyism, corruption and throwbacks to your Liberal friends.

Supply

We have a publicly funded political system. It is transparent and Canadians should know that under the political system all donations over \$200 made by Canadians, whether they be individuals or corporations, are a matter of public record. To the extent that anybody contributes to any political party it is transparent. We have this transparent process so ordinary Canadians can have the tools and the resources necessary for them to seek elected office as members of parliament. That is an important support that we get.

To suggest that anybody who has given to a political party and happens to also do business automatically means that there is a cause and effect. That is crossing the line a little bit. If kickbacks are a reality, that is an illegal act. Members have a responsibility and a duty to report that to the authorities.

I believe members understand that. Those are the facts. We should be careful about the rhetoric that we use. All political parties that I know of in this place have a debt. It is not as if parties are somehow raising moneys far in excess. It is an expensive process to support the democratic parliamentary process in Canada.

I wanted to make the point that in this place we should always remember to have the respect for all hon. members. We should also practice and understand the premise that all honourable members are honest in this place. An important point that has not been reflected on is the presumption of innocence. Under the laws of Canada a person is presumed innocent until proven guilty.

We must be careful not to jeopardize either an investigation or to ascribe or attribute to any company that does business with the Government of Canada in a way which might be detrimental to that company. Those companies deserve their day in court. The investigations will show the facts. We must be careful in these matters. We are all pleased to know that we have a minister who is taking all these matters seriously.

He has indicated to all hon. members that in the event that we find administrative errors they will be corrected. Canadians should know that. He has also said in the House on many occasions that if there were overpayments they would be recovered. If there are any allegations or evidence of wrongdoing they will be referred to the proper authorities for investigation and, if necessary, prosecution.

● (2355)

Those are important principles that I want to ensure that the members of the House remember when we deal with these matters and try to address the corrective measures that are necessary to ensure that our parliament and particularly the Department of Public Works and Government Services has the tools and the support necessary to ensure that we are doing the job with the best value for the taxpayer's dollar and that we can say that with pride and that we can support our excellent public servants.

Tonight the issue of Quebec has come up on a couple of occasions. All hon. members will know that the suggestion was made that somehow the sponsorship program was directed and focused exclusively toward Quebec and that the numbers bear it out.

First, the fact is that the sponsorship program was not set up as a nationwide program to be distributed on a per capita basis, region by region. It was a program set up with a specific budget and

it was to be operated on the basis of applications received from the regions.

I would like to give the House an indication of what happened in the fiscal year 2001-02. In the eastern region of Canada, in the maritimes, et cetera, 56 contracts were received, 7 were declined and 47 were approved. Ninety per cent of the applications in the east were approved.

In Ontario, 106 applications were received, 50 were declined and 54 were approved. About 54% of the sponsorship applications were approved and that was for about 17% of the total value of the sponsorship program.

Interestingly enough, in the west 87 applications were received for sponsorship moneys, 26 were declined, 2 were cancelled and 59 were approved. That was a 75% approval of applications from the west for sponsorship dollars representing about 6% of the total sponsorship amounts.

Quebec is a different situation. Let me by way of background remind members about what happened prior to 1993 under another government. We know the antidotal examples. In Quebec the post office did not fly the Canadian flag. There was no evidence of Canada in Quebec post offices. The word Canada was not even on the post boxes in Quebec. We did not have Canadian flags on the government buildings in Quebec. During that period leading up to the 1995 referendum the culture in Quebec had excluded a visibility of Canada and how Canada had provided the services to all Canadians regardless of region.

The sponsorship program responded to the visibility requirements but specifically to the applications. Even the premier of Quebec at the time made a reference to the Canadian flag as being pieces of red rag. The respect for our flag was under question because it did not have a presence and applications were made by Quebecers. Of the 548 applications received from the province of Quebec, 228 were declined. About 60% of the approved applications came from the province of Quebec but they were generated by Quebecers because they wanted to have Canadian presence in their province which had not been there since the early eighties.

Canadians will remember how the referendum of 1995 jolted them right to the core. They wanted action. This was unacceptable.

Let us not be too hard on the fact that Quebecers wanted to demonstrate that they were part of Canada. They made 60% of the applications and they received 50% of the money because that was what was important for Canada.

● (0000)

Madam Chairman, I want to give some time to the hon. member for Pictou—Antigonish—Guysborough if he is still available. I know he wanted to participate and in the spirit of co-operation, I am going to shorten my comments.

I want the minister to have an opportunity to give us some final thoughts from his perspective about the difficult job, the challenges that all ministers have managing some of the departments that have tremendous breadth, tremendous responsibilities.

Supply

It should be understood that ministers do not sign every cheque and every contract. Nor do they go to every meeting or know everybody personally in their department, all those 14,000 people. It is an onerous responsibility being a minister and doing that job. It is very important for Canadians to understand that ministers are here to provide guidance and direction. The minister has provided that guidance and direction and Canadians should be proud of the minister.

● (0000)

Hon. Ralph Goodale: Madam Chairman, obviously I appreciate those remarks. In the spirit of the evening or at least the lateness of the hour, I will shorten my reply in order to allow the rebuttal from the member for Pictou—Antigonish—Guysborough.

The key to properly administering a department like the Department of Public Works and Government Services is the ability of the minister to rely upon a strong and professional public service staff.

Over the last number of weeks and months there has been a tremendous focus upon the difficulties that have affected one particular program in one branch of the portfolio for which I am now responsible. I want to make the point again that corrective action with respect to that matter began to be taken two years ago.

It was the internal processes of the department itself that revealed the difficulties. There have been very dedicated public servants within that department working very hard to uncover the problems and to apply the appropriate remedies to make sure that a valuable and very useful program can accomplish the objectives it was intended for without running into the administrative or other problems that have been identified here.

It has been difficult for many members of the public service to cope with all of the challenges they have had to face in the last number of months. However, I believe they are up to the challenge. They intend to apply the best of ethical standards. They want ultimately what all members of the House want, which is a program that can contribute to the growth and the cohesion and the inclusiveness of our country and at the same time that can withstand the tests of transparency, openness, accountability and value for money.

That is the kind of program I want to achieve. That is the kind of department I want to be associated with. I look forward to working with my officials and with all members of the House to achieve that in the best interests of all Canadians.

Mr. Gerry Ritz: Madam Chairman, in the spirit of the work that was done here tonight, as the parliamentary secretary talked about, as parliamentarians we are here doing a job for our electorate and they expect us to be here. However, we have a tremendous amount of staff who have hung in here with us tonight, the pages, the clerks, the Speakers, the security guards. They deserve a round of applause. We could not do it without them.

Some hon. members: Hear, hear.

Mr. Gerry Ritz: Going back to the auditor general's report, on page 5, point 22, she said that the government ran a competitive process in March 1997 to identify 10 firms that were pre-qualified as suppliers and selected Groupaction from that list for the second and

third contracts. I am wondering who was the first choice. Who was number one?

● (0005)

Hon. Ralph Goodale: Madam Chairman, I found the paragraph in the report. If members will just bear with us for a minute, we think we can answer the question.

Mr. Gerry Ritz: Madam Chairman, the minister could table it to save time.

Hon. Ralph Goodale: Madam Chairman, it that is okay and we can save time now, I will get back with the specific answer to the question with respect to paragraph 22.

Mr. Gerry Ritz: Madam Chairman, I am wondering how the minister can explain that Lafleur Communications, which did not make that short list of 10, received a contract to take some money in a briefcase down the street to VIA Rail and got \$120,000 for doing it. I am wondering how it got into that competitive bidding process when it was not one of the 10.

Hon. Ralph Goodale: Madam Chairman, I am checking on the situation with my officials. Obviously over a period of time the various firms that would have pre-qualified to be on the standing list would have changed from time to time. I have indicated tonight, as my predecessor had done, that there will be another competitive process this summer to develop another list of pre-qualified firms if we decide to use these firms in the future.

I think it would be helpful to directly answer the hon. gentleman's question if I could put together for him the various lists of who qualified at what particular time so that he can see the flow of events over time. That will indicate that those on the list change from time to time.

● (0010)

Mr. Gerry Ritz: Madam Chairman, it may be a couple of weeks when all of this gets tabled.

The minister said earlier tonight that he has not signed any cheques or contracts in his nine days on the job. He has not done that. I have a flow chart here of public works and I have another one of Communications Canada. Business goes on. I am wondering who on those flow charts that came out of the main estimates is authorized to sign cheques and okay contracts and for what amount?

Hon. Ralph Goodale: Madam Chairman, the delegation of authority within the department has not changed since I became minister. This is a matter of public record in terms of who was delegated to sign what and up to what spending limits and so forth. That information is in the public domain, but for the benefit of the hon. gentleman I would be happy to provide him with a copy of the delegated authorities as they exist today and they have not changed since I became minister. Although I believe I have answered, that is something that I will obviously in my new capacity review in the next number of days with my deputy minister.

Mr. Gerry Ritz: Madam Chairman, Communication Coffin is another name, one of the advertising subcontractors that has popped into disrepute in the last little while. It is also known as 2794101 Canada Inc. Communication Coffin has been awarded some contracts. Has business also been done or subcontracted from Coffin to the numbered company?

Supply

Hon. Ralph Goodale: I am once again checking with my officials, Madam Chairman. We are not immediately aware of any subcontracting relationship in respect of that numbered company but I would be happy to check the records to see if there has been.

I want to point out one of the changes that has been made in the procedure. I would credit this change to my predecessor who was concerned about the situation involving related companies, affiliates or subsidiaries, whether they were related horizontally or vertically. One of the proposals that he had made with respect to future procedures was to apply the overall contracting limit on a global basis rather than a company specific basis so that if there were to be a rule for example that said no company could get more than x per cent of the business, that would apply not just to an individual company, but to all of the group of companies that had interrelated ownerships. It would be a global 25% rather than a company specific 25%, which seems to me to be a sensible change.

Mr. Gerry Ritz: Madam Chairman, the minister has promised quite a bit of information tonight. It will all be on the record and we will be able to follow up on it. Would he would also care to table the briefing notes used by his panel this evening?

Hon. Ralph Goodale: Madam Chairman, that is advice to the minister and it includes what could on occasion be confidential or proprietary information. I recognize the hon. gentleman's nice try, but no, this is information for my purposes. I am happy to share all the information I can with members of the House in response to questions but some of it is of a proprietary nature.

Mr. Gerry Ritz: Madam Chairman, two companies have been noted as having received good sized donations from the federal government. First, Quantum Management Services in Ottawa received \$10 million. Second, Powell Group in Ottawa received \$22,600,000. What do these companies do for the taxpayers of the country?

Hon. Ralph Goodale: Madam Chairman, is the hon. gentleman referring to activities under the sponsorship program? Could he be a bit more precise in identifying the contracts? As I mentioned earlier, we do business with some 60,000 contractors.

Mr. Gerry Ritz: Madam Chair, it is the kind of thing that jumps out at us. It is listed under public works. The subheading is professional and special services. I can give the minister the names and amounts again if he would like.

Hon. Ralph Goodale: Madam Chairman, perhaps after we adjourn I could take the details. I would be happy to examine the contracts and provide further information as to what they relate to.

The Assistant Deputy Chairman: It being 12.13 a.m. and pursuant to Standing Order 81(4) all votes are deemed reported. The committee will rise and I will now leave the chair.

The Acting Speaker (Ms. Bakopanos): The House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24 (1).

(The House adjourned at 12.13 a.m.)

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