



CANADA

House of Commons Debates

VOLUME 140 • NUMBER 030 • 1st SESSION • 38th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, November 23, 2004

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, November 23, 2004

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table, in both official languages, a number of order in council appointments recently made by the government.

* * *

• (1005)

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

Hon. Joseph Volpe (for the Minister of Finance) moved for leave to introduce Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other acts (fiscal equalization payments to the provinces and funding to the territories).

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

* * *

REMOTE SENSING SPACE SYSTEMS ACT

Hon. Joseph Volpe (for the Minister of Foreign Affairs) moved for leave to introduce Bill C-25, an act governing the operation of remote sensing space systems.

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

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CANADA BORDER SERVICES AGENCY ACT

Hon. Joseph Volpe (for the Minister of Public Safety and Emergency Preparedness) moved for leave to introduce Bill C-26, an act to establish the Canada Border Services Agency.

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

COMMITTEES OF THE HOUSE

AGRICULTURE AND AGRI-FOOD

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Agriculture and Agri-Food.

In accordance with its order of reference of Friday, October 8, the committee has considered votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 under Agriculture and Agri-Food in the main estimates for the fiscal year ending March 31, 2005 and reports the same, less the amounts granted in interim supply.

* * *

PETITIONS

CANADIAN FORCES HOUSING AGENCY

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, as has become a pattern here, it is a privilege to present yet another petition on behalf of our military families.

The petition was sent in by citizens of Borden, Levack, Onaping and Schreiber, Ontario. As with the previous petitions, the petitioners wish to draw to the attention of the House that the Canadian Forces Housing Agency does provide our military with on base housing. However many of those homes are substandard to acceptable living conditions and are subject to annual rent increases.

Therefore the petitioners call upon Parliament to immediately suspend any future rent increases for accommodation provided by the Canadian Forces Housing Agency until such time as the Government of Canada makes substantive improvements to the living conditions of housing provided for our military families.

• (1010)

FINANCE

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I would like to present a petition today on behalf of the residents of Queen Charlotte Islands, Haida Gwaii who are not currently considered sufficiently isolated to claim full northern residence deduction through the federal Department of Customs and Revenue.

Therefore the petitioners call upon Parliament to enact legislation that calls on the federal Department of Finance to immediately review the classification of the Queen Charlotte Islands and restore the full northern residence deduction to the residents of the islands.

*Government Orders***QUESTIONS ON THE ORDER PAPER**

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CANADA NOT-FOR-PROFIT CORPORATIONS ACT

Bill C-21. On the Order: Government Orders

November 15, 2004—The Minister of Industry—Second reading and reference to the Standing Committee on Industry, Natural Resources, Science and Technology of Bill C-21, an act respecting not-for-profit corporations and other corporations without share capital.

Hon. Andy Scott (for the Minister of Industry) moved:

That Bill C-21, an act respecting not-for-profit corporations and other corporations without share capital, be referred forthwith to the Standing Committee on Industry, Natural Resources, Science and Technology.

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, it is my honour and privilege today to come before this House and speak to Bill C-21, an act respecting not for profit corporations and other corporations without share capital.

The legislation, which would enable the governance regime for federally incorporated not for profit organizations, is a long overdue replacement of the present Canada Corporations Act, or CCA. The CCA, which, to this point, has set the rules for some 18,000 organizations, was first enacted in 1917 and has not been substantially changed since.

Needless to say, the CCA no longer responds to today's needs for the not for profit sector. For example, it is silent on major elements of modern corporate governance which creates uncertainty in the public mind.

Second, it is an administrative burden on the sector and the government.

Finally, it fails to provide adequate protection for men and women who manage or operate these corporations.

In the years since the CCA was originally enacted, the world has changed dramatically and the not for profit sector faces governance challenges that cannot be dealt with under the existing legislation.

In response to these challenges, the government has taken a measured and reasonable approach to addressing the urgent need to reform the not for profit statute. It has looked at the Canada Business Corporations Act as a model of worldclass corporate statute. It then built on the provisions of the CBCA to reflect the requirements of the not for profit sector. It utilized, where appropriate, examples found in provincial not for profit statutes.

Finally, it was benchmarked against similar legislation in the United States. As a result, the new act will be one of the most

modern statutes of its kind, measuring favourably against the best features of similar statutes throughout North America.

It may be asked: why now? Why has Parliament not addressed this in the last 80 years? In fact, there have been four previous attempts to reform the CCA but, for a variety of reasons, members of this House or our partners in the other place have never been able to complete the necessary scrutiny of previous bills before they died on the order paper.

We are now presented with an opportunity to bring this legislation up to date and to position federal not for profit law as the new benchmark for other jurisdictions.

The development of a new not for profit corporations act has been a long journey. It began with a commitment under the voluntary sector initiative in June 2000, followed by two rounds of cross-country consultations with shareholders.

The not for profit sector plays many important roles in Canadian society and our economy. It mobilizes citizens and creates a sense of community, enhances democracy, fosters community participation and strengthens our ties to one another. From national corporations created to fight disease to local sports associations, from faith organizations to facilities that provide job training and education to new Canadians, the sector touches most aspects of Canadian life. It is essential to our national identity and to our economy. Many are important government partners in providing services to Canadians.

The Government of Canada recognizes the importance of strengthening Canada's social economy and the thousands of entrepreneurial enterprises that form its backbone. These organizations are not only the key to social economy, but they are also an important pillar of the economy as a whole.

Research indicates that there may be up to 160,000 not for profit organizations creating opportunity in this country. When universities and hospitals are included in these figures, the revenue of the sector is estimated up to \$112 billion a year.

The not for profit sector is one of the country's largest employers, employing more than 2.2 million people, with payroll expenditures as high as \$64.1 billion. Most of these corporations are incorporated provincially. However more than 18,000 are federally incorporated and many are among the largest and most influential not for profit corporations in Canada.

● (1015)

The proposed new statute would demonstrate the government's commitment to strengthening its partnership with the sector. Current federally incorporated organizations include national charities such as the United Way of Canada and the Heart and Stroke Foundation of Canada. It includes umbrella organizations such as the Canadian Centre for Philanthropy and the Consumers' Association of Canada and several national businesses. It includes religious groups such as the Canadian Jewish Council.

There are health and community based organizations, environmental organizations, and cultural and heritage societies. Also included are transport related organizations such as airport authorities and small harbours. There are also many private foundations that pursue philanthropic objectives to the benefit of Canadians. Each of these and thousands of other small and large organizations perform an important function for their members, their communities, the recipients of the services and, collectively, all Canadians.

Replacing the CCA with a new framework law was a commitment made and reaffirmed many times over the last years. Fulfillment of this commitment would ensure that federally incorporated enterprises are governed by a modern legislative framework that is flexible enough to meet the needs of both small and large organizations while providing the accountability and transparency necessary to secure the support of the Canadian public.

The proposed new act provides a perfect example of smart regulations. It would reduce the administrative burden by making it easier and faster to incorporate and develop internal arrangements that suit the needs of the organization. It would promote good governance by emphasizing accountability and transparency to members and self-regulation more generally. At the same time, it would enhance the scope of governmental and public oversight by requiring greater financial disclosure requirements for organizations that solicit funds from the public or receive government funding.

The act is good for Canadians. It is good for them as individuals and it is good for our communities. I urge all members of the House to support the legislation.

The Deputy Speaker: As this bill is being referred to committee before second reading, we will have 10 minute speeches and no questions and comments.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I understand that I have 10 minutes with no questions or comments, with no actual real debate in the House today.

I rise today to speak to Bill C-21, an act respecting not-for-profit corporations and other corporations without share capital. The bill would also commonly be known as the Canada Not-for-profit Corporations Act.

I want to begin by addressing the new practice of the Liberal government of sending bills such as Bill C-21 to committee before second reading. Bill C-21, like the other industry bill before the House, Bill C-19 on competition policy, which we addressed a week ago, has been referred to committee for study.

In theory, the purpose of sending a bill to committee before second reading is to allow the committee members to introduce a broader scope of amendments to the legislation. The committee is allowed to propose changes that are outside the principle of the bill, which is what we debate at second reading: the principle of the bill.

In my view, however, the government is abusing this process. Eleven of the 23 bills that have been introduced by the government have gone or are going to committee before second reading. Debate in the House on this issue is limited to 180 minutes instead of the unlimited debate that would occur under regular second reading rules. Thus, through the back door, the government is limiting debate

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on this and 10 other bills. We are limited to 10 minute speeches with no time for questions and comments and no time to question the minister on the bill.

The fact is that a reference to committee before second reading is a handy scapegoat for a minority government. Rather than giving each legislative initiative careful thought and defending it, the government can tell Canadians that if they do not like the bill they can take their concerns to committee. This is also a very effective way and a strategy of this government to tie up a committee's time. A committee is supposed to be the master of its own house, to debate and deliberate policy on its own.

The Standing Committee on Industry, Natural Resources, Science and Technology has a bigger mandate in this Parliament with the addition of the combination of natural resources and industry. This is a minority government and the opposition wants to discuss issues like smart regulations and energy policy, as advanced by the member for Kelowna, but the fact is that those issues then get pushed to the back because we are studying these complex bills that are introduced one week before.

I just want to touch upon the process here. This bill was introduced last week. It is about 152 pages long with well over 300 clauses. A briefing was set up for the opposition last week. The member for Kelowna—Lake country went to the briefing. The briefing for Liberal members was extended so the briefing for Conservative members was essentially cancelled. Finally a briefing by the department was set up again for yesterday. The bureaucrats were late, by the way, so my colleague from Kelowna and I sat there twiddling our thumbs waiting for the government bureaucrats. They came in with an eight page briefing, in size 20 font, and here now are some of some of the wonderful things those officials told us.

They said the bill is complex and technical; well, that really indicates to us what is in the bill. They said information kits will provide essential elements; we are still waiting for these information kits. They also said that the bill was expected by stakeholders and some of them will seek to participate in the committee review process. Of course they will. This is the most common, basic information. Of course people interested in the bill will appear before the committee. Did we need a briefing to tell us that?

That was what we were told at the briefing on this very complex bill that the government wants sent to committee before second reading to tie up the committee because the government does not want to actually debate the issue in the House. Quite frankly, with respect to the minister and his staff, I have dealt with four industry ministers in a row and I have to say I am very disappointed with the way they have dealt with the opposition, particularly in a minority government. If the government is interested in passing this legislation, perhaps it ought to pass it over to us and give us maybe a week to prepare for it.

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The government could tell us what it likes in the bill and what it thinks we should support about it because “we as a minority government recognize that we need at least one other party, in some cases two other parties, to support our legislation”. That is what it could say. Instead, the government is introducing Bill C-21 without debate, sending it to committee before second reading and frankly, in my view, avoiding the entire legislative process.

Having gone on that tirade, I do want to touch briefly upon the actual substance of the bill. I do not know if I will have time within the 10 minutes allotted, but I do want to also state publicly that the Conservative Party does not support sending this bill to committee before second reading and we are also not supportive of the substance of the bill at this time.

We have some concerns about this bill, the first under monitoring and enforcement. The fact is that Industry Canada has drawn up a very complex set of regulations and laws for record keeping, conflict of interest within these corporations, communications with membership, and financial reporting, to name just a few issues. But there will be no one at Industry Canada who will police or monitor the not for profit corporations' struggles with these requirements.

This is similar to the Elections Act. The government is setting up a huge bureaucracy and yet Industry Canada will not have someone who will actually assist all of these not for profit organizations across the country in terms of trying to fulfill all these requirements. Instead of setting up an arbitrator to help these organizations, most of whom I think rely on volunteers, this legislation would force disputes directly to the courts.

● (1020)

Having a lawsuit, either criminal or civil, because both are possible under this bill, would cost a not for profit organization time and money. In terms of the cost, there would be a larger financial burden on not for profit corporations in trying to meet the legislative requirements to change their bylaws and constitutions, to hire auditors and for liability insurance, to name a few areas. If the House passes this bill, a federally registered not for profit corporation would be required to make the transition to the new act within three years of the new act coming into force. Failure to do so would result in the director of not for profit corporations at Industry Canada taking action to dissolve the corporation.

In terms of the issue of how complex this bill is with respect to regulations, when someone is stalled in getting an organization up and running quickly by government inaction or by government regulatory burdens, the fact is that it costs the organization money and it delays what the organization does and what its purpose is. Frankly, the government has paid a lot of lip service, as the parliamentary secretary just did, to smart regulation when in fact it has failed to implement its own government committee on smart regulation, which came out just this year.

In addition to the bylaws contained in this bill that must be adopted by not for profit organizations in order to be allowed to exist by Industry Canada, there is a regulatory package that accompanies this legislation.

Under the proposed regulations, the degree of financial reporting is divided into five classes. For example, the type of financial report

a not for profit corporation is required to submit to Industry Canada depends on the revenue of the not for profit corporation. The more revenue earned, the more formal the reporting requirement. There are no exceptions, so if a corporation has an exceptional fundraising year, the reporting responsibilities would increase as would the costs of the corporation for possibly redoing their books and paying for a more professional audit.

The regulations outline a very strict schedule for issuing notices of meetings. The minimum notification for a meeting of members is 14 days. This is in the actual legislation. This bill would make it illegal to call an emergency meeting within less than 14 days, thus removing some of the flexibility that smaller organizations rely upon to resolve important local issues.

The regulations do allow for some exemptions, such as the publication of membership lists if, for instance, the not for profit corporation is a battered women's shelter. One could apply to the director at Industry Canada not to have that membership list published. However, this application for an exemption would have to appear in the *Canada Gazette* and Industry Canada estimates that it would take at least 18 months for this process to be completed. It seems rather pointless to have to wait two years for an exemption if they only have three years to comply with this legislation in the main.

I do want to touch upon one other aspect, which is the whole issue of membership lists. It is a concern. What this legislation would allow is that if someone is a member of a not for profit corporation, that person would be able to access the entire membership list of that not for profit organization. The concern there obviously relates to privacy. Many members join these groups, but they do not feel they should have their personal contact information shared with anyone else who happens to be a member of that group.

The answer we were given by the people who gave the briefing was about how what if they want to contact these people in advance of the annual general meeting to advance one of their issues or to discuss something at the AGM and they want to inform people ahead of time. That may be a legitimate point, but should there not be another way to do that other than allowing an entire membership list of that organization to be eligible to just one person who signs up for a membership for \$10 a year or something like that? Therefore, we do have some serious privacy concerns as well.

We also have some concerns with respect to liability. Many directors in the not for profit sector are volunteers. However, under this new scheme they will be liable for the actions of the not for profit corporation. I think organizations across Canada should read that section carefully.

Under the new standard of care, directors will have to act honestly and in good faith with a view to the best interests of the corporation, exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances, and comply with the act, articles, bylaws, and any unanimous member agreements. My concern is that this type of liability will deplete the pool of volunteers in the small, local, not for profit corporations that are simply trying to help their communities.

I could go on, Mr. Speaker, but I assume my 10 minutes are up.

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• (1025)

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I share my Conservative colleague's frustration over the short and even non-existent briefing session offered on the new bill before us today.

Last Thursday, we were invited to a quick briefing session on a bill which is extremely complex. It is 150 pages long and is divided in 20 parts. We would really need more than the 10 minutes we had this morning if we are to be able to debate this bill and explain the purpose of the bill to the public and the organizations concerned.

Bill C-21 is a new piece of legislation on not-for-profit organizations. It purports to give these organizations a more modern framework, a more centralist governance system. It would repeal parts I, II, and III of the Canada Corporations Act in order to rely more on the Canada Business Corporations Act.

The bill before us will help ensure the long-term strength and vitality consolidation of the voluntary sector and of organizations in the social economy industry.

More specifically, this bill facilitates the constitution in bodies corporate of not for profit organizations, NPOs, thereby speeding up the process. It sets out standards of diligence and specific responsibilities for administrators and gives them better protection against civil proceedings. As well, the bill reinforces the rights of members of non for profit corporations to governance of these bodies. Finally, it makes closer surveillance of these organizations' finances possible.

There are, as I have said, 20 parts to the bill. We in the Bloc Québécois are in favour of the underlying principle, but feel that reference to a committee is necessary to clarify certain questionable points. I will try to summarize the problems we find very briefly, since we have only 10 minutes to debate the matter this morning.

As we know, in the 2004 Speech from the Throne, the government restated its position and made a commitment to encourage the social economy and the numerous activities relating to the not-for-profit corporations.

What is more, in its 2004 electoral campaign, and the reason we are in favour in principle this morning, the Bloc Québécois made a commitment to re-examine the federal government's economic support packages in order to make them more appropriate to the specific needs of the corporations in the social economy, as well as to ensure that such corporations can enjoy enhanced access to permanent sources of capital and other funding that suit their characteristics.

I will set out the context of the reform, although I realize that the Liberal member who has just spoken has done that to some extent. In recent years, certain community stakeholders have expressed concerns about how dated the act has become, and how it is no longer a fit with the requirements of the not for profit sector. We are therefore calling for the act to be modernized in order to respond to the objectives.

There has been public demand from stakeholders for some time. In 1989, a task force on the voluntary sector was struck by the federal government. It called for improvements to the regulations governing the sector, with the Industry Canada proposal to modernize the legislation being part of the plan.

This is why we are here today looking at a new bill, and it is our hope that the reference to a committee will provide answers to the points being queried by the Bloc Québécois.

This new legislation has four goals: flexibility and permissiveness; improved transparency and accountability; higher efficiency; and fairer treatment of not for profit organizations.

With respect to the flexibility and permissiveness of the legislation, as in the case of the classification system for not for profit organizations in the Canada Corporations Act, Bill C-21 makes no changes in the new not for profit corporations act.

Nevertheless, we think that there is still a possibility of including a classification system, which is not provided in Bill C-21, because the government believes such a system could be established with broader categories. Such a system would further improve transparency in financial management.

• (1030)

The second objective after transparency is accountability. The Canada Corporations Act currently requires not for profit corporations to keep detailed accounts of their activities but does not require disclosure of these accounts. To permit administrators and managers to better manage and supervise the management of the corporation would be to make it possible to monitor the financial situation of the organization between annual meetings and ensure that funds are used only in the pursuit of the stated goals and objectives.

The bill also includes a provision to ensure a balance among transparency, accountability and privacy.

I know that there are other objectives beyond this concern for transparency but I cannot go into all the details. We will certainly have an opportunity for more debate here in the House and to hear witnesses in the committee.

Let us move on to the third objective, efficiency. The act provides for a system of letters patent. In this system, creating a corporation is not a right. That is where we think there may be room for improvement.

Anyone who wants to form a not for profit entity has to apply to the Minister of Industry for a charter creating a body corporate for the purpose of carrying on objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character, or the like objects.

This application has to be accompanied by draft bylaws. In a system where incorporation stems from right, it would happen automatically, provided the required bylaws were submitted to the Director of Corporations. This major change means therefore an approval process that is much simpler, more flexible, more efficient, enhanced and less expensive.

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Once again, we will make a point of debating this issue when the various players concerned with one or other aspect of this bill testify.

With respect to fairness, the Canada Corporations Act does not set out the fiduciary responsibilities of directors. It does not contain any provisions concerning standards of care, whereas we know very well that the new legislation on not for profit corporations will provide for the establishment of such standards.

Hon. members can see how terribly complex this bill is. We in the Bloc Québécois wonder whether it is consistent with Quebec's laws or if it could, for instance, contravene certain provisions of our legislation. We are going to be very vigilant. We know very well that standardizing the management of not for profit corporations is beneficial, but it must be done in the respect of Quebec's jurisdictions.

For example, in the implementation of governance mechanisms, the new legislation would take into account the financial position and size of the organization. It provides a relatively flexible framework for the making of bylaws. Nevertheless, we are going to be vigilant because this could violate what we have in Quebec in terms of support for not for profit organizations.

•(1035)

[English]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege for me to speak about the bill, but I also want to speak about the process of Bill C-21, an act respecting not for profit corporations and other corporations without share capital.

This is a process that has been very frustrating for opposition members. The government tabled the bill and did not even have briefings available before it introduced it in the House of Commons. The bill is 160 pages long and very thorough. It is described in a small summary by the government as complex and technical. There have not been the appropriate supports that are necessary to have the best debate possible.

There are 18,000 not for profit organizations that could be affected by the bill. It is very important that we have a good process that will allow questions and direction in debate in addition to amendments that are necessary to improve the legislation. I am disappointed in the government not doing that.

I am reserving judgment on whether or not I will be recommending support of the bill to go to committee at this point in time. A number of things are still waiting. There are information kits that are supposed to provide essential elements that are still outstanding. We have not seen them. We have not seen any regulations being prepared as well.

The bill is an update from the early 1900s. We would have expected at least some of those things to be completed if there was going to be this rush to get into the House of Commons and then into committee.

I will spend a little time talking about the bill and what it does and what it does not do. One of the key elements is that it will provide a framework that applies to not for profit organizations and corporations without share capital. In terms of the proposed framework, it deals only with the narrow scope of the broad

regulatory concerns of the sector itself, that is, the voluntary sector which is so important to Canadians.

The bill does not deal with any of the broader concerns that the sector has expressed, for example, securing long term financing, clarifying and improving the charitable status process, and also addressing advocacy needs that were certainly expressed by the organizations during the voluntary service initiative. I was part of that initiative, participating in my local community and very much involved in that process.

The regulatory regime may well be outdated, but it is unlikely that many of the not for profit organizations wanted to see the *Robert's Rules of Order* cleaned up first as opposed to the other important initiatives that are facing the industry; that is, a lack of ongoing sustainable funding and accountability that has been issued through different changing practices required by them when funding becomes available with strings and conditions attached.

That is something I hear on a daily basis from not for profit organizations. It is the ability to carry out changes in government legislation, changes in regulations that they are supposed to be able to accommodate under the current budgets and financial constraints. I know my community and other communities across the country are increasingly under pressure to fundraise.

Some of these expectations, in terms of new Liberal requirements, can be very good in many respects, but if they do not have the appropriate resources for accounting as well as accountability and transparency then those organizations have to pull from their existing resource base which is very difficult to do. They would fundraise for people or an organization with a specific cause and then request that the money go to accounting or some other type of department that does not see the direct result of their dollars going to advance a particular social cause in their community.

That is the frustration that the sector has expressed to me on a regular basis and what I have seen myself working in the sector for 10 years.

The bill will incorporate not for profit corporations. They will be able to apply for incorporation and define the rights and responsibilities of directors, officers and members, report their finances and administrative processes and also propose new provisions of director liability. Those are the key elements of the bill. Once again, this came as part of the voluntary service initiative.

There are also clear rules around the director liability that provides a standard of care approach and provides for due diligence. For many organizations this is critical in being able to attract the appropriate directors that they see fit. At the same time, if they do not have the appropriate resources to meet the expectations of the government on these matters, then they are going to have to pull from their existing resource base and that is going to affect the services that they provide to people.

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I would like to point out some specific organizations so that people understand what we are talking about. I mentioned at the beginning of my speech that there are 18,000 approximately organizations that would be affected by this bill. They include business and consumer associations, airport and harbour authorities, community based organizations, charitable organizations, private foundations and religious groups. All of those organizations would be affected by this legislation.

There does not appear to be a willingness by the government to provide the resources to those groups and organizations to deal with the changes that the bill is going to mandate. That is something of a concern. If we cannot get that in Parliament, it is hard to believe that those 18,000 organizations will get it themselves.

● (1040)

It gets very complicated because some of these organizations are very small. However, it does not matter if they are small or large, they will have to comply with these new rules. If they do not have the technical expertise, it will frustrate some of the smaller organizations that are important to social movements and that take care of people.

A specific example is a local legion would be required to vote on matters in the same prescribed way as that of the Toronto Airport Authority. Small anti-poverty groups would be required to pass resolutions and record them in the same way as the United Way. The Lions Club would have to maintain its membership lists in the same way as the Red Cross.

That again goes to the supports that we believe should be appropriately installed in this bill so the government has the resources to assist those organizations. This would ensure that they would not become frustrated or have problems in following the bill, which later on could lead to them having difficulty in attracting new leaders and new participants. If there is some due diligence that they cannot comply with or if they do not have the appropriate resources for that, it could make it very difficult for them to grow and move forward. When groups are supported, they flourish. They also make considerable contributions, whether it be in poverty, in social justice or in religious organizations. They need those necessary supports. I am not convinced the government is willing to do that. If it will not do it here, what type of guarantee do we have it would do it abroad or anywhere else?

I want to talk about a couple other parts of the bill. One thing the government seems obsessed with is the concept of smart regulations. It throws that term out continually. Smart regulations means something to the government in terms of what it wants to produce and get out for people. However, to people, it means regulation changes. When the government talks about smart regulations, it wants accounting practices that fit its agenda.

What smart regulations means to me is the ability for groups and organizations, whether they be a business or not for profits, to have the best accounting practices that meet their needs and to ensure that there is no duplication or conflicts with government legislations. Smart regulations require two parties. The government uses that jargon. It is obsessed with the terminology. However, it does not recognize that two partners are needed to make that type of structure work efficiently.

I want to touch on some of the things the bill does not address. I mentioned in my preamble that it does not deal with the reduced amount of funding. The government has brought forward a number of different programs with a lot of terms and conditions which also do not provide for adequate supports.

I worked for a number of years with Youth Service Canada projects, which were fantastic for the community. However, they always had to be renewed after six or seven months, and a lot of time was wasted. As opposed to having due diligence with organizations that were very accountable, we had to ensure that we accounted for all the dollars. However, we simply did not have enough so we had to seek out partners. We were very fortunate to have an over 90% success ratio for returning individuals to the workforce or to school, but we spent far too much time having to prove our case for ongoing funding.

I also want to talk about a healthy civil society. The different not for profit organizations have expressed to me their concern with the current 10% rule of the government in terms of advocacy and the vagueness around that. In my opinion there has been far too much political pressure put on organizations so they cannot advance their cause. It is very much a part of a healthy democracy. Those organizations that do speak up must have the ability to do so without intimidation and with the due respect necessary to ensure their causes do well.

A traditional institution that has done well, with strong advocacy, is the United Way, as well as other groups and organizations beneath it. When strong advocates speak out for social programs for Canadians, better solutions are found to some of the most difficult challenges we face.

I will conclude by expressing my disappointment that the government has proposed to move this bill forward in such haste, without due diligence and without respect for the members of the House of Commons. It also affects the legislation we could have on this important initiative. I believe it needs to have more than a particular focus. It needs to be full and broad ranged.

● (1045)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have some difficulty understanding how the debate is coming about in the way it is. We are discussing a bill respecting non-profit corporations and other corporations without share capital. We are discussing a bill that has to do with some 18,000 organizations that will be subject to it. There is a three years transition period. If that is not the right amount of time, the committee can deal with that.

A Conservative member said that the legislation was too detailed. That is opposite to the criticism we generally hear. Members normally complain that not enough is in the legislation and too much is in the regulation, thereby giving too much power to the ministers and civil servants preparing the regulations and not enough oversight by Parliament.

Government Orders

●(1050)

[Translation]

I am very disappointed in those who are saying today that the bill has been considered too quickly after it was presented to the House. The Conservative member for Edmonton—Leduc told us that the bill should have been presented and left on the order paper for at least a week.

The text of the bill it indicates that first reading was on November 15. According to the calendar in front of us, today's date is November 23. That may not be a week, but it is certainly seven days. The way I look at it a week or seven days are pretty much the same thing. The bill should stay on the Order Paper for at least a week and it has been there for seven days. Where I come from a week and seven days are the same thing.

The Conservative member for Edmonton—Leduc made a gratuitously remark about the officials who have been working tirelessly on this and several other issues for us. The member said he was unhappy with the quality of services provided by the officials. There was an initial general information session for hon. members that he did not attend. There was a second session for each individual caucus, which he attended, as did the hon. member for Kelowna—Lake Country. Both hon. members left before the end of the meeting and the briefing continued with the members' assistants. There is nothing wrong with that, but then there is no point saying that the information session was unsatisfactory after not staying long enough to hear what was said. I am referring to the briefing for the Conservative Party.

When an hon. member leaves in the middle of a meeting and says he did not receive all the information from the officials, this is a gratuitous accusation that should be corrected.

An hon. member: The meeting started late.

Hon. Don Boudria: I am quite prepared to believe that the meeting started five minutes late, because there was a briefing for another political party. I believe that. Members of the other parties also had the right to hear the information; it is their right.

However, to say that this gives members the right to criticize all those in the government who work on this bill because they wanted to leave before the end of the meeting is unfair. I say to my colleague that he ought to pay attention to what he says in this regard. I am not talking about the general briefing for all parties, but about the specific one for members of the Conservative Party of Canada.

As I said, there was a general meeting, and we agree on this, which representatives attended. There was a second individual briefing for each political formation. Some members decided to attend, others did not. It is their right. Of course, those who decided to go and to leave the meeting early and then criticize those who gave the briefing acted with a lack of sensitivity, to say the least. I will not say what I think otherwise about this.

The bill is good. It deserves the structure of the debate that is before us today. We will recall why there is a procedure to debate bills in this House before second reading.

●(1055)

[English]

We could go over the procedure that enables us to do that. Members will know that if a bill comes to the House after second reading, the usual rules apply in committee. A committee cannot increase an expenditure in the bill and it cannot levy or impose a tax. The committee is bound to the principle of what is known as beyond the scope of the bill. In other words, the bill cannot be widened in terms of its scope.

Members on all sides of the House, particularly the opposition, have clamoured for greater use of referring a bill to a committee before second reading. Why? Because the usual concept of not going beyond the scope of the bill does not apply. The restriction is only what we call the long title of the bill. Amendments can go beyond the scope of the bill, providing they do not exceed the parameters of what is known as the long title. That gives opportunities for members of Parliament to make considerable amendments to a bill because it was referred to committee before second reading. That is why this process is used and used more by the government because it enables members to participate more fully.

I listened to another critique of the hon. member for Edmonton—Leduc. He said that seven bills had been referred to committee, that the committees had too much and that they could not be masters of their own business. First, that is not how the rules work. It is the duty of committees to take, as first priority, legislation delegated to them by an order of the House. There is an order of the House for the committee to take care of a piece of legislation. Obviously, that has priority over things that the committee generates on its own.

Standing Order 108(2) specifies that a committee can undertake matters that are not referred by the House. That is not the same as saying that the orders of the House cease to exist because the committee can also undertake things outside of that. It is like saying that people do not have to work any more because they are entitled to their hobbies outside their working hours.

The issues that committees choose to do in addition to what the House has assigned to them is supplementary work, valuable work, interesting work, and I engage in that almost everyday. In five minutes from now I will be chairing a parliamentary committee doing some work in that regard, under Standing Order 108(2). However, that is not the same as saying that somehow the House does not have a right to refer issues to committee. It is the committee's duty once that work is assigned to dispose of the matter and send it back in a timely fashion for further study, at the next stage of the bill, in the House of Commons.

I thought I would give my opinions on some of the remarks made. Again, I hope the House will consider this legislation fully, provide the proper constructive amendment in cooperation with the volunteer sector that is doing such a great service for the citizenry of Canada.

Government Orders

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): Mr. Speaker, it is a privilege to speak to Bill C-21. I cannot help but refer to the member who just spoke, the member for Glengarry—Prescott—Russell. He is a very experienced and knowledgeable person in the affairs of the House and how things operate in the House. I congratulate him with the knowledge and persistence with which he pursues his particular line of argument.

I am sure the hon. member for Edmonton—Leduc would be only too pleased to answer some of the criticisms that the hon. member for Glengarry—Prescott—Russell advanced in his particular speech. However, by the nature of the debate right now, it is impossible for the hon. member for Edmonton—Leduc to even begin to address some of the points that were made by the member for Glengarry—Prescott—Russell. I think that illustrates the difficulty with this kind of legislation. It is very technical and involved and deals with the business of not for profit organizations, many of which are very much oriented toward helping people who are less fortunate than others.

These charity organizations are very powerful. The United Way, for example, is one of those organizations. I know from serving on the board of directors of the United Way in Kelowna, for example, and continuing to serve with that group, it is an absolutely fantastic organization. United Way organizations do wonderful work in various communities right across Canada. However there are a whole host of other organizations, including private foundations.

I cannot help but also look at the Minister of Industry who is advancing this legislation. It has been a privilege to work with several other ministers of industry in the House and I have to suggest that the minister who is now presenting this bill could benefit from discussions with one of the previous ministers, the hon. John Manley.

Mr. Manley was a gentleman who was very concerned about doing what was right in legislation and in making sure that all the information that could possibly be gathered was put on the table. I think he honestly wanted to do what was best for the legislation.

I think what happened here is that we have legislation, which, as has been referenced, has had broad consultation over several years, but when I look at the various details and provisions in the bill I cannot help but wonder whether these organizations, for which the legislation is being proposed, recognize and know what the implications of the clauses in the bill mean to them as organizations.

I want to focus on a couple of the clauses in some detail. I was absolutely amazed. I know how some of the organizations operate and when I look at some of the provisions in the bill I wonder whether they will actually like them. I cannot help but ask myself to what degree there was a need expressed by the organizations to have a new bill written for their benefit.

I know the bill would replace parts I and II of the Canada Corporations Act, but I have to wonder whether there was a need expressed for those things to be taken out and that a completely new bill be written. I do not think there is any question that the act needed to be amended because that act, which was passed by the House in 1917, was quite old and a lot of things have changed in the meantime.

I think they had reason to believe that some updating and some modernization had to take place but I wonder whether the kind of modernization took place that they wanted. It removes the requirement of letters patent, for example, to be approved by the minister. All that has to be done is to have articles presented to the director. The director is appointed by the minister and the director then receives these articles. Once he receives them, that is good enough. Just like that, the organization is incorporated and recognized.

No real attempt is made to decide whether the organization is a bona fide organization. They simply submit the articles and they are accepted. It is very interesting that is all there is. The organizations are divided into three broad categories: small, medium size and large. Obviously, the United Way would be one of the large ones but there could be individual small community organizations like a curling club, for example, that has a few members. It, too, could be incorporated. If it were to do so, all it would have to do is send articles in. It only needs one director and that would be good enough.

• (1100)

As I go through the other analyses, members will recognize and want to know whether we really want that kind of power to be given to the director.

What are the advantages of being incorporated under the act or not being incorporated? It seems to me that every existing organization that is under parts I and II of the Canada Corporations Act has three years to transfer and be incorporated under the new act. If they do not do it in three years, they are dissolved by the director without any particular motion on their part. Having been dissolved by the director, does the existing corporation have the option then to continue to exist as a corporation? It is not clear. Could they immediately miss that one and then become incorporated with different articles within seconds of the other one? It does not speak about that at all.

What are the advantages and disadvantages of being incorporated under the act, vis-à-vis being registered under the Societies Acts of the various provinces? Many of these charitable organizations are part of the Societies Act and registered within each of the provinces. What is the advantage of going to this organization rather than being under the provincial Societies Act? It is not clear at all as to what the advantages would be under this particular act.

The bill contains a very interesting provision concerning complaints. We must remember that if a member of one of the organizations issues a complaint, the director then has the power to investigate, but he actually does not investigate it himself. He has the power to have the investigation take place. Whatever the results of that investigation are, he then has the right to dissolve that corporation.

I want to read clause 287 of the bill because it is rather an interesting provision. It states:

Government Orders

(1) In the prescribed circumstances, the Director may cancel the articles and any related certificate of a corporation.

(2) Before proceeding under subsection (1), the Director shall be satisfied that the cancellation would not prejudice any of the members or creditors of the corporation.

(3) In the prescribed circumstances, the Director may, at the request of a corporation or of any other interested person, cancel the articles and any related certificate of the corporation if

(a) the cancellation is approved by the directors of the corporation; and

(b) the Director is satisfied that the cancellation would not prejudice any of the members or creditors of the corporation and that the cancellation reflects the original intention of the corporation or the incorporators.

(4) On the application of the Director, the corporation or any other interested person, a court may—

I am just beginning. That was only one clause where the director could actually dissolve a corporation because somebody was complaining about how the corporation was running.

We have heard all kinds of talk about transparency and about meeting the objectives of the organization and yet if someone were to complain, there is no time schedule as to how the complaint would be handled. If there is a capricious complaint, where perhaps someone is dissatisfied or does not like the director, then, if it is a small or medium sized organization with one director, the organization can be dissolved. There is no clear-cut way of dealing with this.

• (1105)

The bill has not been properly studied and has not been given the kind of attention it should have been. I think the minister and the staff who support him are honourable people and they have tried hard but the bill is not ready to be referred to committee.

• (1110)

Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.): Mr. Speaker, it is my pleasure and honour to participate in the debate on Bill C-21, an act respecting not for profit and other corporations without share capital.

I have listened to comments on the other side of the chamber and some of the ideas are very good and others need further discussion.

I am pleased to have the opportunity to contribute to the deliberations and to assist the House and later the committee to resolve some very important questions.

As has been noted, the act is a comprehensive restructuring of the old, outdated statute governing not for profit corporations. As a result, it would provide these important organizations with new tools, including modern corporate governance standards that would ensure their viability to Canadian individuals and communities for decades to come.

Some of the key elements of the new statute include a streamlined incorporation process, improvements to the financial accountability structure, specific rights and responsibilities for the directors and officers of corporations and an enhanced regime for members' rights.

The CCA, or Canada Corporations Act, currently uses a letters patent system of incorporation. This creates a significant burden on both applicants for incorporation and the government. It requires that the minister review applications for incorporation and improved bylaws and bylaw amendments.

The new act will replace this system with incorporation as of right. The new system will grant incorporation upon the filing of the articles of incorporation under a specified form and payment of a fee. This will greatly expedite the process of incorporation. What used to be done in a couple of weeks will now be done in a day or two, or even within a few hours since electronic filing will be allowed once the act is in force.

Not for profit corporations take many different forms. In particular, there are variations in size and in the manner in which they are funded. The act will separate corporations into two categories. A soliciting corporation is one that solicits donations from the public or receives government grants. A non-soliciting corporation is one funded directly by its members.

The financial oversight of these organizations will vary depending under which of these two categories they fall and on their revenue levels. The act sets revenue thresholds that determine whether the corporation requires a full audit or whether a review engagement, which is somewhat less rigorous and certainly less expensive, will suffice. For the smallest, non-soliciting corporations, members may, if they unanimously choose, dispense with any formal financial review altogether.

For those corporations that undertake either a review engagement or an audit, the new act will require that the corporation provide ready access to their financial statements for members, directors, officers and the director of corporations responsible for administering the act.

In addition, soliciting corporations will have to file financial statements with the government in order to allow the information to be available to the public. Disclosure of financial statements is one of the important tools to provide greater transparency and accountability to the millions of Canadians who make donations to charitable organizations.

One major shortcoming of the current law is its failure to indicate what standard of care directors are expected to meet. The new act will explicitly state the standard of care that directors must achieve. This will establish clear parameters for the director's responsibility and eliminate uncertainty. The standard of care will be a modern one, as is contained in the CBCA, or Canada Business Corporations Act, and other modern corporate law statutes. The standard will require that directors act honestly and in good faith and in the best interests of the non-profit corporation.

The new standard of care will provide improved protection for directors against unwarranted liability. A director who meets the prescribed standard of care will be protected by a due diligence defence. Therefore directors who do their best and do so honestly need not worry.

The new explicit standard of care and the due diligence defence that accompanies it are measures that the not for profit sector expects will reduce the uncertainty directors currently face regarding their personal liability and which should help to attract the qualified individuals needed to act as directors of non-profit corporations.

Government Orders

Members rights will be further protected and enhanced by the new act. Such protections will serve to promote active member participation and will encourage members to properly and effectively oversee the activities of the corporations' directors.

The measures that will now be available to members are the ability to access corporate records, including financial records; access membership lists; request meetings of members and make proposals at such meeting; use the oppression remedy and compliance orders to protect their rights; and use derivative actions to enforce the rights of the corporation.

• (1115)

In summary, the bill would promote good corporate governance and ensure proper levels of financial accountability. It would improve the public transparency of organizations that solicit funds from the public or receive government funding. It would improve the ability of members to take a more active and meaningful role in the corporation in which they have invested time, money or effort.

The new act would be important to the voluntary sector and could serve as a model for reform in other jurisdictions. Its subject would continue to gain importance in coming years. Its continued relevance must be ensured. With that in mind, the act would be reviewed in 10 years after coming into force to assess its operation and impact, and if necessary, address any issues that might develop.

There is widespread support for the reforms contained in the bill. Stakeholders strongly supported proposals for a new statute during a consultation process that included two rounds of national consultations between the fall of 2000 and the spring of 2002.

The Government of Canada is committed to ensuring the strength and success of the not for profit sector. This sector is the foundation for much of what is good about this country. Industry Canada is working to provide the necessary tools that would allow the not for profit sector to meet the challenges of the 21st century. One such tool is good corporate governance. Bill C-21, that we are debating today, is just such a law.

There is not likely one member present who does not have some connection to a not for profit organization. We or members of our family or our closest friends are all members or participants or patients or students or donors. Enhancing the ability of these corporations to do their necessary and valuable work is an issue that touches us all and one in which we can be proud to have been involved.

As chair of the industry committee and along with my colleagues, I look forward to seeing this legislation pass in the not too distant future.

[*Translation*]

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, given his expertise, I would rather the hon. member for Glengarry—Prescott—Russell had shared his views on the relevance of Bill C-21. Since he preferred using his time to criticize members who spoke before him, I will have to rely on my own wisdom in considering this bill.

Allow me to voice my opinion on the part of this bill proposing a new Canada not for profit corporations act designed to place corporations within a more modern and more centralizing govern-

ance framework. This bill would amend parts II and III of the Canada Corporations Act and rely more on the Canada Business Corporations Act.

The point I wish to raise today is very similar to the one my colleague opposite just raised. It concerns fairness to the directors and officers of not for profit corporations.

Before coming to this place, I sat for years on the boards of many non-profit organizations. I did so because it had become increasingly difficult to recruit competent volunteer directors because of the load of responsibilities put on them.

These may include responsibility under the provisions of certain pieces of legislation with respect to environmental damages, responsibility for salaries or unpaid source deductions, civil liability for breach of fiduciary duty, and even responsibility for their own negligent acts. Being a volunteer director demands a great deal more than the recognition and support you get in return.

But the new not for profit corporations legislation provides for several levels of limitations on the liability of directors and officers. For example, incorporation limits liability by establishing a body corporate that can be held responsible; clearly defined standards of care do not hold responsible directors who act honestly and in good faith; directors may use the defence of reasonable diligence. They are provided with a remedy against unfounded complaints.

There are new provisions to indemnify directors against costs, charges and expenses incurred in respect of an unfounded proceeding or of incidents which the corporation believes to warrant indemnification.

One should be careful before enacting such a provision. Highly qualified officers who know the system well might exonerate themselves by invoking the due diligence defence and thus make the members of the organization pay collectively for their errors.

On the one hand, the Canada Corporations Act does not list the fiduciary responsibilities of directors and officers of not for profit organizations and contains no other provision on standards of diligence governing their behaviour and management. On the other, the Canada Business Corporations Act provides that every director and officer of a corporation in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The new Canada not for profit Corporations Act provides that standards of care will be modeled on those in the Canada Business Corporations Act. A clear statement of the duties and responsibilities of the directors will facilitate the hiring and retention of qualified board members.

Government Orders

The proposed standards of diligence, which have been well defined by the courts, provide an extra tool to the not for profit organizations that have more objective standards and remedies. These objectives criteria streamline standards of diligence for directors of not for profit organizations incorporated under federal law across Canada.

When the bill was drafted harmonization with other Canadian acts was taken into account, but the acts that may differ, such as the Quebec Civil Code, and other provincial acts, should also be taken into account. The objective criteria of the standards of diligence afford protection to directors as well, by allowing them to cite due diligence as a defence. This provision was not in the Canada Corporations Act. It protects directors who have acted properly, but not those who might have acted improperly.

Obviously, any bill seeking to increase efficiency by allowing organizations to incorporate according to an as of right system and abolishing the letters patent system of incorporation is worth considering especially if it also abolishes ministerial discretion regarding the incorporation of an organization and, on top of that, makes it possible to hire competent directors and officers who will no longer be afraid of being unduly prosecuted.

● (1120)

Following the brief examination that we were able to do, the Bloc Québécois will vote in favour of the principle underlying Bill C-21. However, we must be diligent ourselves to ensure, first, that there will be no interference in Quebec's areas of jurisdiction and, second, that this legislation will be harmonized with the Civil Code of Quebec.

A standardization of the management of not for profit organizations is beneficial, respecting Quebec's jurisdictions, of course, especially since the new act would take into account, in the establishment of management mechanisms, the financial means and the size of the organization. Thus, it still offers a flexible framework to make these regulations.

However, referring the bill to committee for further study seems justified to us, because it will be possible to hear certain witnesses, namely stakeholders from the field and experts who will be able to enlighten us on certain controversial points or on questions.

Some provisions of the bill remain to be clarified, among other things, the issue of possible interference in Quebec's areas of jurisdiction in terms of the establishment of not for profit organizations whose activities come under Quebec's jurisdictions, for example, day care centres, as well as the harmonization with the Civil Code of Quebec, if such a bill is passed.

Also, even though the rules and responsibilities of directors are tightened, there is no real code of ethics with respect to the financial management of the organizations. This is a very important point. Organizations that do not establish a code of ethics do not understand the importance of being accountable to their members and of having a strict code of ethics that defines how they should conduct themselves vis-à-vis their members and their mandate. This is very important.

I hope that members of the House will vote to refer the bill to committee.

● (1125)

[English]

Mr. Lynn Myers (Kitchener—Wilmot—Wellesley—Woolwich, Lib.): Mr. Speaker, I am pleased to add my voice in support of a new not for profit corporations act. Over the last few years corporate governance has become an issue that has attracted the attention of government, the press, business groups and indeed concerned Canadians. Most of the attention has been devoted to business corporations, but the basic principles of good governance and corporate governance apply and should apply to all corporations including not for profit corporations and other corporations without share capital.

The most important corporate governance features for corporations under this act are the new rules for financial review and disclosure. Financial disclosure, particularly for corporations who solicit money from the public or who receive grants from any level of government, is fundamental to ensuring public trust.

The financial disclosure requirements under this act strike the appropriate balance between ensuring that the public's trust in the not for profit sector is maintained and providing the necessary flexibility for corporations to adapt depending on their size and type.

For instance, it is essential to recognize that smaller corporations may not have the financial capability to undertake full audits. Likewise, corporations whose revenue is derived only from members do not have the same public profile than those corporations that solicit funds or receive government grants.

Under the old Canada Corporations Act, all corporations were required to place before their members an auditor's report, but there was no specific requirement that members had access to the financial statements of the corporation. There was certainly no requirement that these financial statements be made available to the public. Under this act, that would be changed. The new not for profit corporations act significantly improves the level of required disclosure and for the most part ensures that the broader public interest is served.

The act would provide extensive standards regarding the availability of financial statements to the membership and for soliciting corporations to other interested parties. These standards are in keeping with what are generally seen as best practices in modern corporate statutes. As well, the new act recognizes the distinction between corporations that exist only to meet the needs of their members and who are financed solely by those members and those whose activities are financed by the public or the government.

At each annual meeting the directors of all corporations must provide members with comparative financial statements for the year in question. The preceding year is reported to a public accountant if there is one and any relevant information as deemed appropriate. The corporation must also keep financial records at the corporate office where they are to be freely available to the members. Finally, all soliciting corporations will be required to file their financial statements with the director appointed under the act. This will ensure public access and scrutiny of this information.

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Both non-soliciting and soliciting corporations will have graduated levels of financial review based on gross annual revenues. These annual revenue threshold levels, which at this time are only proposals, will be set by regulation once this bill is passed. There are two categories of non-soliciting corporations. The first category will be those with gross annual revenues of less than \$1 million. These corporations must undertake a review engagement of their financial statements by a qualified person. However, if they wish, members could unanimously resolve not to undertake any form of outside review.

An example of this type of corporation would be a mutual benefit or a sporting club such as a curling club, for example, where no public interest is served by having the organization publicly disclose its financial information. In such cases, it should be up to the members themselves to determine the level of financial review that best serves their needs.

The second category is non-soliciting corporations with gross annual revenues of equal to or greater than \$1 million. These large corporations must have their financial statements audited by a qualified person. Soliciting corporations would have three graduated levels of financial review based on gross annual revenues. The smallest soliciting corporations, those with gross annual revenues of less than \$50,000 would be required to have a review engagement of their financial statements.

The members of these corporations could resolve, with the unanimous consent of all members, not to undertake any form of outside review. This is appropriate. Audits, even review engagements, are expensive undertakings.

There is little to be gained by requiring very small locally-based not for profit organizations to spend a considerable percentage of their revenues on a review of their books. This could severely diminish their capacity to fulfill their mission. To those who would suggest that there would therefore be no oversight at all of these corporations, the Canada Revenue Agency could always intervene should there be a suspicion of any financial wrongdoing. The second category of soliciting corporations would be those with gross annual revenues of more than \$50,000 but less than \$250,000. Such corporations would be required to have an audit of their financial statements. However, members of these corporations could resolve by a special resolution to undergo a review engagement instead.

• (1130)

Finally, soliciting corporations with gross annual revenues of more than \$250,000 would be required to have an audit of their financial statements. These measures are responsible and fair. Corporations are given the flexibility they need and at the same time these measures ensure a degree of public transparency that does not exist at this time for not for profit corporations.

We all have an interest in ensuring that not for profit corporations and other corporations without share capital, who perform outstanding services in Canada and around the world, are not overburdened with regulations. We also have a responsibility to protect the public interest.

It is my contention that the bill meets both of these requirements. I urge all members to support the expeditious passage of Bill C-21. I think it is a good bill and deserves our support.

Mr. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I rise today on Bill C-21, an act respecting not for profit corporations and other corporations without share capital.

The not for profit sector in this country is made up of approximately 18,000 not for profit organizations that collectively have over \$100 billion in revenue, which is a significant part of the third pillar of our economy and something that this bill addresses but not without major flaws.

I want to speak to four aspects of this bill, some of which are good and some bad. Those four aspects concern the streamlined incorporation process, improved financial accountability, the rights and responsibilities of directors and officers, and the ability for members to appeal or seek redress for actions that a board has taken.

In terms of the streamlined incorporation process, the government has done a good job in replacing the letters patent system of incorporation by an incorporation as of right system. That will allow many not for profit corporations to more easily incorporate than in the previous process. It eliminates the current requirement for ministerial review of applications and replaces it with the standard filing specified forms and the payment of a fee. If this system were also implemented via an online form, it would also be advantageous.

However, the second element of this bill that I want to speak to is the improved financial accountability, which creates too many different classes of not for profit corporations to regulate themselves in terms of financial reporting requirements. There are five different classes: first, a low revenue soliciting corporation; second, a medium revenue soliciting corporation; third, a high revenue soliciting corporation; fourth, a low revenue non-soliciting corporation; and fifth, a high revenue non-soliciting corporation.

I think there are far too many levels of categories for these not for profit corporations to determine what their reporting requirements are and as one not for profit moves from year to year into one category and the next, it is going to create a lot of confusion as to what category they are in and what level of reporting they require.

For many larger soliciting corporations, the threshold for not reporting a review engagement, in other words, for them not to have to file with Industry Canada a review engagement, is the consent of all their members. In this particular situation, for these not for profit corporations, that have a significant number of members, this may be too onerous a threshold for them to forgo the review engagement that in some cases can cost upwards of \$1,000, which may be a lot of money for a corporation that does not have a lot of revenue.

The third area which creates an onerous burden on not for profit corporations is the rights and responsibilities of directors and officers. The government has said that it wants to create a framework under this act to ensure that not for profit corporations can more easily go about their business, especially with regard to the standard of care that must be taken into consideration by the board of directors.

Government Orders

This is something that many not for profit corporations will find difficult to deal with because many of them do not pay their board of directors. Many not for profit corporations approach people of stature in the community to see if they are willing to lend their names, to sit on a board of directors, and to lend their expertise. Most community leaders are more than willing to lend their names and time to a not for profit corporation because they know that the standard of care is not the same that applies to corporations engaged in normal for profit business.

• (1135)

This bill creates a standard of care that is significantly higher than the existing standard of care that private enterprises are obligated to follow. This is going to do two things. It is going to make many people seriously reconsider whether or not they want to take on the liability of sitting on a board of directors for a not for profit. Also, it is going to lead to increased costs for the not for profits because many of the boards will now elect to take out directors liability insurance. That adds another burden on the not for profits, many of which are without a great deal of revenue.

The fourth area I want to speak to, and one which I think is onerous for the not for profits, is the provision in the bill that allows members to enforce their rights and to appeal to a court. The bill allows members to seek relief from a court if they believe their rights have been oppressed.

In this case the bill does allow religious organizations an exemption based on a tenet of faith. In other words, if the organization made a decision based on a tenet of faith, the members could not appeal to the courts to seek redress for whatever action the corporation had taken.

However, this tenet of faith is not clearly defined in the bill. My worry is that this will potentially infringe on religious freedom when appeals are made because the bill is not clear as to what exactly is a tenet of faith. For that reason also, I think this bill should be opposed.

Most important, this bill should be opposed simply because it is a travesty. It has been five years since the government engaged in the voluntary sector initiative, and this is all it has come up with. In 1999 the government announced the initiative as a result of its commitments in the Speech from the Throne.

This voluntary sector initiative at the time was announced as a five year action plan at a cost of \$94.6 million. It was to examine the regulatory framework of the voluntary sector, to examine capacity building measures, relationship building measures, and to do this in strong and in-depth consultation with the voluntary sector.

One of the commitments made in this voluntary sector initiative was to clarify the guidelines on allowable expenses. It was to streamline the process and make the process more transparent for the regulation of charities under the Income Tax Act. It was to make more transparent the method by which charities receive their charitable status, and to possibly examine whether or not the rules that are currently in place and which have been in place for centuries dating back to Elizabethan law, should be broadened for charities. In other words, it was to see whether or not the rules for which charities should be recognized should be broadened to include not just those

religious organizations and those organizations whose intent is to educate, but also to broaden it to advocacy work and other areas.

However, the bill is absolutely silent on that aspect. The government has fallen far short of what the voluntary sector was expecting. For that reason I oppose sending the bill to committee before second reading.

• (1140)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to the not for profit corporations bill.

I have been listening intently to many of the issues, suggestions and observations that have been raised by members opposite and in particular, the last member's comments. I hope that what I am going to say will address some of those concerns.

We should reflect for a moment. When we think of not for profit corporations, we generally think of the good works they do, of the benefits all Canadians derive from the efforts of thousands of volunteers in the voluntary sector. All of us have had huge experience with members of these organizations. We realize that the quality of life in our communities depends on this voluntary capacity without which we could not do our jobs. We think of the social bonds that are formed among members of non-profit organizations. We also think of them when they join together and participate for the higher benefit of the public good.

In these cases it is important to recognize that not for profit corporations are only as effective as their members make them, and that membership brings with it responsibilities and equally important, it brings rights. In a very complex society we have to keep in mind the accountability that goes with responsibility. We also have to keep in mind the protection that members have when they become part of a voluntary, not for profit organization.

This legislation will go a long way toward protecting the rights of members. In doing so, it will ensure that corporations are more open, more transparent and accountable to the men and women who are the heart and soul of any non-profit organization that is working within our communities. I would suggest very humbly that the bill will accomplish this in several ways.

First, members will have access to corporate records to facilitate active monitoring of the board's performance. In a modern non-profit corporation, or any corporation for that matter, it is imperative that the members have the ability to keep themselves fully apprised of the ongoing dealings and workings of the organization and that they apprise themselves of its status and take action when they perceive that problems are starting to occur.

The bill provides that the non-profit corporation must maintain and make available to its members a lengthy list of important corporate records. These include the corporation's articles, bylaws, meetings of members or committee of members, and resolutions of the members or a committee of members. It is not an onerous undertaking by any stretch of the imagination, that the accountability of individuals and individuals together makes the corporation, in this case the voluntary corporation, responsible and accountable.

Government Orders

Second, the bill provides members with the right to access to a corporation's membership list. It is hard to believe in this day and age but this is an important facet of closing the accountability loop. This would give members the opportunity to act in concert on matters of concern to the corporation's members.

An individual may only retrieve the membership list once per year and must sign a statutory declaration affirming that the list would only be used for the purposes set out in the bill. The general public would not have a right of access to those membership lists. The confidentiality of members would be respected to that extent, but the members themselves would have access to the lists, as it should be.

Third, the bill enhances members' rights by permitting any member entitled to vote at a meeting of the membership to submit a proposal for consideration at that meeting and to speak on the matter addressed in the proposal, sort of the concept of natural law. If a matter is raised, all of the organization's members have a right to be informed of that before and after it is raised. If such a proposal is submitted in the required period, the corporation is required, subject to any restrictions in the bill, to include it with any material being distributed by the corporation in advance of the meeting.

The ready access to membership lists to which I have already spoken should promote better communication and contact among the membership.

The fourth way the bill enhances the rights of members is by protecting members who feel that their rights are being infringed or that actions are being taken that are not in the best interests of the corporation. Members will be able to utilize oppression remedies, something which another member talked about, to launch derivative actions or to seek injunctive relief. These remedies are standard provisions in modern corporate statutes.

● (1145)

The oppression remedy allows a member to apply to a court for an order in respect of conduct that the member feels is against his or her interests. The powers of the court are very broad. The court may order a restraining of the conduct in question and appoint a receiver or a receiver manager. It may amend the articles. It may review the bylaws. It may appoint or even replace directors if just cause is raised and if the nature of that which is raised by the member is in keeping with the degree of seriousness that we have observed from time to time in organizations.

In a derivative action, if the business of the corporation or part of it is being conducted in a manner that a member feels is not in the best interests of the corporation, he or she may apply in the name of the corporation to a court to remedy that situation. The applicant must first notify the directors of the corporation of the intent to make that application and must convince the court that he or she is acting in good faith and that the action would be in the best interests of the corporation. If a member finds that the corporation, its directors, officers and other parties do not comply with the act, they may seek from the court a restraining or compliance order to ensure that the act is obeyed.

There is one exception to this. The oppression remedy or derivative action and injunctive relief would not be available to a member if the action in question was, in the view of the court, based

upon a tenet of faith held by the members of the corporation. This gets into the religious aspect. It does not mean that a member of a religious organization would face restrictions on his or her ability to use the courts in order to overturn an action taken by a corporation made on the basis of its religious doctrines or tenets of faith. However, this is only fair. The bill should not override the rights of religious organizations to decide for themselves how their doctrine should be applied. It is an appropriate limitation on members' rights.

Fifth, in order to ensure that as many members as possible are able to participate in the meetings of the members, the bill provides that, as long as it is permitted by the bylaws of the corporation, meetings may be held wholly or partially by electronic means. This includes any form of telephonic, electronic, or other means of communication, as long as it ensures that all members participating in the meeting can properly communicate with each other.

The bill also provides that, subject to the bylaws of the corporation, the votes may be held by electronic means. The criteria for such votes are the same as for electronic participation in meetings of the membership.

Finally, members are given the right to make, amend or repeal bylaws for the corporation by majority vote. The only restriction concerns bylaws that would result in what was deemed to be fundamental changes to the corporation, such as changing the name of the corporation, changing its mission or its sense of purpose, instituting a new class of membership, or changing criteria for membership. In these instances, the bylaw in question may be passed but it must be approved by two-thirds of the appropriate members as opposed to simple majority. This is in contrast with the current practice in which corporations must submit any new or amended bylaws for ministerial approval.

By enhancing the rights of members of not for profit corporations, I believe that this bill is good for the non-profit corporations themselves and for the voluntary sector as a whole. While there has been reasonable attention given to some of the shortcomings in the bill, the ongoing experience of the bill in fact will make it a very important instrument that will keep non-profit organizations viable and accountable, and that will keep the membership totally informed in terms of what their rights are as members of those groups. The non-profit corporate sector will continue to enhance the kind of quality of life that we want for all our communities.

● (1150)

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, it is a pleasure to rise in the House today in order to discuss the strengths and weaknesses of Bill C-21 respecting not for profit corporations and other corporations without share capital. The bill is also to be known as the Canada Not-for-profit Corporations Act. This legislation will replace parts II and III of the Canada Corporations Act.

The government's intention in drafting Bill C-21 is to make it "easier for Canadians in the voluntary sector to take advantage of the protections offered by incorporation", according to a November 17 release from the Department of Industry.

Government Orders

In short, the implied aim of Bill C-21 is to provide corporate directors with a better idea of their duties and responsibilities and to provide said officers with better protection against liabilities.

Other provisions of this legislation include improvements on financial oversight of the corporations and better member participation in corporate governance.

As I am not a lawyer, I must ask, what does all this legalese mean?

Officials from the department have assured my office that this legislation will make it easier for volunteers, especially those in small organizations, to incorporate and to become involved generally because their rights will be spelled out with respect to decisions by their own executives that have an impact on them.

Assuming this to be true, it is music to my ears. Giving grassroots a say in their own future has long been a trademark of Canada's Conservative political parties. It is nice to see that the enhancing of the rights of members to participate in their own organizations has made it into Bill C-21.

Perhaps the Prime Minister could read over the applicable clauses of Bill C-21 and work on his own democratic deficit in his own government.

Bill C-21 is also designed to provide "the accountability and transparency necessary to maintain public trust and confidence in the not-for-profit sector", according to the Industry Canada November 15 new release.

Accountability, transparency and public trust are all important democratic concepts that this government across the way needs to work on, but I digress.

One of the most important stated features of Bill C-21 is the protection it says to provide to faith based corporations. It is my understanding that this legislation aims to prevent activists from using corporate law as a sword to attack faith based organizations for, among other things, not performing same sex marriages. This protection, if real, will surely be welcomed by faith based groups.

My fellow hon. members are constantly presenting petitions in the House calling for the definition of marriage to remain the voluntary union of one man and one woman to the exclusion of all others, a position which I am on the record as supporting.

The millions of Canadians who support the traditional definition of marriage will be relieved if Bill C-21 provides a small measure of protection to such a crucial social institution in Canadian society.

For those volunteers watching from home, the faith based defence is found in clause 251 of the bill. Without reading all the subclauses under clauses 250 and 251 in the interests of time, it is important to note that paragraph 251(2)(c) states the court may not make an order to redress a corporation's oppressive or unfairly prejudicial action that disregards the interests of any shareholder, creditor, director, officer or member if:

(c) it was reasonable to base the act or omission, the conduct or the exercise of powers on the tenet of faith, having regard to the activities of the corporation.

This of course means a religious corporation.

It is not beyond the realm of possibility that a member of a religious corporation or affiliate thereof might feel oppressed because the faith based organization does not support same sex marriage. It remains to be seen how the courts are going to define the word "reasonable" in this context. If I may note, this subclause may need some strengthening when it goes to committee.

I can understand why the government would want to modernize legislation in order to expand governance for not for profit corporations since the Canada Corporations Act was last substantially amended during the first world war in 1917.

For example, it is a good thing to provide directors and officers of corporations better protection against liabilities, especially with the defence of due diligence. However, if this legislation means that in the end corporate directors will have to pay for thousands of dollars in directors' insurance, this requirement will create a dampening effect on the volunteer recruitment and sustainability of existing members.

●(1155)

It is a common practice that men and women involved in volunteer organizations to improve the life of their community often wear more than one hat. A person may be a member of the local volunteer fire department, the local golf or curling club and the Lions Club or the Kinsmen. The Royal Canadian Legion and other organizations are common in my riding. The federal government should not require that these volunteers take out directors' insurance, especially at a time when volunteer groups are in need of more members.

The work that volunteers provide to communities in my riding of Saskatoon—Humboldt is very important. Let me give an example. I was reading in the *Wakaw Recorder*, a paper published in my riding, that volunteers are building an addition to the curling rink. Curling club bonspiels, raffles, concessions, sales and donations raised about \$12,000 for the Wakaw Curling Centre to provide a new water supply and upgrade the curling stones.

It is time to recognize the sweat equity that volunteers such as these put in day after day, year after year, which improves the lives of Canadians in communities large and small across the country. It is for this reason that I stand here and voice my opposition to Bill C-21.

Even though the inclusion of faith based defence in the bill may offer some respite upon the assault upon traditional marriages across Canada, this is a very technical, complex bill. While legislation regarding not for profit groups needs to be updated, the complexity of Bill C-21, especially the blizzard of requirements that would be imposed on the volunteer sector, would make it harder for groups to attract new blood.

The classified ad section of any newspaper has columns of ads from organizations needing new members to help housebound seniors, volunteer for the local hospital, raise funds to build a new community hall or provide playground equipment. The need for volunteers and the time they provide out of already busy lives is at a premium.

Now, thanks to Bill C-21, not for profit corporations, the vast majority that are respectable corporate citizens, will have to change their bylaws, their constitutions and hire auditors and pay for liability insurance.

Second, I will note as a member of the Standing Committee on Industry, Natural Resources, Science and Technology that I do not believe this bill should be sent to committee before second reading. The government should have come to committee with legislation in draft form for review.

By Industry Canada's own admission, Bill C-21 is a complex technical bill. The bill needs extensive hearings and the industry committee needs to hear from a cross-section of witnesses representing the 18,000 federally incorporated not for profit corporations. Debate is limited to 180 minutes in the House. Under regular rules for second reading, there would be unlimited debate. What this government is doing is limiting debate. This is not fair to the democratic process or the millions of volunteers who would have to work under these heavy regulatory requirements.

Reference to committee before second reading allows this minority government to say to Canadians that if they do not like it they can take their current concerns about the bill to committee, thereby making the committee process the scapegoat in a minority situation. It is also a neat way of using up the committee's time.

The government had two options on how to handle a bill as complex as Bill C-21. The first was to send draft legislation to committee or, if the Liberal government believed in this creation, it should have had the courage to send it through the proper processes and allow all members enough time to make the legislation better.

It is for these reasons that I oppose the current Bill C-21.

• (1200)

The Acting Speaker (Mr. Marcel Proulx): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Marcel Proulx): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Marcel Proulx): All those opposed will please say nay.

Some hon. members: Nay.

Government Orders

The Acting Speaker (Mr. Marcel Proulx): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Marcel Proulx): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Marcel Proulx): It has been requested that the division be deferred until the end of orders of the day today.

* * *

DEPARTMENT OF HUMAN RESOURCES AND SKILLS DEVELOPMENT ACT

The House resumed from November 22 consideration of the motion that Bill C-23, an act to establish the Department of Human Resources and Skills Development and to amend and repeal certain related acts, be read the second time and referred to a committee.

Mr. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I am pleased to rise today to speak in support of Bill C-23, an act to create the Department of Human Resource and Skills Development.

I would like to use the bulk of my time today to discuss something that I heard members raise yesterday, which is access to post-secondary education. I believe it is important to put some of these statements in context for all members, as we sometimes do not appreciate the value that Canadians and the federal government place on post-secondary education.

My colleague, the member for Brant, inspired my intervention today. He mentioned yesterday a fact that is very important and bears repeating. Canada is the second biggest investor in the world in post-secondary education as a percentage of gross domestic product.

What is more, according to a new report, entitled "A New Measuring Stick: Is Access to Higher Education in Canada Equitable?", released on September 27, 2004 by the Educational Policy Institute, Canada has one of the best records in the western world of encouraging people from lower socio-economic backgrounds to attend post-secondary institutions. The 11 country, 10 province study on equitable access to higher education ranks Canada third behind Ireland and the Netherlands, but reserves the highest marks for the provinces of Manitoba and my home province of Ontario.

Canadians 25 to 64 have the highest attainment rate in post-secondary education in the world at 41%. We should also know that earlier this year a TD Bank financial group study found that the return on a university degree was 12% to 20% annually and on a college diploma it was around 15% to 28% annually. Tangibly, this means that over their lifetimes university graduates earn \$1 million more on average than those without a post-secondary education.

Whether apprenticeship, college or university, these are investments students, their families and governments make in post-secondary education, and they are sound investments.

Government Orders

During the current academic year of 2004-05, it is estimated that approximately 470,000 full time and part time students will be assisted in accessing learning opportunities through Canada student loans, student grants and interest subsidies. The amount of total financial support is expected to reach nearly \$2 billion. Of that amount, more than \$1.7 billion will be disbursed as Canada student loans to approximately 365,000 students. Approximately \$80 million will be made as non-repayable Canada study grants to over 50,000 of those students and the remaining amount will be disbursed in the form of interest subsidies to approximately 105,000 borrowers in study.

While the government and all Canadians can be proud of these achievements, the Government of Canada and the new Department of Human Resources and Skills Development is determined to do better. The legislation modernizes the mandate of the department to allow the minister to improve the Canada student loans program and ultimately access to post-secondary education in cooperation with the nine participating provinces and the Yukon Territory.

The Government of Canada will invest close to \$137 million in 2005-06 to modernize the Canada student loans program. The Government of Canada is committed to ensuring that all Canadians have access to the skills development and learning opportunities needed to realize their potential and participate fully in the 21st century economy.

Fostering a culture of lifelong learning is a key fulfilment of this commitment. Access to a post-secondary education is an important component of Canada's strategy to secure a higher standard of living and a better quality of life for all Canadians. The Government of Canada offers a wide spectrum of programs and services that work together to help ensure that Canadians of all ages can achieve their learning goals.

The Government of Canada recognizes that the learning process starts with the birth of a child and continues into adulthood. The 2004 Speech from the Throne reflected this by proposing the introduction of the new Canada learning bond. The bond builds on the success already achieved by the Canada education savings grant, which has helped many parents to save for their children's education through grants and tax sheltering of earnings. Since its inception, \$2 billion in grants have been paid to over two million Canadian children of all ages. The total asset value of registered education savings plan savings by Canadians for their children's education is \$13 billion, up from a little over \$2 billion in 1997. Currently one in four Canadian children between the ages of zero and 17 benefit from the Canada education savings grant. The Canada learning bond will also play an important role in ensuring that wherever possible any Canadian who wishes to undertake post-secondary education will have that opportunity.

• (1205)

The Government of Canada introduced Canada millennium scholarships in 1998 to help Canadian students acquire a post-secondary education and reduce student debt loans. The Canadian Millennium Scholarship Foundation is the autonomous organization responsible for managing a \$2.5 billion endowment from the Government of Canada and providing scholarships to students across the country. Over 90,000 students have received Canada millennium

scholarships, awarded through the Canada Millennium Scholarship Foundation, totalling \$285 million annually. Recently, in a member's statement, I had the good fortune of recognizing individuals in my riding who received this scholarship.

While the government makes significant investments in post-secondary education through these and other programs, it is working to do more to ensure that every Canadian can fully participate in the workforce and society. The 2004 budget outlined new initiatives aimed at opening up the range of people able to acquire post-secondary education and student financial assistance, including introducing a new grant worth up to \$3,000 for first year students from low income families to cover a portion of their tuition, also introducing a new upfront grant of up to \$2,000 a year for students with permanent disabilities.

Above and beyond that, some of the other initiatives include increasing weekly loan limits of up to \$210 per week, including computers as eligible expenses, extending loan eligibility to more middle income families by reducing the amount parents are expected to contribute and increasing income thresholds used to determine eligibility for interest relief and increasing the maximum debt reduction and repayment.

The budget of 2004 package of improvements is the result of a productive, collaborative dialogue with our provincial and territorial partners and stakeholders. In addition, each year the government youth employment strategy helps approximately 50,000 students between the ages of 15 and 30 by providing financial support to help them to return to their studies. To ease the transition to a post-secondary education for adult learners with registered retirement savings plans, the lifelong learning plan allow them to allow amounts from their RRSPs to finance training or education for themselves, their spouse or their common law partner.

Learners may withdraw up to \$10,000 a year from their RRSP to finance full time training or education. Through the personal income tax system, the Government of Canada provides tax credits for post-secondary education tuition, educational expenses and interest paid on student loans. Courses taken to finish high school, improve literacy skills or upgrade secondary school credentials with the goal of preparing adults for specific occupations in fields of higher learning may also qualify for tax assistance.

In summary, the government and Canadians are doing the right thing when it comes to investing in post-secondary education. Again, Canada is the second biggest investor in the world, as a percentage of GDP, in post-secondary education. This is all the more important when we consider that research suggests that investment in education and skills training may rank as the most important factor for achieving economic growth over a long run via increased productivity.

When we look back at the years between 1996 and 2003, we note that the increased standard of living was largely driven by increased favour productivity.

Government Orders

The legislation is geared at creating the Department of Human Resources and Skills Development that is a machinery of the government bill, an important bill to ensure the minister and the department have the legal powers and tools needed to fulfill the minister's mandate. It is also a reminder of the range of federal programs that support post-secondary education and the tangible investments that Canadians value.

• (1210)

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I listened with great interest to what the member for Mississauga—Brampton South had to say, and I really enjoyed his speech.

Quite rightly, the member has stressed some examples of the grants which the federal government provides to students in post-secondary education. He mentioned, for example, the millennium scholarships, 95% of which are directly targeted to qualified students who have student debt. I know my colleague knows well from his personal and family background the problems associated with student debt. That is one example.

He also mentioned the first year grant for low income students, which was in the last budget and Speech from the Throne. This directly targets students from very low income families and helps them through the critical first year. It encourages them to go to first year college or university.

He also mentioned the disability grants. Each year of college or university, there now will be a grant for disabled students. Again, we welcome that. It seems to me that there are various areas that we have to focus on in terms of our performance in post-secondary education. We have the highest percentage involvement in post-secondary education in the world. However, we know that in low income families the participation is still very low and we know there are problems with inclusivity of disabled students.

My colleague is absolutely right in mentioning those things. He also put particular emphasis on the Canada learning bond. He explained very well the RESP program, now extremely well established. He quoted those figures of billions of dollars of private savings, which have been encouraged through the RESP program. In addition to that, he mentioned that there was a grant portion in the RESP program, whereby the federal government, up to a certain maximum, would give 20% as a grant to parents who invested in RESPs.

Once we are in the area of grants, just like the millennium scholarship program which is helping students directly, we are also into something else, and that is to encourage the families themselves to invest and think in advance of their children's educations. The Canada learning bond, as my colleague rightly described, is an even greater extension of that. Under that legislation, which is Bill C-5, for families that earn between roughly \$35,000 and \$70,000, the grant portion of the RESP will be increased from 20% to 30%. Therefore, there will be a greater incentive for the families in that middle income range to invest in RESPs.

The Canada learning bond itself is a grant to families who open an RESP account. Assuming this legislation is passed, for a child born

this year or later, if a family with less than \$35,000 of income opens an account, \$500 will be placed in the account in the name of the child. Every year thereafter, until the child is 15, \$100 will be placed in the account. Therefore, there will be a \$2,000 grant for that child. However, because it is an RESP program, the family will accumulate interest over the 15 years.

The other possibility is that, even though the family is earning less than \$35,000, it might be able to make some contributions itself. If it adds to this grant portion of the Canada learning bond, it will get a 40% contribution. For example, a \$10 deposit in the account by the family will produce a \$4 response from the federal system.

• (1215)

The purpose of this is quite different from the grants, such as the millennium scholarships or the first year low income student program that we have. The purpose here is to encourage families to think of the educational potential of their children from the very beginning. I think it is something quite special.

I would be most grateful if my colleague would comment further on this aspect of encouraging all families, not simply the wealthier families, to start thinking early about the post-secondary education of their children.

• (1220)

Mr. Navdeep Bains: Mr. Speaker, the member clearly demonstrated and highlighted that the success of our nation going forward in the 21st century will be dependent on our ability to ensure that we are able to educate our population. More importantly, we must address and reach out to low income families and people with disabilities that had been disadvantaged in the past or not given the opportunity to reach their full potential.

It is important to recognize here, as the hon. member mentioned, that the government is doing a phenomenal job of making sound investments and ensuring that we encourage people to realize their full potential and make an investment in increasing their ability to obtain a higher education. I want to highlight again some of the key components of post-secondary education programs that have been put in place and will be put in place by the federal government.

The Canada student loans program helps approximately 330,000 students with approximately \$106 billion worth of loans annually. The member mentioned the Canada millennium scholarship which is awarded to nearly 90,000 students. This amounts to approximately \$285 million. That is a sound investment in our youth. The member also discussed the Canada study grants which are issued to approximately 56,000 students, totalling \$75.5 million annually.

Another key component is the Canada education savings grant program which has paid out \$2 billion in grants since 1998. These investments, coupled together, amount to billions of dollars of sound investment into promoting education which will help fuel our economy in the 21st century, so we can remain competitive and be the envy of the world.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, when I was back in my riding last week, I was able to take some parts of this bill to working families to find out what they thought about the government's generosity. I have a couple of questions for the member which strike me as a bit strange.

Government Orders

The move toward investment as a sound investment for the country is wise. I wonder if the so-called generosity and the phenomenal generosity by the government is actually accurate.

There are both the words that I am hearing today in the House and the reality that students are facing. Over the last 14 years the average debt of any student in Canada has been going up \$1,000 per year over those years.

While the member's words suggest that there is great investment happening and there is billions of dollars being spent, the actual burden being placed on students leaving post-secondary school right now is increasingly growing, in effect, actually stymying the economy because these young people are leaving with thousands upon thousands of dollars worth of debt. They have \$20,000, \$25,000, \$30,000 and upwards of \$50,000 of debt. How are these people expected to buy cars?

First, does the member feel that the program is generous enough as it stands? Upon reflection in my riding, people felt that it was absolutely not, particularly for low and middle income families. What will a \$2,000 investment in children being born today get them 15 or 20 years from now? Perhaps that amount of money will get them their books over their first set of classes.

Second, while there are millions and billions of dollars going out in the loans program, we are hearing that banks are continually reporting record profits. In fact, student loans are actually paid back at an exceptional rate. Should we not be moving fully to a grant program and away from loans?

Mr. Navdeep Bains: Mr. Speaker, as a student not too long ago, I also share the hon. member's concern. I agree with him that there is a great deal of debt burden on students today. That is why we are presenting this bill. This bill reflects the government's commitment to ensure that we make sound investments in education.

I would like to highlight that we have invested over \$4 billion into a whole host of programs that I outlined before which target over 500,000 students. Is it enough? It is never enough. Ultimately, we want to make a sound commitment and ensure that it is a stepping stone in the right direction.

The government has clearly demonstrated its willingness and desire to invest in low income families, and in individuals with disabilities to ensure that they are able to obtain a post-secondary education. We will continue to fight for this. We will continue to make more investments. It is a priority for the government.

I do share the member's concerns but, at the same time, I think the government has clearly indicated a strong mandate to invest in our children.

• (1225)

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, part 2 of Bill C-23 deals with the appointment of a minister of labour and his powers, duties and functions “—with the objective of promoting safe, healthy, fair, stable, cooperative and productive workplaces”. This is stated in clause 18 of the bill.

The objective of the Department of Human Resources and Skills Development is to fully participate in an effective and efficient

labour market. The purpose of the mandate is to improve the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile workforce and an efficient and inclusive labour market. This means that the department will play a key role by helping build for Canada an economy for the 21st century and by strengthening the country's social foundations.

While the Bloc Québécois recognizes the main virtues of such a statement, it is skeptical as to what the Liberal government really wants to do, particularly considering that, at the federal level, the use of replacement workers is still allowed and that, over the past 12 years, the Liberals have defeated many bills introduced by the Bloc Québécois to amend the Canada Labour Code and prevent the use of replacement workers.

The debates held in the House of Commons always ended up in setbacks for workers, and the Bloc Québécois does not think that this issue should be dealt with under Bill C-23, which seeks to promote fair, stable and cooperative workplaces.

I would like to quote an article published in the November 1, 2004 edition of the newspaper *Le Nouvelliste*, in which the Minister of Labour is quoted as saying that:

We did not go so far as to prohibit the hiring of scabs, as did Quebec and British Columbia, if I am not mistaken, said Mr. Fontana. I already said that I was open to discussing this issue.

The very purpose of Bill C-263 on replacement workers, which was introduced by Roger Clavet, is to prohibit employers under the Canada Labour Code—

The Acting Speaker (Mr. Marcel Proulx): I am sorry to have to interrupt the hon. member but I would remind him that, in referring to a colleague in the House, the title or riding name must be used and not the member's name.

Mr. Robert Vincent: Mr. Speaker, in connection with the hiring of replacement workers to take the place of workers on strike or locked out, the Bloc Québécois believes that a Minister of Labour working within the spirit of part 2 of Bill C-23 ought to make a commitment to support Bill C-263. Once again, the Bloc Québécois is the only party in Ottawa defending the interests of the workers of Quebec.

The Canada Labour Code should be amended and brought into line with the Quebec code, so as to ban the use of strikebreakers for once and for all. The best way to acknowledge the exceptional contribution of all those who are involved every day in building our societies is to provide them with the guarantee that everything possible will be done to ensure that Bill C-263, as proposed by the hon. member for Louis-Hébert, is passed. This is a bill to eliminate the outmoded practice of using strikebreakers during strikes or lockouts. The Bloc Québécois will do its utmost to gain the support of the other political parties in this House.

Anti-scab measures are indispensable if there are to be civilized negotiations during labour disputes. Measures against the use of strikebreakers foster industrial peace. They are the cornerstone that ensures a level playing field for employers and employees. They will make it possible to eliminate the existence of two categories of workers in Quebec: those who come under Quebec's jurisdiction and therefore have that right, and those who do not because they work in businesses under federal jurisdiction.

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The Prime Minister, who was so anxious to have that position, now needs to show his true colours as far as this bill is concerned. We also need to hear from all of his caucus today. They cannot want to direct the Parliament of Canada and not take part in a debate as important as one on workers' rights. We need to know their intentions. Quebeckers and Canadians can count on the Bloc Québécois to keep after them until a response is forthcoming.

On October 21, a 46,000 signature petition was tabled in the House by my colleague, the former labour critic, in support of workers and asking that the government pass Bill C-328. In solidarity with all workers, the Bloc Québécois adopted a resolution at its last biennial congress recognizing the importance of amending the Canada Labour Code to prevent the use of strikebreakers.

The situation in Quebec and in Canada is that only Quebec and British Columbia have legislation preventing the use of strikebreakers. Four provinces, including Ontario, have included anti-strikebreaker measures in their labour codes.

In Quebec, the passage of the anti-strikebreaker legislation in December 1977, implemented in 1978 under René Lévesque, was unanimously hailed as a great leap forward in workers' rights.

Following a particularly stormy strike at United Aircraft in Longueuil, this measure which seriously limited all employers' abilities to scorn unions with impunity, put Quebec in the vanguard in North America.

In New Brunswick, union leaders have been calling for anti-strikebreaker measures to be added to the provincial labour code for some time now. The same is true in Manitoba and Saskatchewan where unions are trying to convince their governments to adopt such measures.

Section 94(2.1) of the Canada Labour Code contains provisions forbidding replacement workers, but only if the employer uses them for the demonstrated purpose of undermining a trade union's representational capacity. This is a weak provision since the employer need only continue to recognize the existing union and thus not undermine its representational capacity in order to have the right to use replacement workers, strikebreakers or scabs.

In other words, if the employer refuses to negotiate and uses scabs, at that point the Canada Labour Relations Board can forbid the employment of such workers. However, if the employer negotiates or pretends to negotiate with the union in order to avoid this prohibition, it can continue to use scabs. We can see that this is a ridiculous measure and leaves a huge loophole for the use of scabs.

• (1230)

Now I will address the importance of having legislation. There is a general consensus among the various unions as to the importance of having anti-scab measures for both provincial and federal workers. Anti-scab legislation is needed in the current labour climate because it allows greater transparency in labour disputes.

There are many negative effects to having a strike or a lockout and they are enough to illustrate the importance of having anti-scab measures in order to reduce the conflicts. Strikes or lockouts can cause a decrease in local or global economic productivity, in business and government revenues, and in profits, which lowers the

purchasing power of the workers directly or indirectly affected by the dispute. In some cases the dispute can cause social problems, debt in the households involved in the dispute, psychological problems caused by stress, and so forth.

I have some thought-provoking numbers. Anti-scab legislation has existed in Quebec since 1977. The average number of working days lost was 39.4 days in 1976. This decreased to 32.8 in 1979. In 2002-03, the number of workers affected by labour disputes in Quebec dropped by 18% and average days lost in 2001 was 27.4. The number of days dropped from 39 to 27 in Quebec with anti-scab legislation.

Anti-scab legislation has existed in British Columbia since 1993. As a result, from 1992 to 1993 the ratio of time lost dropped by 50%. The average number of working days lost between 1992 and 2002 under the Quebec Labour Code was 15.9 days compared to 31.1 days under the Canada Labour Code, which is a difference of 95%. That is the difference between the two. The number of days lost by 1,000 employees from 1992 to 2002 was 121 days under the Quebec Labour Code compared to 266 days under the Canada Labour Code: a difference of 119%.

The 10 month dispute at Vidéotron alone resulted in a loss of 355,340 working days in Quebec in 2002. This is more than a third of all working days lost because of a strike or lockout in 2002 in Quebec. The conflict at Sécur resulted in a loss of 43,400 working days. These numbers certainly do not explain all the circumstances, but they are troubling enough that the government should conduct a serious study of this issue.

The Liberal government should explain to workers its reluctance to support the initiative put forward by members of the Bloc Québécois. But workers know they can always rely on the hard work of the Bloc Québécois to help the government see the light.

I have four more examples of labour disputes that demonstrate the urgency of amending the federal legislation. In May 2001, with the approval of the CRTC, Quebecor bought the Vidéotron cable company with the help of the Caisse de dépôt et placement du Québec. In order to clear up financial difficulties related to this acquisition, Quebec undertook shortly thereafter a streamlining process to save \$35 million to \$40 million a year in its cable company.

The dispute between the 2,200 employees and technicians of the cable company and Quebecor was considered by many like the last big step in a comprehensive streamlining exercise. The 2,200 Vidéotron employees were on strike or locked out from May 8, 2002 until March 2003. Vidéotron facilities were vandalized many times. The end result was a conflict that lasted more than 10 months.

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In the Sécure case, after 99% of workers voted against the employer's latest offers, the 900 employees went on strike on July 5, 2002. On that date, the Sécure company held 75% of the market of valuables transport in Quebec, and its annual turnover was \$55 million. It was delivering cash to 1,200 of the 6,000 automatic teller machines in Quebec. Since the labour dispute began, this work has been done by the bank employees and some 100 managers of the company.

• (1235)

The situation deteriorated at the end of August: Sécure employees vandalized automated banking machines by caulking them with urethane foam. The dispute ended on October 9, 2002. The result was that the labour dispute at Sécure lasted over three months.

In the case of Cargill, since they had been without a labour contract since 1999 and were not able to reach an agreement on the content of the collective agreement, the management and the CSN union stopped negotiating on March 21, 2000. Because of the deadlock in the negotiations with the union, the management at Cargill, a grain company, ordered a lock out on March 28, 2000, at its Baie-Comeau facilities, thus affecting 42 permanent employees.

On April 28, 2003, Cargill accepted the recommendation of the federal Department of Labour mediator on the whole collective agreement and on the back to work agreement at its Baie-Comeau port facilities.

On April 18, 2003, most of the 42 Cargill workers also approved the mediator's recommendation. Finally, after years of negotiations, an agreement was reached. But the fact is that the dispute at Cargill lasted 38 months.

In the case of Radio-Nord Communications, the union members, who represent three television stations, namely TVA, TQS and the CBC, and also two other radio stations in northwest Quebec, remained on strike from October 25, 2002, until August 2004.

This was the second labour dispute in four years, the first one dating back to 1998. Over the past 15 years, Radio-Nord has eliminated close to 50 positions in Abitibi. Since the last labour contract, 10 unionized jobs were abolished, including two positions of journalists.

SECAT, which is the union for communications employees in the Abitibi-Témiscamingue and which is affiliated with the CSN, condemns the centralization of the various management groups in the Outaouais region.

This means that the decisions affecting the various communities in Abitibi-Témiscamingue reflect the happenings in the region less and less. While the union was open to resuming talks, Radio-Nord continued to rely on replacement workers. The result is that the dispute at Radio-Nord Communications lasted over 22 months.

The labour disputes at Radio-Nord Communications and Cargill, and those that dragged on at Vidéotron and Sécure, have several points in common. They are long disputes in areas governed by the federal labour code and where the use of replacement workers is

permitted. I should also point out that the work stoppage at Vidéotron and Sécure led to acts of violence and vandalism.

Violence and vandalism will never be justified and should be condemned outright by workers' representatives. However, the feeling of powerlessness and not seeing an end to the strike or lockout inevitably leads some of them to take illegal and serious steps. It resulted in cut cables at Vidéotron and ATMs stuffed with urethane foam at Sécure.

Under the Canada Labour Code as it stands today labour disputes are longer and tougher, yet Ottawa still refuses to include anti-scab provisions.

Here are a few numbers. 2003 was a record year for the number of lost person-days. It is important to note that this sad record is due for the most part to strikes in companies under federal jurisdiction, which usually last a lot longer.

Indeed, 57% of the total lost person-days in 2003 were at a company under federal jurisdiction, namely Vidéotron.

It is more than ever necessary to ban the hiring of replacement workers during a labour dispute to reduce violence on the picket lines and help reach a fair balance of powers between employers and employees during negotiations.

There is a very broad consensus among various unions on the need to adopt anti-scab legislation.

It is a necessity in today's world because it allows for greater transparency in a labour dispute. This bill would not cost the government anything. The current government interferes in so many files that are not under its constitutional jurisdiction. It should start by assuming the responsibilities that properly belong to it.

I will conclude my short speech by saying that it could be used by our Liberal colleagues across the way as a working paper. It might help them realize how important it would be for the House to pass anti-scab legislation.

• (1240)

This would show the government's interest in workers who are governed by the Canada Labour Code.

We wonder why there is anti-scab legislation in Quebec, when our next door neighbour, which is governed by the Canada Labour Code, is not entitled to these measures. It can be frustrating for someone to see that his work has been taken over by someone else while he is outside, without salary, availing himself of his rights to better working conditions.

This is why unions are with workers. That is the only time that people can stand up and tell the employer that they are unhappy with all the clauses of the collective agreement and that they want to have the right to strike.

They want to tell their employer that they are doing without their salary for a period of time, but that, essentially, they want better working conditions. How do you expect them to have better working conditions if, while they are on strike or locked out, they are being replaced with scabs who do their work?

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I think that, in such a case, the employer is not in a rush to try to solve the conflict. When the union and the employer want to negotiate in good faith, negotiations go on and scabs are always welcome during that period. Frustration sets in and rises as time goes by, while these people are on the sidewalk waiting to go back to their work.

• (1245)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I appreciate the opportunity to add my comments to the remarks by my hon. colleague from the Bloc Québécois. I listened with interest to his passionate portrayal of the rights of free collective bargaining and the rights to organize and ultimately to withhold one's services in the event of an impasse when labour and management are unable to agree on the terms of a collective agreement. It is very fitting that this place should be reminded of those fundamental principles and rights that Canadians enjoy.

The problem we face in the rest of Canada is that we do not enjoy the same labour laws as in the province of Quebec. This has resulted, in my home province of Manitoba, in more days lost to strikes and lockouts and a greater possibility of the incidence of violence on the picket line when frustrations boil over. None of the natural pressures of free collective bargaining and negotiating exist because scabs are at work. Scabs are taking the jobs of the legitimate employees. It ruins the pressures that stem from free collective bargaining when it is working properly.

I would like the hon. member to expand on this. Is it in fact statistically true that in the province of Quebec, because it has anti-scab legislation, there are fewer days lost to strikes and lockouts, and less likelihood of violence on the picket line because it is free collective bargaining working as it should work?

[*Translation*]

Mr. Robert Vincent: Mr. Speaker, I thank the hon. member for his question. The answer is yes. I think I mentioned in my remarks the exact number of days lost under the Canada Labour Code and the Code du travail du Québec.

Between 1992 and 2002, under the Quebec code, 15.9 days were lost. It means that, during this period of time, labour disputes were shorter because there were no replacement workers.

Under the Canada Labour Code, throughout Canada, the average number of days lost to strikes and lockouts was 31.1—95.6% more.

Clearly, strikes and lockouts are much shorter when no replacement workers are used, because the employer's operations come to a halt. He cannot replace his workers.

Naturally, he believes it will be quicker to settle the dispute even at the expense of his company. But at least, there is a fair advantage for both parties, and a consensus, which is good for both, is always reached.

[*English*]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I have a general question for my colleague and, if there is time, perhaps a much more specific one.

As I understand it, we are debating Bill C-23 which would set up legally, if that is the right word, the Department of Human Resources and Skills Development. Bill C-22 is the other side of the coin. Its purpose is to set up the Department of Social Development.

The bill we are discussing today came about as a result of an inquiry by the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. That standing committee unanimously, including members of the Bloc, recommended that the old Department of Human Resources Development Canada be divided.

The committee did not recommend that because it disagreed with what the department was doing but because it felt the department was too large. Its budget was \$60 billion or \$70 billion. Much more significantly, it was too diverse. When the Mulroney government set up HRDC many decades ago, it simply lumped together four or five, maybe even six, federal departments but never brought them together or caused them to focus on the main topics which the old department was intended to do.

Bill C-23 is the unanimous will of the House of Commons. It would set up the new Department of Human Resources and Skills Development which, in my view, would be able to focus better on the issues that are important to my colleague.

The new department would be, in my mind, the department of lifelong learning and training. For example, if a senior citizen needs literacy training, he or she will get it. If a worker needs retraining, the worker will receive that retraining through this much more streamlined department.

My colleague focused on the Minister of Labour. Part of the legislation would establish the ministry of labour which deals with the matters that he is discussing.

I would suggest to my colleague that EI was lost in that great big department, which would be divided now and be much more streamlined. EI was in a department along with Canada pension, caregiver legislation, child care legislation, things like that. EI was simply a part of this great big whole. I would suggest that his Bloc colleagues who recommended that the department be divided were right. Such things will be better handled in this new, much more streamlined department.

It has become clear in the debates on the estimates, which have been going on in committee, that this division has not cost any more money. It is not as though we are adding some great big new department or anything like that. If anything, it will cost less money than the previous and, I would argue, very inefficient department cost.

With better delivery of service and better attention to some of the issues my colleague raised, why is his party opposing the legislation to divide the old federal department when it initially supported it along with the rest of the members of the House of Commons?

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• (1250)

[*Translation*]

Mr. Robert Vincent: Mr. Speaker, I will answer the question this way. I really do not care whether the department is divided in two, three or four. If the government chooses to make two small departments out of one big one, so be it.

What I am saying is that we put forward anti-scab legislation and we would like it to be supported by every party in the House to ensure fairness for all workers across Canada, and not only for those lucky ones living in a province where there is anti-scab legislation. Every worker in Canada should be afforded that protection, whether in Quebec or elsewhere.

It could have been done under the bigger department. I believe people across the way have the necessary resources and competent staff to move on that legislation. By the way, it was put to a vote in the House of Commons and defeated. We are pushing the issue because we believe it is very important to have a fair balance of powers between workers and employers. The situation today is unfair: one person, the employer, decides for all the others, and the workers have no say.

• (1255)

[*English*]

Hon. Peter Adams: Mr. Speaker, I appreciate, as did my colleague from the NDP, the member's interest in this matter and in the anti-strike legislation. I appreciate his knowledge of it and his passion for it.

When he says, "this side of the House" doing something, I would say two things. First, as I said, this legislation has come from a standing committee that unanimously supported the idea of dividing the department. Second, in this day and age, when the two parties over there have finished voting, if they vote against this side, this side is lost. Therefore the power lies on that side.

I would simply repeat that I think he has a better opportunity to get a hearing for his anti-strike legislation under the bill which we are debating today than he did before.

[*Translation*]

Mr. Robert Vincent: Mr. Speaker, I believe Canadians elected people to make decisions. They expect MPs to make enlightened decisions.

That is why I am trying to convince my colleagues on the other side of the House that anti-scab legislation is needed. It would address the unfairness in the current balance of powers between two groups, namely the employers and the workers.

For their constituents' sake, members on that side of the House would be well advised to support a fair balance of powers. When the time comes to put the question to the House, they should all rise and vote in favour of the legislation.

[*English*]

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I am also pleased to participate in the debate on the bill to create the human resources and skills development segment of the whole human resources movement, and the next bill to deal with Social Development Canada.

As a municipal member for a number of years in other places, I found how important it was to understand the very basics of how a community interacts and recognizes its issues and concerns, and how a community in a social development context comes to grips with those issues with other levels of government and the non-profit and non-governmental organizations and sectors. As a result of that, earlier on we had a bill that dealt with closing the accountability loop for the non-profit sector because it is so important as part of community development strategies.

I think members of the House should undergo sort of an apprenticeship with respect to being able to use the tools that will help them do the job with communities in their constituencies. It occurred to me that the apprenticeship would not be complete without serving and participating, to some extent, on the human resources and skills development committee. I had the opportunity to do that. Certainly it is indicative of the deep understanding of the parliamentary secretary who chaired that committee for a number of years on how knowledgeable, conversant and how intimately aware the parliamentary secretary is with respect to community development models.

I am very interested and I think all members of the House share the interest in how HRSD in this bill evolves such that its framework better serves the community.

I think a little history would be helpful. The House will be reminded that last December the Prime Minister announced that Human Resources Development Canada would be reorganized into two departments, Human Resources and Skills Development Canada and Social Development Canada. Since that time we have been working together to ensure Canadians are well-served, while at the same time strengthening Canada's social foundations and building, through the decades of the 21st century, the capacity for communities to self-identify the issues that are important to them such that they become part of the strategy that makes the community strong, the cities and municipalities strong, the provinces strong and our country strong for engaging the global community in a competitive way.

The human resources and skills development act outlines the mandate, which is:

—to improving the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile workforce and an efficient and inclusive labour market.

That is the mission statement. Any of us who have had experience with non-governmental or non-profit organizations, be it whatever organizations that serve the community, know how very important it is to have fundamental truth built in to that sense of mission and to promote in the global context a highly skilled and mobile workforce.

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An efficient and inclusive labour market means that there is not one Canadian, either today or in the future, who should fall through the cracks of our system. Each and every Canadian has to fulfill his or her capabilities and potentialities to become a constructive, involved and committed part of our Canadian mosaic. Nothing is more important to that end than having the skills and tools to do the job and to be able to compete in a fulfilling way in our job markets.

● (1300)

Besides providing a foundation and rationale for the department's programs, the legislation includes a proposed harmonized code governing the disclosure of personal information. It also outlines joint responsibility for shared delivery of services with Social Development Canada. It ensures that the department has all the legal powers and tools it needs to fulfill this new mandate and responsibility.

It is not the intent to start to spill over into the edges of the discussion in Bill C-22, which is dealing with Social Development Canada. In my humble estimation, there has always been, I believe, a shortage of applicable research that is then brought to bear in terms of best practices on the development of the new tools, the skills development programs. As a sidebar comment, it is my hope when we are going to be discussing Bill C-22 that in the continuity or the bridging or the linking between Skills Development Canada, there is that very important component, which is the absolute requirement to link the best available research in terms of models and best practices that work best and then are implemented through the skills development and human resources component.

Let me take a few minutes also to speak about these additional responsibilities and what HRSDC is striving to achieve. First and foremost, Human Resources and Skills Development Canada is an organization that values and cultivates partnerships to accomplish its goals.

I cannot emphasize how important that is, because every member in the chamber can reflect on the best practices that work and work best with high value-added in their communities. They are the initiatives that find partnerships, be it with the unions and the labour components within our constituencies or be it through sector agreements that bring the critical mass of activities together in an integrated way. It is these partnerships with education, community colleges, post-secondary education and institutions that really are the strength of community development models, and the reorganization of the department will recognize that these need to be cultivated within a more strategic framework.

The new department is working with the provincial and territorial governments, the private sector, unions, educational institutions, communities and local organizations to achieve objectives that matter to each and every Canadian, regardless of where they live and whatever their age or their aim, dream or ambition for their lives and families.

HRDC's primary goal, working with a broad range of committed partners, is to help Canadians acquire the skills and learning they need to find productive, meaningful work. The new name sums up the new department's mandate precisely. The term "human resources" acknowledges that the strength of our economy and our quality of life depends on the strength of all Canadians. We are in

fact more than just the sum of our parts. We need, as I have said before, to cultivate, enrich, vitalize and nurture every bit of capacity we have within individuals across this country. Our economy depends absolutely on Canadians' learning and skills and the opportunities they create for themselves and, in doing that, opportunities for others.

● (1305)

This is why the skills development component of the department's name is so crucial to the well-being of Canadians. It behooves us just for a moment to think about skills development, because the term recognizes the most pressing fact of our 21st century economy. Our economy is knowledge based. It is intensely competitive. It is ever-changing with respect to the demands for new and enhanced skills and learning.

In the past, Canadians could rely on 12 years of publicly funded education and then live off that educational investment for the rest of their lives. We can all reflect with respect to our families and our neighbours and their families that Canadians today must continue to learn continuously throughout their lives to keep pace with the evolving technologies and the challenges of labour market demands.

When we refer to the new technologies we are not talking just about the people in skyscrapers moving billions of dollars around the globe in nanoseconds. We are actually talking about the day to day working environments of all Canadians, whether they are employed in fish processing plants, libraries, mines, hospitals or cabinet making shops, the full spectrum of economic activity, of employment and labouring activity that takes place across our country.

Today, every sector of every economy is becoming computerized. There is a vastly different set of skills at play here and a different scope, if we will, to the concept of literacy. If we want a strong, healthy economy and a strong and vibrant nation, we have to stay adaptable and develop these new skills. To say that is to understate the nature of change in our global society with respect to not only those skills that are needed by young people who are entering the workforce, but the skills of people who become redundant to one part or one phase in their working career and need to be retrained to re-enter the workforce.

The government and I believe, and I am sure all members of the House believe, that it is crucial for Canadians to start thinking about skills development and learning as a wonderful attribute that can contribute immeasurably to their jobs, their personal lives and their communities. Skills and learning stimulate the economy, obviously, but give value and a sense of worth to every single individual within the community. This is why it is so important to emphasize in our human resources strategies that the aim is to cultivate the individual and the individual's worth, to give that individual a sense of identity, role, capacity and capability within our various employee sectors.

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We have talked about the term lifelong learning. Within the context, then, of what I have described as the challenges facing our citizens in a global community, lifelong learning surely therefore is the key to good jobs and Canadians' personal security. Their sense of fulfillment has a better chance of actualizing, of actually happening, if we are strategic in terms of developing skills in a community development model with these kinds of partnerships. This is the goal the government is striving for, working in partnership with provincial, territorial and municipal governments, labour, industry, the academic community and the many local associations and organizations dedicated to helping our citizens realize their full potential.

Within five years, 70% of jobs in Canada will require post-secondary education, yet currently too many Canadians drop out of school too early. As a result, today only 41% of our population has post-secondary qualifications.

● (1310)

We have seen various sectors where that is an even a larger anomaly, as it were, with respect to our statistics. We have long been aware that our first nations and aboriginal communities are so important to tapping into the true potential which in turn will contribute to their own self-actualization and in fact to the kind of success we want for our country.

We are facing an enormous challenge as a nation. That is why the Government of Canada has devoted about a quarter of all new federal spending to education and innovation initiatives since first balancing the books in 1997-98. That adds up to more than \$36 billion in spending. These dollars have helped, I would suggest, but we will and we must continue to do more. I would like to highlight some of the department's priorities which support Canadian skills development and lifelong learning.

As hon. members are aware, budget 2004 improved the Canada student loans program; others have spoken about this. We know that this includes a grant of up to \$3,000 for students from low income families to cover a portion of tuition for first year students.

The government is also working on the development of a workplace skills strategy to help Canadians improve their skills in the workplace.

Under the active measures of the employment insurance program, in 2003-04 we helped almost 700,000 Canadians under the employment benefits and support measures of part II of the Employment Insurance Act. That is accomplished in partnership with communities and organizations across the country. I know constituents and I know that all members of the House have met with constituents who are using these opportunities to get back on their feet and achieve personal security for themselves and their families and the sense of well-being that a good job can provide.

Millions of Canadians are helped each year by programs under EI and through our youth employment strategy, YES. YES is a strategy that helps young people aged 15 to 30 get valuable work experience and the skills they need to succeed. It also assists young people who have had particular difficulties in entering the labour market to forge a productive future for themselves. Talking about YES and my experience, there is a group within my constituency and bordering

constituencies which, under the labour sector council, has established in partnership with the unions specific apprenticeship programs that are helping young people.

As the House is aware, literacy also is one of the key foundation skills we need for sustainable employment and for a fulfilling personal community life. Literacy and other essential foundation skills are absolutely important, to be bridged with computer skills, as part of our workplace skills strategy.

To conclude, I know that we all share a common objective as a government, as members of this House and as citizens of this vast country, that is, to help Canadians fulfill their potential so that we can ensure our nation's well-being for generations to come.

● (1315)

For all these reasons, I am pleased to support this legislation. I hope the House will support it. It focuses the mandate of the Department of Human Resources and Skills Development on, among other things, the absolute needs of Canadian workers in the labour market.

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Speaker, I applaud the comments by the hon. member, the efforts of the government in the human resources and skills development initiative. This is a small step, but it is a step in the right direction. On the other hand, there is lots to be done in the human resources and skills development area.

This is triggered by the shortage of skills in our country as well as the brain drain that has been taking place for a period of time. We know that there is brain drain, but there has been little effort by the government to capitalize on brain gain. What I mean by brain gain is the newer immigrants who migrate to Canada, who choose to come to this country to contribute and be meaningful participants.

There are many people who have lots of skills. Their degrees are properly recognized in other countries, but in Canada they are not recognized. I tabled a motion in 1998-99, which was debated in the House. In fact I am the only one who brought this issue to the House at the federal level and initiated the debate about the recognition of foreign academic credentials.

At that time I asked for two things from the government. One was that we need to standardize some sort of post-secondary education within the country. A person may have certain qualifications from one province, but if the person goes to another province, he or she cannot utilize that education. For example, a diploma for dental surgery from another province is not recognized by my province of British Columbia. I asked the government to ask the council of universities to develop a national standard for professional education and thereafter to use that standard in recognizing foreign academic credentials and experience.

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When immigrants come to Canada they bring with them a lot of good education, professional skills and professional experience, but due to our system, which is lacking, those degrees are not recognized. As a result, doctors, engineers, professors and scientists have to work at menial jobs. They drive taxis, do janitorial work or work at gas stations. What happens to their skills they brought with them? Because of a lack of recognition in Canada, those skills are wasted. That is a shame. Both ways we lose; as a nation, we lose, and as new immigrants, they lose.

Ottawa pledged \$50 million for skills development or language skills, I would say. For many years the government has been dancing around this issue. When my motion was opposed by the Liberals, they realized that they made a mistake and they included in the following throne speech a paragraph regarding recognizing foreign academic credentials. Time has passed and there has been no action.

I ask the member, rather than just dancing around the issue, what concrete steps has the government taken in recognizing those professional skills and experience newer immigrants bring to this country?

● (1320)

Mr. Alan Tonks: Mr. Speaker, I certainly congratulate the member on his interest and, in fact, his vision and foresight with respect to this issue. It was a huge opportunity lost if in 1998-99 the wherewithal did exist to look at the whole issue of foreign credentials and to take action which may have alleviated some of the skill shortages that we are suffering in key sectors.

The member's comments become even more graphic and profound when we think that between 2011 and 2016 immigration is expected to account for 100% of Canada's net labour force growth.

It is absolutely important that we maximize the credentials that immigrants bring to this country. We do not want them relegated to doing things they are not trained for and which are not self-fulfilling.

The 2003 budget also invested \$40 million over five years to improve foreign credentials. There was another \$5 million per year committed in the 2004 budget.

Through the foreign credentials program we are working to try and make up for actions that perhaps we should have taken and opportunities lost because we did not act in the past. We are acting now. We are meeting with territorial sector councils and with other partners to accelerate the integration of internationally trained professionals.

I think that is what all Canadians want us to do. Canadians want us to bring into the mainstream of professional and labour life those people with qualifications, such that they can add to the quality of life of all Canadians.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, we finished yesterday at 6.30 p.m. with the Liberal member for West Nova. I would like to go over a few things he mentioned during his speech.

Yesterday, you could have knocked me over with a feather. This is not saying much about the risk of industrial accidents pervading the House. The member for West Nova was bragging about his government's sound management of public finances, as it had

shown a \$45 billion surplus in the employment insurance fund, and I quote:

Now, we cannot talk about a fund, say that this is workers' money and that it is not being given back to them. If we now have a surplus in that program, which has more revenues than expenses, it is because we had a good government.

Incidentally, I would point out that he should use this line with his government. The way he puts it, with more being taken than given back, it is fiscal imbalance. The government will then understand that you have fiscal imbalance when you take more than you give.

The Liberal government is proud to produce a surplus to the detriment of the poorest in our society, even as new entrants into the labour force must complete more hours than others before having access to benefits, which penalizes the poorest and the youngest. Not only that, but seasonal workers are without benefits for about five weeks before going back to work. Also, self-employed people, who account for 16% of the workforce, are uninsurable under this legislation.

If this is not being dishonest toward the public, I wonder what it is. Yet, the Bloc Québécois is proposing concrete solutions to solve these problems. On one hand, we demand that the government reimburse the content of the employment insurance fund over 10 years in order to improve the plan and to ensure a reasonable reserve should there be an economic crisis. On the other hand, the government must establish a separate employment insurance fund to ensure the unemployed have access to benefits and to be more transparent in this accessibility process. We also demand that the maximum benefit period go from 45 to 50 weeks.

Here is my question. How can the member for York South—Weston be proud of his government, which appropriates the \$45 billion to the detriment of workers and employers? How can the Liberals sleep when they are so insensitive toward the victims of this outrageous pillage?

● (1325)

[*English*]

Mr. Alan Tonks: Mr. Speaker, when the Auditor General reviewed, on two occasions since I have been in the House, the use of the employment insurance fund, the Auditor General's criticism was in two basic areas.

One was that there was not an exact accounting out of the fund for the reimbursement back into job training, skills development and related activities. It was an accounting aspect that the Auditor General was putting her finger on. The second thing as I recall was the charge that the government, as a result of that, was taking money and putting it into general revenues and then spending it on a variety of unrelated activities.

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I may be wrong but it is my belief that the government is now acting with respect to the recommendations that were made. If the \$45 billion had been accounted for according to accounting procedures in terms of what amount of that money actually went into employment development and to regional programs that would attempt to deal with regional employment issues, in fact it would have accounted for a great deal of that money.

To answer the other question with respect to reimbursing the fund, I think that what we want to do is get actual value in accounting terms for the money that is being taken in from employers and employees and accounting for that as we reinvest in Canadians. In fact that is the objective of the bill.

[*Translation*]

Mr. Réal Lapierre (Lévis—Bellechasse, BQ): Mr. Speaker, I will be sharing my time with the member for Argenteuil—Papineau—Mirabel.

On December 12, 2003, in keeping with the wishes of the Prime Minister, the Department of Human Resources Development was divided into the Department of Human Resources and Skills Development and the Department of Social Development.

According to the Prime Minister, the justification for this was to strengthen our social foundations. As a result, 14,000 public servants who manage more than \$20 billion, supposedly in order to strengthen the social foundations of Canada, will be mandated to build the economy of the 21st century.

Human Resources and Skills Development will therefore hold a mandate to promote the development of highly skilled workers. As far as I know, however, this is already being done in Quebec and successfully done at that, until there is any evidence to the contrary.

What then lies behind this endless desire of the central government to interfere in areas under provincial jurisdiction, on the pretext of improving Canadians' quality of life, especially when the Employment Insurance mess is obviously not a good advertisement for massive intrusion into an area that would definitely merit being brought into line with the needs of the provinces, the regions of Quebec in particular?

Whether the topic is employment insurance rules, setting up an independent fund, or community housing needs, I can see no need at all to change the rules of the game.

The real issue is this: How is this new approach likely to improve the lot of individuals, when we have not talked at all about correcting the eligibility criteria for the vulnerable people who are EI clients, or about improving the current, inadequate structure?

Bill C-280 introduced by the Bloc Québécois deserves to be adopted, because it establishes the composition of the Employment Insurance Commission. The commission would be far sighted enough to incorporate in its structure representatives of employees and employers appointed by the governor in council, a chairperson appointed by the House of Commons, and vice-chairpersons selected from among the deputy ministers or associate deputy ministers of Human Resources Development Canada.

The second part of Bill C-23 deals with the appointment of a Minister of Labour and all his powers, duties and functions, all for

the purpose of improving the standard of living and quality of life of Canadians by promoting, among other things, a highly skilled and mobile workforce, and reinforcing the social foundations of Canada.

How, then, can we explain the government's stubborn opposition to passing an anti-strike-breaker law in the past, the bill now reintroduced by one of our hon. members as Bill C-263? Logically, Bills C-23 and C-263 should be considered together if we want to improve the quality of life of working people.

As for manpower development, the Government of Quebec has no lessons to learn from Ottawa, especially since the four client groups that escaped its grip in 1997—young people, people with disabilities, immigrants and older workers—are not receiving the attention they need for their freedom.

As for the section of the bill dedicated to the national homelessness initiative, whose purpose is to establish support mechanisms for the homeless, especially to help them settle and prevent other people at risk from joining their ranks, the proposed federal initiative itself has no permanence, which is clearly a necessity under the circumstances.

Needless to say, in my riding like in any riding with an inner city, social housing and homelessness are major problems. That is why the proposed measures will have to take into account this new dynamic. Both in terms of approach and funding, we will be expecting long-term solutions, and not ad hoc programs like the ones we are unfortunately seeing all too often these days.

● (1330)

There is nothing in this bill guaranteeing anything substantive to promote housing development in order to make housing more accessible and in particular to ensure that it not take up too much of the tenants' monthly budget. As for measures to improve the employment insurance program, efforts must be made particularly to ensure that they are geared toward helping the target clientele made up of young people, people with disabilities, seasonal workers and older workers who all too often face the sudden closure of their places of work.

It must be recognized once and for all that the solution is not always to question existing programs, be they federal or provincial, but rather to ensure that programs complement one another and respect the jurisdictions of each level of government. If as much energy was put into bringing each existing program, regardless of its origin, in line with the others as is put into claiming paternity for programs, this would go a long way toward facilitating the well-being of all citizens.

In a nutshell, there is nothing in this legislation to ensure a better world in terms of industrial relations, employment insurance and social housing, given that the funding for acceptable solutions is not provided. In this bill as in many others, one of the problems may be insufficient reliance on the available human potential because, in many cases, administrative constraints hinder creativity.

• (1335)

[English]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I listened to my colleague with great interest. I would like to ask him the question that I have asked one or two of his colleagues.

We are discussing legislation which would establish the new Department of Human Resources and Skills Development. Under Bill C-22, we will be discussing the establishment of the new Department of Social Development. The division of the old department of HRDC was recommended unanimously by the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities.

We are discussing the unanimous will of the House of Commons, including the Bloc. The standing committee, that considered the legislation at the time, felt that the department, which had been set up by the Mulroney government and consisted of four or five old federal departments, was too large. Its budget was well over \$60 billion. Much more importantly, it was much too diverse. The Canada pension plan, employment insurance, literacy, child care, and a whole variety of things were brought together in that department in such a way that it was difficult to manage them all. The House of Commons as a whole agreed that the old department should be split and we should establish two new departments.

We have been debating the establishment of one of these two new departments for two days. As I mentioned earlier, this division has not cost any money. It will not cost more money to run the two departments than it did to run the huge, previous single department.

I know my colleague is interested in these things. Given the fact that the Bloc supported the division of that department, why is it that he and his party are not going to support this legislation? This new department will deliver services to the unemployed in a much more effective way than before. It will deliver literacy programs to children, immigrants, seniors, and older workers, and deliver those services in a much more efficient way. Why is it that the Bloc, having supported the division of the department, is so adamant now that it will not support Bill C-23?

• (1340)

[Translation]

Mr. Réal Lapierre: Mr. Speaker, to answer my colleague's question, I will say that what we mostly want is to ensure that the funds allocated to the improvement of the quality of life of our fellow citizens are shared fairly and above all be brought back under the authority of the Government of Quebec.

In the course of my last interventions, I have had opportunities to allude, in particular, to the closing of factories in my riding or in the neighbouring riding. We end up with a shipyard, for example, where the majority of workers are more than 50 years old. In the neighbouring riding, there is a factory where, the majority of the 600 workers were more than 50 years old.

We had thus to ensure that social measures were really implemented, through specific programs, to ensure that those people could enjoy, for however many years, a certain quality of life. In short, if there is disagreement, it is not so much over the principle as

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the fact that there are already services, within each level of government, likely to help all those who face specific problems.

In the case of Quebec, we want the money, because we are able to manage it better. Indeed, we are better aware of the regional problems in Quebec. You must always look at what is going on. To be frank, let me tell you that, in my riding there is practically no such thing as seasonal unemployment. This means...

The Acting Speaker (Mr. Marcel Proulx): I am sorry to interrupt the member. The member for Argenteuil—Papineau—Mirabel.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I am pleased to address Bill C-23, an act to establish the Department of Human Resources and Skills Development. We must all keep in mind that, in order to know where we are headed, we must know where we are coming from. It is also important to understand where the employment insurance program in Canada comes from. Let us never forget that employment insurance is a social measure. Under the Constitution of 1867, that responsibility was given to the provinces. This was the reality then.

In 1940, the provinces and the federal government agreed to transfer the unemployment insurance program to the federal government. Why did this take place in 1940? It was the beginning of World War II and we had just gone through the 1929 Great Depression. So, the decision to give to the federal government the responsibility for unemployment insurance was made by all the partners under the Constitution.

Of course, over the years, things got a little messy, because the federal government wanted to throw its weight around and go further than what had been negotiated in 1940, which involved only unemployment insurance. This is why we are now debating this issue and why the Bloc Québécois is being asked why it is so dead set against the establishment of two new departments. In fact, the responsibility given to the federal government in 1940 has become a huge snowball that will never stop rolling, for the simple reason that, politically speaking, Ottawa is finding it profitable to invest in all kinds of jurisdictions that do not belong to it. This is where we have a problem.

Indeed, Bill C-23 mentions all the activities that these two new separate departments of Human Resources and Skills Development could perform. These include areas such as employment programs, the workplace, learning, the homeless and the redistribution of benefits in all these sectors. This is where we say "Wait a minute: except for employment insurance, the other jurisdictions or initiatives mentioned in the bill come under the provinces".

Some might ask us why we are acting like the great defenders of the provinces' interests. Actually, it is because provinces are closer to the real life issues the public faces. The simple truth is that the better service can only be provided by the level of government which is closer to the public. So, the Quebec government is closer to the interests of Quebecers. Moreover, this is all in accordance with the various jurisdictions which were established in the Constitution of 1867.

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This needs to be constantly explained because, too often, Liberal members centralize and are absolutely bent on getting good press or on investing in jurisdictions they do not possess. Obviously, that is the fight we are waging. In addition, the worthiest fight has to do with the jurisdiction that was granted to the federal government in 1940, namely unemployment insurance, which has become employment insurance. Instead of splitting this department and trying to achieve a better distribution of the enormous work load that this department has taken on above and beyond the jurisdictions that were set in 1940, we should look for ways to improve the employment insurance system. This all the Bloc and all its members in this House are asking for.

I know that my colleagues have been doing so ever since the Bloc Québécois arrived here in this House, that is, in 1993. It is a fact that the government is making money at the expense of the workers as far as employment insurance is concerned. Since 1996, the federal government has not put one red cent into it. The funds come from contributions by employers and workers, which are making the fund bigger.

The federal government of course tells us there is no fund. It is absolutely right. It has done away with it. So these contributions merely go into the coffers of the government and are used for other purposes. Other purposes have been created in response to numerous criticisms. This is why the Department of Human Resources has become so large and why it is getting involved in so many things that are not its responsibility. In fact, with a surplus of \$3 billion or \$4 billion, an average of \$3.5 billion from the EI fund since 1996, it has decided to invest in such areas of learning, work, homelessness and back to work programs.

• (1345)

All of these are provincial jurisdictions. All it needed to do, if it wanted to administer properly, and this was the advice the government was given, was to create an independent fund administered in large part by employer and employee representatives. They would be better placed to decide what an EI system ought to be like.

In fact, quite simply, as its name suggests, it is insurance paid into by employees and employers. It is likely the only insurance program where contributors do not have a word to say about it. The federal government is the one to decide what it is going to do with the premiums it collects, and it has decided to invest them in things other than improvements to the program.

I do not want to hear how the program is not in particular need of improvement. We know that, in sectors like forestry, agriculture and tourism, work is seasonal, not the worker but the work. It is not the fault of the people in these areas, who work for three, four, five or six months a year, that they have no work, it is the nature of the sector. It operates when it is profitable, when it will make money. Often in forestry, agriculture or tourism, the weather is the determining factor.

That is why all the members of the Bloc Québécois, the men and women who represent Quebecers, were prepared to improve this system. We have tabled bills. My learned colleagues, critics for various issues, have tabled bills to amend the employment insurance system.

What the Liberal government is proposing is not changes or improvements to the employment insurance system. It is proposing to change the departments. I understand that.

I had a chance to go through the directory of federal agencies. The Department of Human Resources and Skills Development has more than a dozen separate sections each with its own internal auditor. Just imagine. When you read the directory, you notice that each section of this department has an internal auditor and yet they find a way, year in year out, to be reprimanded by the auditor general.

In other words, the department has become so big that they want to split it up. The problem is that there are too many programs to manage. Why is that? It is because the federal Liberal government has made too much money and has given this department so many new responsibilities that it now wants to divide the department in two. It will probably be easier to monitor it that way.

It is very difficult to manage. Earlier I heard the Liberal member tell us that people agreed. Yes, we agree and we understand. The department has become so big that it has to be divided in two to make two even bigger snowballs. That is what will happen if we do not stop them.

That is why the Bloc Québécois is here to say, and to make the Liberal members realize, that they have to stop. The departments they are in the process of creating, Human Resources and Skills Development, have jurisdictions that do not belong them. These jurisdictions belong to the provinces, as stipulated in the Constitution Act, 1867.

From the outset I have been saying that we have to look to our history if we want to know where we are headed. This department was created by a single agreement in 1940. It had only one responsibility and that was to manage unemployment insurance at the time. Today we have a bill to divide the department in two because it has become too big with too many responsibilities that do not belong to it.

Listen to the Bloc Québécois for once. Give money to the provinces, give up some of your responsibilities and there will be enough of a department left to manage employment insurance, which should thereby be improved for seasonal workers.

• (1350)

[English]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I know the members of the Bloc are very interested in the Canada-Quebec labour market agreement. The federal government and the Government of Quebec are interested in the labour market development agreement mechanism.

The Government of Quebec has submitted expenses under the Canada-Quebec labour market agreement for workplace based training for employed workers. This is the first formal request to use the employment insurance part II funds to help employers train employed people. Officials of both governments are having discussions aimed at clarifying admissible expenses for workplace training for employed workers.

We are committed to support eligible unemployed persons through employment insurance part II. Annual funding for Quebec has increased considerably since 1996. It was \$427 million in 1996-97. In the last year it is almost \$600 million. This is particularly notable when over the same period of time, unemployment rates have fallen substantially, from 11.9% in 1996 to 7.2% in June of this year, as has the province of Quebec social assistant client caseload.

In 2004-05 Quebec will again receive \$596 million under employment insurance part II. Does the member not think we are debating the formation of a new streamlined department which will focus more effectively on the problems of the unemployed? Why is his party not supporting the development of a better mechanism to deliver funds of this magnitude?

[Translation]

Mr. Mario Laframboise: Mr. Speaker, first I thank my Liberal colleague for his question. This will give me the opportunity to speak about a certain sector.

He gave the example of transfer in the workplace. As a matter of fact, the Quebec government created local employment centres. It is true that there was an agreement with the federal government, but it is the Quebec government that manages this sector, while the federal government gives it a cheque.

This is a very good example. He should go on and use the example that he just gave to show that this is done in Quebec and was done at the time of the Parti Québécois government, in cooperation with the Government of Canada. It shows that we are not always quarrelling with the federal government. However, each one respected its jurisdictions.

What I am saying to my colleague is that, if the government had done so in all the areas of jurisdiction mentioned in this bill, it would not have to divide the department in two to create two big snowballs. Instead, it would only approve funds and transfer them to the provinces, which could provide the service to the public in the best way possible.

•(1355)

[English]

Hon. Peter Adams: Mr. Speaker, I have been here all day, and I understand the interest and concern of Bloc members for the unemployed, I understand their concern that people, who are in transition between jobs or who are at the end of their career too early, be served as well as is humanly possible. I am less sympathetic to some of their arguments, but I understand their concerns about jurisdiction.

I favour lifelong learning and it is a matter for every Canadian. Education is the jurisdiction of the provinces and territories. However, one of the roles of the federal government is to encourage the best practices in lifelong learning across the country. I do not see a federal government moving in and taking over from Quebec any jurisdiction of lifelong learning.

I understand the member's concerns. We are debating a specific bill, Bill C-23 on the creation of this new department, which I believe will be more effective in delivering the federal government's roles in these various areas. There is no change in jurisdiction. The new department is taking over part of the jurisdiction of the

programs of the old department, which the House unanimously agreed was too large and too diverse.

Given that there is no change in jurisdiction and given there is no greater infringement in jurisdiction in the new department than there was in the old, why is the Bloc opposing this legislation? In committee the Bloc members unanimously supported it, and the House of Commons recommended the division of the old department.

[Translation]

Mr. Mario Laframboise: Mr. Speaker, I would need a lot of time to reply to the hon. member's question and to set him straight as some would say.

However, I will simply use one example to explain why we are opposed. I will just give the example of the proposed employment insurance commission in the bill.

Bloc Québécois members have always been clear in this House. They have been clear since 1993. They are asking that the employment insurance fund be put in the hands of employers' and employees' representatives.

Once again, the government is proposing an employment insurance commission, which would consist of four commissioners appointed by the federal government, when it should be the employees' and employers' representatives who appoint their respective commissioners. Why? Because since 1996, the federal government has not invested one penny in the fund. Of course, the problem is that it will not let the fund be managed by those who contribute to it; instead, it manages it and it keeps the money.

* * *

[English]

AUDITOR GENERAL'S REPORT

The Speaker: I have the honour to lay upon the table the report of the Auditor General of Canada for the year 2004.

[Translation]

Pursuant to Standing Order 108(3)(g), this report is deemed to have been permanently referred to the Standing Committee on Public Accounts.

STATEMENTS BY MEMBERS

•(1400)

[English]

HAR RANJIT SINGH KALKAT

Mr. Lynn Myers (Kitchener—Wilmot—Wellesley—Woolwich, Lib.): Mr. Speaker, I am pleased to inform all members in the House that Lieutenant General H.R.S. Kalkat of India is visiting Canada and is in Ottawa. He and his wife are visiting their daughter who is a Canadian citizen.

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Prior to his retirement, General Kalkat was the top general in charge of the eastern command in India. He is known for his expertise in mountain warfare and exceptional organizational skills. He is a veteran of the 1971 Indo-Pakistan war. General Kalkat is a graduate of the Defence Service Staff College and the National Defence College, and holds a post-graduate degree in military service. He also served as the military, naval and air adviser of the south Pacific region and was posted to Australia from 1982-86.

I ask all hon. members to welcome Lieutenant General H.R.S. Kalkat to Canada. He is a distinguished soldier, diplomat and citizen of India.

* * *

ALBERTA

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I congratulate Premier Ralph Klein and his Conservative team on their 10th consecutive win in Alberta.

I would especially like to congratulate Doug Griffiths, LeRoy Johnson, the hon. Shirley McClellan, Richard Marz, Ray Prins, George Rogers, Lyle Oberg and Carol Haley for their resounding victories which are a direct testimony of the dedication and hard work of their campaigns, and also their hard work as incumbent MLAs.

Yesterday the people of Alberta also democratically elected three people to represent them in the Senate. We now encourage the Prime Minister to do the right thing and appoint these three deserving candidates to the Senate.

Because the Conservative Party of Canada wholeheartedly agrees with other Albertans, we too want an effective, elected and equally represented Senate. Unfortunately, despite the rhetoric about the democratic deficit, we are not confident the Prime Minister agrees. For all his talk about democratic reform, there appears to be very little action. Hopefully, this will change with this Alberta Senate election.

* * *

MINING INDUSTRY

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, mineral exploration is the lifeblood of the Canadian mining industry. Over the last 25 years, the systematic decline in reserves provides clear evidence of the need for a more competitive environment to stimulate greater exploration and development.

In October 2000 the Liberal government introduced the investment tax credit for exploration in Canada. The estimated \$1 billion raised by the program has had a significant impact in the economic prosperity of rural and northern regions.

In Sudbury there have been several successful discoveries by junior mineral exploration companies financed through this program: two by FNX Mining and Dynatec Corporation joint venture and one by Wallbridge Mining.

Today, being Mining Day on the Hill, I call upon the government to continue with this program and give assurances to Canadians living in rural and northern regions that they too can enjoy the

benefits of a good paying job while living in some of the most beautiful areas of this great country.

* * *

[Translation]

UNIVERSITÉ LAVAL

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, Université Laval has added a new jewel to its crown. It has just received a prestigious award from the Association of Universities and Colleges of Canada, the Scotiabank-AUCC Award for Excellence in Internationalization.

This latest honour recognizes its excellence in providing students with experience in developing countries while earning credits towards their degrees through Le stage international et interculturel.

After three years in existence, Laval's program has established 22 partnerships in 11 developing countries. So far, 137 students have benefited from this program, and have helped their host countries reap over \$215,000 in spin-offs and services.

Congratulations to Laval, a university with its roots in the riding of Louis-Hébert and an international reputation that is the pride of all Quebecers.

* * *

[English]

FIRE SAFETY

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I am pleased today to introduce members to an organization called Staying Alive Inc. Staying Alive is a non profit, volunteer driven program that promotes fire safety education for children. It is a Winnipeg based initiative started by Shane Ferguson, a local firefighter.

Shane started the program after a terrible house fire cost the life a young girl who decided to hide under the bed to escape the smoke. The family had working smoke alarms in the home but no home escape plan that the child could follow.

Shane and a group of 100 dedicated volunteers have developed an interactive CD-ROM called *The Great Escape*. It helps children learn what to do at home when the smoke alarm sounds. Staying Alive is now in the process of developing a curriculum so that *The Great Escape* can be taught in every primary school in Canada.

Congratulations to Shane, Dan Choy, Mitch Dorge and Jeff Derraugh, and the many others for creating such a worthwhile and most important lifesaving program.

•(1405)

THE ENVIRONMENT

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Speaker, 30 years ago the Government of Canada said no to the transport of tankers through Head Harbour Passage to a proposed oil refinery in Eastport, Maine, U.S.A. The government of the day took the strong position to protect Canada's environment by refusing the passage of tankers through internal Canadian waters, the only route possible. The project died.

Today a similar project is being considered in the United States. This time it is a liquefied natural gas project. Canada has everything to lose and nothing to gain from this proposal.

I urge the Government of Canada to once again stand up and protect our citizens and our environment, and say no to the transport of LNG tankers through Head Harbour Passage.

* * *

WELLAND CANAL

Hon. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, on November 30 the Niagara region will celebrate William Hamilton Meritt Day and the 175th anniversary of the Welland Canal.

Every year approximately 3,000 ocean and lake vessels carry 40 million tonnes of cargo. Ships move up and down the Niagara Escarpment through the brilliant, yet simple, engineering feat of utilizing an abundant water source and the earth's gravity.

In 1824 William Hamilton Meritt, the great-great-grandfather of St. Catharines' current mayor, Tim Rigby, had a vision for his community: to link Lake Ontario and Lake Erie for the purpose of trade. This canal would bypass Niagara Falls and would provide a more reliable water supply for the saw and gristmills along Twelve Mile Creek. Construction began on November 24, 1824, and it was officially opened in 1829. The canal generated a shipbuilding industry which bolstered the local economy and saw three additional canals built between 1842 and 1932.

I am sure that all members will join me in wishing the Welland Canal Committee a happy 175th anniversary. May it bring another 175 years of prosperity to the Niagara region.

* * *

[*Translation*]

CANADA LABOUR CODE

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the Minister of Labour recently announced the creation of a federal commission that would consider reforms to the Canada Labour Code.

On behalf of all the employees in the federal public service and those governed by the Canada Labour Code, I ask that the agenda of this commission include workplace psychological harassment. The Liberal government should amend the Canada Labour Code so that justice can be done for all those whose professional life is a kind of hell.

Quebec has leading edge legislation on this and the federal government should take action against this scourge as well.

S. O. 31

It is estimated that some 30% of federal public servants are currently suffering from some form of psychological harassment. Therefore, I ask the minister to listen to them and to amend the Canada Labour Code to make psychological harassment a thing of the past. It is a matter of health and dignity.

* * *

[*English*]

HIV-AIDS

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, this government believes that all Canadians deserve respect and dignity, including those suffering from AIDS. Clearly, this is not the case with the alliance Conservatives who have once again shown their true colours.

Today we learn that the member for Okanagan—Coquihalla sent a note to his caucus colleagues implying that Palestinian leader Yasser Arafat's family and supporters did not deserve the expression of their sympathy because of allegations that he may have died of AIDS.

This is the latest in a long history of discrimination that the member has shown toward people suffering from AIDS. Previously, he has gone so far as to claim that AIDS was God's warning or punishment to homosexuals and demanded that the Alberta government spend—

Some hon. members: Oh, oh!

The Speaker: Order. The hon. member for Parkdale—High Park knows that we cannot use Standing Order 31 statements to attack other MPs. I am afraid that in going on the way she is, that is what is happening. I think we better ease that one up.

We will go to the hon. member for Okanagan—Coquihalla, who is next on the list.

* * *

TRANS FATS

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, today NDP members are asking us to vote to protect Canadians, especially children.

Are they voting today to support our motion to protect children from exploitation of pedophiles by raising the age of consent from 14 to 16? No. Are they joining us to close Liberal loopholes in the kiddie porn law? No. Are they voting against Liberal legislation which makes marijuana more accessible? No. They figure marijuana is not bad for our health.

S. O. 31

What evil would they ban? Why, it is none other than the malicious trans fats which presently lurk on Tim Hortons shelves, in cracker boxes in grocery stores, and in grandma's Christmas baking. Trans fats do affect cholesterol levels. But the NDP's usual approach to massive government intervention in our lives will assault the entire food industry, food costs, and all exports and imports. It is not a thoughtful way to address the issue.

Are they suggesting the system of labelling and education we have for riskier products, like tobacco and alcohol? No. Do they abstain from trans fats themselves? No. I watch them at coffee breaks, inhaling cookies and doughnuts faster than anyone. This is not the road to better health.

* * *

● (1410)

CHILDREN

Hon. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, November 20 marked Universal Children's Day.

This year's theme, "A Canada Fit for Children", celebrated Canada's commitment to children. It highlighted the Canadian government's agenda and the national plan of action for children in Canada. It is a plan of action consisting of creating a Canada and a world fit for children, supporting families and strengthening communities, protecting the children and promoting education and learning.

[Translation]

I am pleased to mention today the Maison Buissonnière in my riding of Ahuntsic. This centre works with children and their parents every day. It is a place where children from birth to age 4, accompanied by an adult, learn through play to socialize, get to know other children and adults, and interact in a group.

We must never forget that children are our most precious treasure and that every child has the right to happiness.

[English]

My hope is that through the efforts of all members of this House we can meet our commitment to assure a better future for our children.

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UKRAINE

Hon. Ed Broadbent (Ottawa Centre, NDP): Mr. Speaker, the people of Ukraine are committed to a path of democratic reform.

However, we now have reports from neutral international monitors, including Canadians, stating that Sunday's election was neither fair nor transparent. The problems cited by observers include voter harassment, intimidation, biased television coverage by state owned stations, vote rigging and ballot box switching.

Despite this intimidation, exit polls show that opposition candidate Viktor Yuschenko was winning the election. However, the final so-called results placed Prime Minister Viktor Yanukovich as the winner.

Canada must condemn this election and join with the majority of the Ukrainian people in continuing to work for democratic reform in that country.

* * *

PROSTATE CANCER

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, yesterday I had the opportunity to host a breakfast forum with the Canadian Prostate Cancer Research Initiative where the important issues of public awareness and prevention of prostate cancer were discussed. We were joined by a number of prostate cancer survivors, supporters and doctors, including Don Harron and Max Keeping, as well as members of this House committed to doing more in the area.

On average, four Canadian men will be diagnosed with prostate cancer every two hours and one will die from it. Over 19,000 men were diagnosed with this illness this year alone. Research is of critical importance in reducing mortality from this form of cancer. The most important preventive measure every man can take is to get a PSA blood test done and to follow a healthy diet.

I salute Darryl Ruston of Stellarton and Jack Brill of Halifax for their tremendous efforts in raising awareness of the need for prostate testing and increased research and resources. Sadly in 2004, Health Canada cut the funding saying that no more research in this area was necessary.

I ask all my male colleagues in the House to get tested. It could save their life. I ask my female colleagues to tell their loved ones to get tested as well.

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[Translation]

RICHARD DESJARDINS

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, one of Quebec's artists from Abitibi—Témiscamingue, Richard Desjardins, recently received three Félix awards at the ADISQ gala.

Now the Académie Charles Cros, a French institution made up of experts in music, culture, media and sound recording, has just awarded him the Grand Prix de la Francophonie.

Richard Desjardins was selected for this award for his poetic texts and also for his tenderness, passion and heartfelt commitment.

Richard Desjardins is a talented musician, author, composer, singer songwriter and socially committed citizen active in defending the causes he believes in.

The Bloc Québécois congratulates this great poet from Abitibi—Témiscamingue on his successes.

Oral Questions

•(1415)
[English]

HOUSING

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, the Prime Minister says he is not looking forward to another bitter winter in his cold, drafty home at 24 Sussex Drive. Well, welcome to the real world of our on base military families.

By introducing petitions signed by supportive Canadians from coast to coast, I have raised their deplorable living conditions 17 times in this Parliament to no avail. To draw an appropriate comparison, I would like to quote from a letter that appeared in Saturday's *Ottawa Sun*:

—perhaps Mrs. Martin would like to try doing dishes in my kitchen during the winter when you need socks, slippers and thermal underwear to protect yourself from the draft coming through the walls—

Or maybe she would like to have to de-ice her children's curtains or blinds before she opens them in the morning because somehow during the night they have iced themselves to the windows.

Now let's not forget the water-based paint which chips off the oil-based paint which chips off the lead-based paint—

The letter was signed by Michelle Edwards of Petawawa.

And I bet the Prime Minister's rent does not go up every year either. Oh, I forgot, he does not pay any rent.

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FAMILY PHYSICIANS

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, this is family doctor week, during which the College of Family Physicians of Canada also celebrates its 50th anniversary. Therefore, it is with considerable emotion that I rise to pay tribute to a special group of physicians, the backbone of the medical profession: family doctors.

Family physicians are the first contact with most patients when they are ill, tying together multiple and often seemingly unrelated symptoms and signs to make a diagnosis. They are there from the moment of a patient's birth to the time of death and all that lies between, knowing that the milestones in a life are the chance foundations upon which illness or health is built.

A good family physician is a constant in a patient's life, counselling, preventing, treating, supporting, guarding the sacred trust of the relationship and considering first and always the well-being of the patient. As a family doctor for almost 23 years, my patients have allowed me to share their joys and pain, their disappointments and celebrations. Today, on behalf of all family physicians, I thank them for that great privilege.

ORAL QUESTION PERIOD

[English]

THE SENATE

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, yesterday hundreds of thousands of Albertans went to the polls to exercise their democratic right to choose their own representatives, in this case for the Senate. They are tired of the

Prime Minister's excuses. Even the member for Edmonton—Mill Woods—Beaumont does not buy the Prime Minister's position on this issue.

Will Mr. Democratic Deficit finally agree to put Alberta's elected people in the Senate as he promised the Premier of Alberta?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the Prime Minister has made it plain, as have others of us on the government side, that we are indeed committed to Senate reform. However, we are not going to accept piecemeal Senate reforms that ultimately would disadvantage provinces like mine, the province of Alberta.

The provinces have created a new body called the Council of the Federation. The Prime Minister and I have both suggested that the Council of the Federation might be a very useful vehicle for the provinces to begin shared work on the complete reform, meaningful reform, of the Senate.

* * *

CITIZENSHIP AND IMMIGRATION

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, this is a con job. Albertans see through it and more Canadians are going to see through it every day.

The immigration minister's indiscretions grow daily. Today we learn that she has been divulging confidential information on immigration files in order to save her career. In addition to information she has released in the House, she apparently has directed staff to discuss the stripper case with various members of this chamber.

This is completely improper. Will the minister do the honourable thing and resign?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I had the opportunity to say yesterday, this matter has been referred to the Ethics Commissioner. I think it is important to let the Ethics Commissioner do his work. The Ethics Commissioner will in fact report. The minister has agreed that the report will be made public.

I would ask the hon. members opposite not to prejudge the work of the Ethics Commissioner. He is after all an independent officer of the House. We should wait and permit him to do his work and to report.

•(1420)

Hon. Stephen Harper (Leader of the Opposition, CPC): Actually, Mr. Speaker, the Deputy Prime Minister is wrong. This particular question that I just asked has not been raised with the Ethics Commissioner. It is that disclosing information files publicly is contrary to the Privacy Act.

Will the Deputy Prime Minister ask the minister to resign, or is the government incapable of acting while the Prime Minister trots around the globe?

Oral Questions

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, again members on that side of the House make assertions, make allegations and they have little regard, dare I say, for the truth or for people's reputations.

As I have said before, as the minister has said, the Ethics Commissioner is looking into many of the assertions and allegations made by that side of the House. In fact, it is the hon. member, the minister herself, who has asked the Ethics Commissioner to take up this review. It is the hon. member herself who has said that whatever he finds, whatever he reports, should be made public.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, that is not factually correct either. It was a request from the opposition that actually broadened the scope to allow the Ethics Commissioner to take a full view of this.

[Translation]

Under the direction of the minister, a case I had myself brought attention to in August was investigated. The minister now takes the liberty of disclosing confidential information relating to this file as well as to her own files. This is contrary to the Privacy Act.

If the minister did not obtain the prior consent of those concerned, she ought to resign on the spot. Will she?

[English]

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as I indicated yesterday, I have asked the Ethics Commissioner to look into this case. The opposition has asked the Ethics Commissioner to look into that case. I will clearly wait. Let us let him do his job. He is very competent. He is independent. Let him do his job. That is what he gets paid to do. I look forward to his results, and the sooner the better.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, the real concern is how the minister has been doing her job. The minister's efforts now to deflect the attention away from her own actions have resulted in the release of information that was deemed confidential.

We now know that her staff had discussions with the hon. member for Winnipeg Centre and disclosed confidential information. In releasing this on immigration files for political cover, the minister may be breaching the Privacy Act and jeopardizing the applicant's privacy, so I ask her again. Will she resign before more immigration files are compromised by her actions?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me assure the House that respect of the Privacy Act is very important. I do not believe that we should be throwing people's names, like the opposition has clearly done in the last week, throwing innocent people's names, former staff, and bandying them around as if they were nothing. Uninformed allegations should not be allowed to be thrown around unless one has some respect here and I intend to respect the issues of the Privacy Act and do my job.

[Translation]

AGRICULTURE AND AGRI-FOOD

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, Quebec producers, and dairy producers in particular, are losing a great deal of money on their cull and are asking the federal government to cooperate with the Quebec government in setting a floor price for cull cows.

Why is the Minister of Agriculture reluctant to intervene in setting a floor price when this is a matter of interprovincial trade, which is his responsibility?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the information contained in the question is incorrect. It is a policy of the Canadian government to assist producers in Quebec.

[English]

Quite frankly we are working very closely with the province of Quebec and with the producers in Quebec to find the necessary way of assisting them. There have been many suggestions about how to go about doing it and we are examining all of them.

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, the problem with the minister is that, while he is examining suggestions, for the past 18 months, the dairy producers in Quebec have been losing the shirts off their backs because the minister refuses to understand.

I am asking him today to set a floor price for cull cows. That is not demanding anything of him, except goodwill. Why is the minister reluctant to help producers in Quebec and to accede to the request of Quebec's agriculture minister? All it takes is a little goodwill.

• (1425)

[English]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Again, Mr. Speaker, the hon. member simply is not correct. We have provided over \$366 million to producers in Quebec under our business risk management.

In addition to that, the essential difficulty is that there is not an opportunity for Quebec producers to sell their cull cows in a competitive environment. One of the things we did on September 10 was to provide an initiative that would allow for the creation of increased slaughter capacity, including in the province of Quebec. This is the long term, permanent solution to the issue facing producers.

[Translation]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, Quebec producers who raise cull cows are dependent on a single slaughterhouse serving all of eastern Canada, which sets prices and might start looking elsewhere if a floor price is set only by the Government of Quebec.

Does the minister recognize this is a possibility? Does this not prove to him that his intervention is necessary, since this is a matter under his jurisdiction and he cannot remain indifferent?

*Oral Questions**[English]*

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am quite glad that the agriculture critic for the Bloc has informed the House leader of exactly what the issue is, and it is slaughter capacity. As she pointed out, the difficulty is that there is only one source or one place that the cull cows can go to, so an initiative that will allow for the creation of additional capacity and allow for a competitive environment for that capacity is the long term solution to that issue.

[Translation]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, other provinces were prepared to give Quebec's agriculture minister their consent to cooperate in setting a floor price for cull cows.

Since Quebec is clearly prepared to act and other provinces are prepared to cooperate, what is the minister waiting for to show not only an interest in this issue but also a firm desire to act and, in so doing, to help the producers?

[English]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, it is exactly that strong will that has resulted in the investments that have been made in Quebec. Exactly that strong will is why we are fully engaged with the province of Quebec and the minister of agriculture for the province of Quebec. It is why we have been meeting with producers in Quebec, including meetings today that have been happening with the UPA, to discuss the range of options that are available in order to do even more than what we have already done.

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GOVERNMENT CONTRACTS

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, there are very serious questions raised by the Auditor General's report here today on the Prime Minister's family company.

The House asked for the whole truth and it did not get the whole truth. Companies were excluded, whole departments were excluded, and port authorities were excluded, the very place where one would expect a shipping magnate to deal with the government. Why did the government not tell the whole truth about the Prime Minister's company?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, in February 2004 the government introduced measures to improve the process by which order paper questions were answered. The government then asked the Auditor General to review the effectiveness of these changes and provide any recommendations that she thought necessary. She did so. She provided eight of those recommendations. In fact, I would just quote; this morning and later this afternoon, I believe, the Auditor General in reference to this response said that the response was "as good as it can be".

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, that was selective quoting from a document. The Auditor General said that the PCO directed public works to exclude certain contracts specifically involving the Prime Minister's company. Why did the minister not quote that in his answer?

A government concerned about the whole truth would not do that kind of thing. A prime minister concerned about ethics would have provided the information.

Why did the Prime Minister not review the information about his own company before it was revealed to the public?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, on behalf of the government, I would like to thank the Auditor General for her work. She and her staff do invaluable work in helping us consistently work toward improving the Government of Canada.

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CITIZENSHIP AND IMMIGRATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, today there are new concerns about the immigration minister's ethical judgment. The member for Winnipeg Centre has revealed further private details relating to Alina Balaican's fast-track permit from the minister.

I can advise the House that the minister's director of parliamentary affairs called my office on November 17 and asked whether we needed more information about this case.

Why did the minister authorize her staff to play fast and loose with Canada's privacy laws?

● (1430)

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I can assure the House that I do not play fast and loose with anything, never mind the law, especially when we get into the Privacy Act.

I have told the hon. member to let the Ethics Commissioner do his job. He has a job to do. I very much look forward to his getting back with a response as soon as possible.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the minister's staff called my office and offered to give us private information about this case. I do not think we need the Ethics Commissioner to tell us any more than that.

The minister has repeatedly told this House that she is not able to comment on particular cases and yet behind the scenes her respect for Canada's privacy laws evaporates. Does the government condone the minister's violations of the Privacy Act or will she be asked to resign?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, let me make this very clear. If in fact the hon. member has a concern or an assertion that she wishes to make in relation to a matter of privacy, I suggest that she take that matter up with the appropriate officer of Parliament, and that is the Privacy Commissioner.

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, it is clear that the Minister of Citizenship and Immigration is breaking Canada's privacy laws. The minister's office leaked personal and confidential information about an individual without the written consent of the individual.

Oral Questions

This is disgraceful and a gross violation of privacy rights. Can the minister tell us when she will do the honourable thing and step down?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I have just said, if in fact there is some assertion or allegation being made by the other side in relation to any member of this government regarding aspects of the Privacy Act or privacy of information, I would suggest that the appropriate place to have that allegation or assertion dealt with would be with the Privacy Commissioner and her office.

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, the minister is dodging this like the Prime Minister, but unfortunately for her, she has to stay in town.

We have also learned that an unauthorized person in the minister's election office discussed personal and confidential information with ministry staff, which is also a clear violation of privacy laws.

The minister keeps striking out, stifling taxpayers with campaign expenses, leaking confidential information and allowing unauthorized individuals to handle personal and confidential information. When will the minister do the honourable thing and step down?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as the Deputy Prime Minister indicated, if the member has any information on that the member can go to see the Privacy Commissioner. But let me tell you, Mr. Speaker, to have to continue to listen to these allegations all of the time, bandied around, all based on whatever the newspaper stories of the day are, I think is totally unacceptable and it is nothing more than trying to play cheap political tricks.

* * *

[Translation]

POVERTY

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the economy is doing relatively well, yet the number of children living in poverty is increasing. The federal government's policies, particularly in the areas of employment insurance and social housing, contribute directly to the impoverishment of a segment of the population. If there are children living in poverty, it is because there are parents living in poverty.

Can the government not see that its decisions on social issues are taking it far from its solemn commitment to eliminate child poverty by the year 2000, and that these same choices explain why, 11 years later, the plight of children, far from improving, is deteriorating again?

[English]

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, as the hon. member knows, the rate of child poverty is certainly an unacceptable one. We have worked on it. The state of the economy in the last number of years has helped. The child tax benefit has helped. The national child benefit has helped. We hope that the national early learning and child care initiative will also help, but we also need to do better.

• (1435)

[Translation]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, making parents poorer only makes children poorer. The fact that the number of children living in poverty is increasing should not come as a surprise, considering that the government has implemented all kinds of restrictive measures, particularly with respect to employment insurance and social housing.

Will the government agree that, if there are more children living in poverty, it is simply because there are parents who are getting poorer because of its destructive policies?

[English]

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, as I mentioned to the hon. member, it is something that is an unacceptable number. It is something we need to do better at and we will continue to look to find ways of doing better.

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[Translation]

AUDITOR GENERAL'S REPORT

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, the Auditor General is concerned about the federal government's rather undemocratic practices in many areas, including the fact that it continues to dip into the employment insurance fund against the will of parliamentarians, the fact that its programs do not allow aboriginals to have access to post-secondary education and participate in the democratic process, and the fact that it does not provide proper answers to questions put to it by parliamentarians.

Can the Prime Minister reiterate, without blinking, that he is concerned by the democratic deficit, after such a damning report by the Auditor General?

[English]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, as I said earlier, we wish to thank the Auditor General and her staff and, frankly, all of the public servants who are working so hard to address these issues. We use the words "continuous improvement" because there will always be challenges and we will always respond.

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, what is more worrisome is that the human resources and sponsorship scandals did not serve as lessons. Internal audit committees in the various departments do not have the resources and independence necessary to fulfill their responsibilities and, in this context, another sponsorship scandal remains a distinct possibility.

How can the President of the Treasury Board explain his department's carelessness, after the fine promises made by the Prime Minister to solve this problem?

[English]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, perhaps the best answer would be to use the words of the Auditor General herself:

Another unintended consequence of audit reports is that while they present findings on specific programs or issues, those findings are sometimes generalized as applying to the government as a whole. This could serve to diminish the trust Canadians have in the government and the public service.

That would be unfortunate.

I ask the member to get his facts straight.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, yesterday in the House the President of the Treasury Board stood and said that ministers during an election campaign were allowed to take one ministerial staff to assist during the campaign. Records indicate now that the Minister of Citizenship and Immigration had not one but three ministerial staff in the minister's riding during the campaign, all charged back to the taxpayer.

Would the President of the Treasury Board not agree that this was a clear violation by the immigration minister with respect to the election laws?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, those allegations are outrageous. The member should get his facts very clear.

The government took the unprecedented step of posting expenses of ministerial and political staff on the Internet. We are posting every one of those items as clear and proficient, and has been approved by the comptroller. All expenses are in accordance with all guidelines. That is how we work on this side of the House.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, I am not denying that the expenses were posted. That is how we found out about this information.

Let us take one example of the minister's former chief of staff. Every week during the election, the minister would fly her former chief of staff to her riding on the weekends. Then he would fly back on Monday, with one exception. On election day, the former chief of staff stayed an extra night because, as we all know, no campaign worker can resist a good election night party.

Will you agree that this was a clear violation of electoral rules—

The Speaker: No, I will not. The hon. member has to address his questions to the Chair. The hon. Minister of Citizenship and Immigration.

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let us use some common sense here. The member knows darn well these get posted on the Internet.

Given the fact that these issues do get posted on the Internet, does the member think that we will post something that is not consistent with the Treasury Board guidelines, all the guidelines that all of us as ministers and as members of Parliament have to operate under?

* * *

• (1440)

GOVERNMENT CONTRACTS

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, today the Auditor General tried to clarify the largest clerical error in Canadian history: why the government failed to report over \$160

Oral Questions

million in grants and contracts to the Prime Minister's shipping company, Canada Steamship Lines. We learned today that even this figure is not correct. In fact it is at least \$170 million now and it does not include any contracts with the port authorities or with Canada Post.

When will the government finally come clean on how much taxpayer money the Prime Minister's shipping company has received?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am not sure whether the hon. member has read the same report that I have. What the Auditor General in fact has said is that this response is as complete as reasonably possible, that it is as good as it gets.

The opposition can be expected to say what it is saying. I will take my cue from the Auditor General. She has provided some further recommendations, recommendations which we fully support and will implement.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, the Auditor General said that it was at least \$10 million off and she also said in her report that it did not include the port authorities or Canada Post. Therefore, it could be higher than \$170 million.

In addition to the numbers being way off base, the Auditor General also pointed out that two companies had been omitted from the Prime Minister's 2002 public declaration of assets. One of these companies, Lansdowne Technologies, received over \$20 million taxpayer dollars.

Why did the Prime Minister sign a false declaration of assets? How can Canadians trust anything the Prime Minister says?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, again, the rhetoric is at fever pitch. With respect to the \$10 million loan guarantee, the Auditor General noted in her report that this was a loan guarantee made by the last Conservative government, the friends of my friends across the way. A majority share of Canarctic Shipping Company Ltd. was owned by the government. Furthermore, the loan guarantee was never exercised at all, so no money was ever paid out.

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HIV-AIDS

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, we all know that the best predictor of future behaviour is past behaviour. Media reports today again raise fundamental questions with respect to the Conservative Party's lack of empathy for human suffering caused by HIV-AIDS. Although the Conservatives are desperately trying to re-brand themselves as more moderate, once again Canadians get a real look at their views from a prominent member of that party.

My question is for the Minister of International Cooperation. Could the minister please tell us what the government and what we on this side of the House have done to demonstrate empathy for this important cause while dealing with—

Oral Questions

The Speaker: The Minister of International Cooperation.

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, this is a very timely question. Just this morning the United Nations released its report that showed the terrible progression of this crisis. Almost 40 million people are now living with AIDS, and the toll on women is horrific.

In Africa fully 76% of young people with the disease are women. On this side of the House we are committed to leading the fight against AIDS. We provided \$100 million to the World Health 3 by 5 initiative. The leader of World Health, Dr. Lee, told us that the Canadian lead is a historic—

The Speaker: The hon. member for Halifax.

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ABORIGINAL AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, today the Auditor General once again condemned the Liberal government's empty words toward Canada's aboriginal people, specifically on post-secondary education. According to the Auditor General, the glacial speed of Liberal commitment to aboriginal people will result in the education gap between aboriginal and non-aboriginal students being closed in 28 years.

Why must our first nations wait 28 years for education equality?

•(1445)

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I would like to thank the Auditor General for the report. She is correct in her assertion that the gap between aboriginal and non-aboriginal Canadians in educational achievement is too great.

That sentiment has been expressed by the Prime Minister, and that is why we called the round table in April. Education is one of the areas we are looking at strategically to do better on that gap. The government is committed to that, and I thank the Auditor General for bringing it to the attention of the nation.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, is that why the government is now talking about taxing the education benefit for aboriginal students?

In her scathing report, the Auditor General reminded us today that the education gap was already highlighted four years ago. Yet, since 2000, the do nothing Liberal government has made no meaningful progress. Education is absolutely key to meaningful equality, yet we have seen four more years of second class status and a growing gap for first nations students.

Why is aboriginal equality always the subject of rhetoric, which we heard again this afternoon, but never—

The Speaker: The hon. Minister of Indian Affairs and Northern Development.

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, special education within the system is just one area that has been identified by many aboriginal leaders. For first nations, we have identified an additional \$273 million to

respond to those issues, as identified by the communities themselves. That has happened just in the last two years.

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NATIONAL DEFENCE

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, the Auditor General reports that due to bureaucratic bungling in the defence department, the air crew training simulator for CF-18 fighter aircraft did not receive approval on time and is seriously behind schedule. This means that operational CF-18s have to be used as trainers, costing the forces tens of millions of dollars and reducing the life expectancy of the CF-18 fleet by two or three years.

Will the minister explain why large defence projects continue to be mismanaged in his department?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I know the hon. member follows these questions closely. When he reads the Auditor General's report, I think he will agree with me that she is saying there were problems in this, as there are in all large contracts, but that the air force, in the course of the modernization of CF-18s, worked closely to overcome those problems. Ultimately, as I read the Auditor General's report, it is extremely complimentary of the air force's efforts to overcome normal problems in the procurement, and it has done a very good job. That is exactly what she said.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, the Auditor General reports there will not be enough pilots and technicians to support the CF-18 fleet. This means that \$2 billion is being spent without the assurance that the forces will have the ability to fly the improved aircraft. It is hard for me to believe that there are not enough people in Canada who want to be fighter pilots or aircraft technicians.

Will the minister explain why he cannot solve the recruiting and training problem to ensure that taxpayer money is not wasted?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I can assure the hon. member that I was at Cold Lake recently. I met with the colonel responsible for the program and for Cold Lake. It is an extraordinary unit. I suggest to all hon. members, if they have a chance to go to Alberta, to visit Cold Lake. They will hear from Colonel Sullivan about the successes of the fleet.

Of course there were problems of recruiting. Of course there are problems with training. There is in any organization. However, the air force is overcoming those problems. It is doing a damn good job, and we should be very proud of it.

*Oral Questions***HEALTH**

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, the government has no compassion. Apparently it takes a minority parliament for the Liberals to even think about changing their policies. It would not have taken us six years to compensate the victims of hepatitis C due to government negligence.

The minister said yesterday that opening the discussions was the right and responsible thing to do. Why was it not the right and responsible thing to do six years ago? Why, after punishing the tainted blood victims for six years, has the government decided to cave in and do the right thing now?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, all Canadians would agree this is a very difficult issue that deals with serious injury to Canadians across the country. It is important we recognize that we are doing the right thing. The class members from pre-1986 and post-1990 asked us to look at the issue. There is a potential actuarial surplus. We have given the mandate to the lawyers to look at all options that are available on this very serious issue so compensation can be provided to those who deserve it.

• (1450)

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, those are hollow words. There is nothing that the minister can say to take back all the lives lost, and the suffering the victims of tainted blood have endured over the last six years. This scandal is a perfect example of the number one Liberal Party policy: politics before people. Liberals care more about their political futures than about people suffering with hepatitis C from tainted blood.

When will the minister, on behalf of the Liberal Party, apologize to the victims? Do the right thing and apologize.

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, this side of the House is doing the right and responsible thing. I want that member to begin to tell the truth in the House. He said yesterday that the government did not do anything “while the government racked up huge profits from the interest on the hepatitis C compensation fund”. That fund is in the possession of the courts and the interest accrues to the fund.

* * *

[Translation]

INTERNATIONAL TRADE

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, when the Prime Minister talked with President Bush in Chile about trade disputes, particularly softwood lumber, did he obtain any assurance that the U. S. government would not again appeal the NAFTA ruling, a final ruling, and would immediately restore free trade in softwood lumber?

[English]

Hon. Mark Eyking (Parliamentary Secretary to the Minister of International Trade (Emerging Markets), Lib.): Mr. Speaker, 200,000 people rely on the softwood lumber industry. Sales are worth \$11 billion. We are aware that a bill has been put forward. It is against U.S. trade law and the Bush administration is also against it. We will continue to push hard to get every dollar of the \$3 billion that was collected wrongfully from our producers.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, if I understand the parliamentary secretary's answer, the Prime Minister has not succeeded in getting a promise as simple as abiding by a final ruling from the NAFTA tribunal.

When the American president comes to visit on November 30, how does the parliamentary secretary plan to push for a resolution of the trade disputes that we have with the Americans, not only softwood lumber, but beef and pork as well?

[English]

Hon. Mark Eyking (Parliamentary Secretary to the Minister of International Trade (Emerging Markets), Lib.): Mr. Speaker, we are very proud that the President is coming to Canada. He made good signs on the beef issue and we look forward to better signs on softwood lumber. We will welcome the President, and look forward to dialogue.

* * *

[Translation]

RAIL TRANSPORTATION

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, VIA Rail passengers are fed up with riding in lemons. Like the submarines, these were one of Jean Pelletier's bargains that has gone seriously wrong. Yet the adventure started off well, with visits to chateaux among pleasant company, side trips to Switzerland and Italy to check if the trains were running on time.

When will the Minister of Transport stop his speculation on CP property and concentrate on VIA Rail trains?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I am in fact concentrating on the future of VIA Rail, which is why, within the next few weeks, we will be appointing a chairman of the board and a CEO. A business plan will then be forthcoming, and we will be able to share it with our colleagues.

The future of VIA Rail is important to us, of course. That is why we are in the process of seeking out the best person to direct this major company.

* * *

[English]

UKRAINE

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, Canadian MPs and other international monitors are reporting widespread and disturbing abuse that took place in the Ukrainian electoral process. Yesterday I asked sincerely, but to no avail, if the Prime Minister had joined other leaders in expressing concern to the Ukrainian administration that disturbing instability will result in that particular area if democracy is suffocating.

Oral Questions

I will ask my question again. Has the Prime Minister himself actually expressed his concern on behalf of the democratic process in the Ukraine, and if he has not, when will he do that?

• (1455)

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to tell the House that the Prime Minister has done just that. I also want to assure every member in the House of Commons, as we have delegations from the House there now, that we share the grave concerns about the voting procedure and, of course, the way in which it was counted.

We cannot ignore the plight of Ukrainians today and this country takes this unanimously in a way that is very serious.

* * *

JUSTICE

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, yesterday a coalition of approximately 30 animal use industries wrote the justice minister and asked him to reintroduce former Bill C-22 to improve animal cruelty provisions within the Criminal Code. I understand that animal welfare groups and animal industry groups are now united in wanting to see this bill reintroduced and passed as soon as possible.

Will the Minister of Justice reintroduce the bill in the House without material alterations, other than to address traditional aboriginal hunting and fishing practices, at the earliest possible opportunity?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, this is an important bill. It had the support of animal industry groups, animal welfare groups and all stakeholders when it died on the order paper. It is a priority for the government. We intend to reintroduce the bill as soon as reasonably possible without substantial changes, except for those that relate to hunting and other practices of the aboriginal people.

* * *

EMPLOYMENT INSURANCE

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, the Auditor General has once again called the government onto the carpet for ripping off the EI fund. The government overcharge last year alone was \$42 billion, bringing the total to \$46 billion.

Is the minister not just a little ashamed that "...the government has not observed the intent of the Employment Insurance Act?"

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member ought to know that the EI account has been consolidated with the books of Canada since 1986 on the advice of the auditor general at the time. This means that the annual premium revenue and program costs in a given year directly affect the government's bottom line in that year.

The hon. member should also know that the government has reduced the EI premium rate in every year since 1994 from a high of \$3.07 to \$1.98 in 2004.

THE TERRITORIES

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, yesterday the Prime Minister said that the territories were one stage below the provinces, and he mused that he had plans to turn the territories into provinces.

This is another example of the Prime Minister's lack of long term vision and of the disregard the government has shown to Premier Handley and Premier Okalik. They have been waiting for over a year for a plan from the federal government on having a share in their resource revenues and having power over their economic futures.

Is the finance minister waiting for the territories to become provinces before he treats them seriously?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, that is an amazing assertion for the hon. member to make. The Prime Minister has met with the premiers of the three territories on a number of occasions. We are very responsive to their concerns around devolution and are working with them closely in relation to the whole devolution process.

In addition to that, it was this Prime Minister who put in place the northern strategy, and my colleague, the minister responsible for Indian affairs, along with my colleague, the minister responsible for northern development, are working with their territorial—

The Speaker: The hon. member for Saint-Lambert.

* * *

[*Translation*]

CULTURAL DIVERSITY

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, while UNESCO is drafting a convention on cultural diversity, the WTO is working on a draft agreement on the liberalization of services, which could potentially include culture. The Department of Canadian Heritage has presented Canada's position and this position is quite vague, to say the least.

Can the Minister of Canadian Heritage explain why Canada's position is still so nebulous when discussions on this matter are so advanced at both UNESCO and the WTO?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, unfortunately, I must reject my hon. colleague's premise. Our position and our response to the draft agreement is that we want a convention that is legally applicable, protects culture and ensures that each country can have a policy on culture and regulations to protect their culture. That is the objective.

• (1500)

[English]

HEALTH

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, today a group of advocates from the Best Medicines Coalition, representing AIDS patients, pharmacists, seniors and others, are here in Ottawa to once again impress upon the Minister of Health to address the issue of Internet pharmacies.

Now that the minister has consulted with his provincial counterparts, what concrete steps is he prepared to announce to the House in this regard?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, this is a serious issue of the adequate supply and safety of drugs for Canadians and we are continuing to monitor the issue. We believe there are no shortages at this time. However we are looking at all options to deal with the issue.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, media reports note that Citizenship and Immigration Canada's exotic dancer program has seen a dramatic increase in the number of Romanian women who apply to work temporarily in this field in Canada.

In the past, the department has stepped up enforcement measures with regard to this particular program due to the concerns about the exploitation of the workers involved.

Could the minister outline what measures are being taken to ensure that workers admitted under this program are not part of the global trafficking of women, that their rights as workers are being respected and that they are not subject to exploitation while in Canada?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I can assure the member that any time we talk about exploitation of women or trafficking in women, these are things we take very seriously. We make sure that all of us at this end of the House are doing our jobs and moving forward in making sure that we are protecting the women in this country.

* * *

[Translation]

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in our gallery of Mr. Max Binder, President of the National Council of the Swiss Confederation.

Some hon. members: Hear, hear!

[English]

The Speaker: I would also like to draw to the attention of hon. members the presence in the gallery of Mr. Flemming Hansen, Minister for Transport for the Kingdom of Denmark.

Some hon. members: Hear, hear!

Speaker's Ruling

[Translation]

The Speaker: I also wish to acknowledge the presence in our gallery of the Right Honourable Roméo LeBlanc, the 25th Governor General of Canada.

Some hon. members: Hear, hear!

* * *

[English]

POINTS OF ORDER

STATEMENTS BY MEMBERS

Hon. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, during the statements by members you ruled my S. O. 31 out of order.

I want to unequivocally state that my statement was never intended to be a personal attack on a specific member but, rather, was calling into question the position taken by a member that was reported in the media.

Footnote 38 on page 363 of Marleau and Montpetit states:

In a 1990 ruling, Speaker Fraser clarified that a statement about another Member's political position would be acceptable, but a personal attack against a Member would not be allowed.

Again, I in no way intended for my statement to be interpreted as a personal attack, but if the hon. member felt personally attacked, I sincerely apologize.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, I appreciate the member addressing this. What further needs to be added for the record is that the comments she made were utterly unfounded. There are no references at all to any quotations of my position because in fact that never was, never has been and never ever will be a position of mine. Therefore it is not a question of if I was offended. However I appreciate the member taking the first step to address that issue.

The Speaker: I thank both hon. members for their cooperation in this matter.

* * *

[Translation]

PRIVILEGE

ADVERTISEMENT BY A FORMER MEMBER OF PARLIAMENT—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised on Monday, November 22, 2004, by the hon. member for Montmorency-Charlevoix-Haute-Côte-Nord, concerning a misleading advertisement by a former member of Parliament.

In raising his question of privilege, the hon. member for Montmorency-Charlevoix-Haute-Côte-Nord stated that a booklet distributed to his office on November 12, 2004, contains an advertisement in which Mr. Serge Marcil is pictured and described as the member of Parliament for Beauharnois—Salaberry. The advertisement also includes the addresses for the former offices of Mr. Marcil on Parliament Hill and in the riding. As hon. members will know, Mr. Marcil was the member for Beauharnois—Salaberry during the 37th Parliament, but was not returned in the June election.

*Government Orders**[English]*

The hon. member for Montmorency—Charlevoix—Haute-Côte-Nord compared the current case to the case raised in the House on April 25, 1985, in which Andrew Witer complained of an advertisement by the former member for Parkdale—High Park in which the former member, Jesse Flis, was represented as still being the sitting member for that riding.

That case is set out in detail in *House of Commons Procedure and Practice*, page 87, note 173.

• (1505)

[Translation]

I have examined the advertisement complained of by the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord, and it is clear that his report of the facts of the matter is accurate. How this error occurred is not for your Speaker to judge.

I find that the advertisement, in representing someone as a sitting member of this House who is not in fact a member, constitutes a prima facie breach of the privileges of the House, and I invite the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord to move his motion.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I move the following motion:

That the question of privilege regarding the usurpation of the title of member of Parliament by Mr. Serge Marcil be referred to the Standing Committee on Procedure and House Affairs.

At this point, I do not know whether I need to indicate who the seconder of this motion is.

The Speaker: May the hon. member indicate who seconded the motion?

Some hon. members: Agreed.

Mr. Michel Guimond: It is the current member of Parliament for Beauharnois—Salaberry.

The Speaker: Does the House consent to adopt the motion without debate?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

DEPARTMENT OF HUMAN RESOURCES AND SKILLS DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C-23, An Act to establish the Department of Human Resources and Skills Development and to amend and repeal certain related Acts, be read the second time and referred to a committee.

Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am pleased to speak today in support of Bill C-23, which

seeks to create the Department of Human Resources and Skills Development.

As members know, legislation is required to formalize changes of the former Department of Human Resources Development announced by the Prime Minister in December 2003. It is important to underline that these changes were made through a series of orders in council pursuant to an act of Parliament which is known as the Public Service Rearrangement and Transfer of Duties Act.

The bill gives the new Department of Human Resources and Skills Development all of the legal powers and tools needed to fulfill its mandate. The mandate of the new department is to help Canadians acquire the skills they need to find productive and meaningful work, because we all know the best security to unemployment is a job. That is why HRSD is at work in communities across this country.

The department has helped more than 667,500 Canadians in 2003-04 through active measures under the EI Act. We are assisting unemployed Canadians to reintegrate into the workforce. We also help young people under the youth employment strategy to gain work experience, continue their education or enter the workforce.

Through HRSDC alone, during the year 2003-04 over 74,000 young Canadians found employment or returned to school as a result of the youth employment strategy. Each year the Government of Canada's youth employment strategy invests approximately \$400 million to ensure that Canada's youth can participate and succeed in today's challenging labour market.

The youth employment strategy targets young people between the ages of 15 and 30 inclusive, and offers three focused programs: first, skills link; second, summer work experience; and third, career focus.

Through the youth employment strategy the Government of Canada is ensuring that Canada has a highly qualified and skilled labour force to meet the job market needs of today and tomorrow.

Yesterday some members were interested in knowing what this new department means for Canadians. I would like to take a moment to talk about one program under the youth employment strategy. It is called the skills link program. Skills link targets youth facing barriers to employment to ensure they gain the employability skills and work experience they need to succeed in the labour force. Youth facing barriers include single parents, aboriginal youth, youth with disabilities, new immigrants, youth in rural and remote areas and high school drop-outs.

Local HRSD offices offer a client centred approach to meet the individual needs of youth over longer periods of time. These include services that support youth in developing basic employment skills and develop individual action plans to enable the young people to work on a series of activities that are tailored to meet their individual employment needs and career goals.

Government Orders

Youth participants in the skills link program work on their action plan until they find and keep a job or return to school to improve their skills or qualifications. Many investments are paying off. The youth unemployment rate has decreased almost four points since 1993 to 13.4% in October and youth employment rose by 10,000 jobs in October.

In addition to youth programs, the Department of Human Resources and Skills Development supports organizations that support our citizens, developing the most effective route for productive employment through learning and acquiring literacy and other essential skills so necessary in all occupations.

Whether it is through the Canada education savings grant, the Canada student loans program, the proposed Canada learning bond or contributions to literacy, the government is supporting children and their families in realizing their learning goals.

HRSD also supports families in another way, by funding projects that support family literacy. Literacy and essential skills, such as an ability to work in teams, are the building blocks for lifelong learning and career development.

We have also improved the Canada student loans program, providing a new grant of up to \$3,000 for students from low income families to cover some of the tuition of first year students.

• (1510)

Learning also needs to occur in and around the workplace. This explains why we are working with the provinces and territories, business, unions, workers generally and sector councils, to develop a workplace skills strategy.

The strategy focuses on adult workers and how we can improve their opportunities to enhance their skills for an ever changing workplace. Under the workplace skills strategy we would like to build a highly skilled and resilient workforce, build a productive labour market, and respond to employers' needs.

In the last budget we announced \$25 million over the next three years to help replace outdated equipment for trades training in union-employer training centres. Budget 2004 committed a further \$5 million per year over four years to sector councils to better integrate skilled immigrants into the Canadian labour market. This builds on the total of \$40 million over five years announced in the 2003 budget to help create a foreign credential recognition program.

HRSD is spearheading this program by working with the provinces and territories, licensing and regulatory bodies, professional associations and other stakeholders. Our goal is to build a strong labour market where all human resources are taken into account and where everyone can acquire the skills they need to find productive, meaningful work. HRSD is leading the way.

These are a few examples of the tangible programs and initiatives that Canadians can experience through the Department of Human Resources and Skills Development.

Bill C-23 is good legislation that ensures Canadians of all ages can benefit from increased opportunities to participate in our labour force. Accordingly, I think it is very important that the House support Bill C-23 to help us reach the goals of making sure that our

labour market force is developed as quickly as possible to the highest skill level that we possibly can and with the most efficiency in our government plan.

• (1515)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, our party supports the bill in principle as long as there is adequate consultation. We think it is absolutely essential that there be broad based full consultations on the implications of this legislation.

I would like to take this opportunity to talk about the fact that this is an opportunity for us to examine the Employment Insurance Act and the impact it has had on Canadian society. Since the major changes happened in the Employment Insurance Act, we have seen a significant number of Canadians no longer covered by the Act.

For example, one of the key measures of protection is the percentage of unemployed workers who actually receive employment insurance. We have discovered a precipitous decline since 1990. In 1990, 74% of unemployed people actually received employment insurance. By the year 2001, only 39% of those unemployed were actually eligible.

There has been a significant number of changes to the Employment Insurance Act that have adversely impacted on Canadians' ability to take advantage of this social safety net. One of the more significant facts is that EI has more than tripled the minimum number of qualifying hours. It further reduced the length of the benefit period and quadrupled the number of weeks to qualify for thousands of part time workers. This meant a substantial erosion in the safety net for Canadians.

This is an opportunity for the department to take a look at implementing gender based analysis. The 1996 changes in the Employment Insurance Act have seriously impacted on women's ability to collect from the fund. For example, many women workers are either part time or seasonal workers and a substantial number of them no longer qualify for employment insurance.

Unemployed women are much less likely to qualify for EI benefits than men. The jobs of women are more precarious and insecure than those of men, and the level of precarious employment has increased in the 1990s. About 62% of working women were either full time permanent employees or full time self-employed employees compared to 73% of men. This decline has meant that women are less able to qualify for employment insurance.

In 2001 just 33% of women who were unemployed received regular benefits compared to 44% of men. One major reason has been the large increase in qualifying work requirements for part time workers. In addition, a significant number of women are now seeking self-employment. This means they do not qualify for employment insurance at all. This is best explained by the difficulty of finding paid employment rather than self-employment.

Government Orders

Gender based analysis is voluntary right now across departments. This would be a good time for the government to implement this in this particular department while it is doing this housekeeping. Gender based analysis would examine the full impact of these kinds of policies on women and children.

Today we heard in the House that there has been a rise in the poverty level of families with children and employment insurance directly plays into it. Another factor that can be considered with the employment insurance surplus is an opportunity to proactively invest in training. What we know from a variety of sources, including the Conference Board of Canada and the government's own reports, is that we are facing critical skill shortages over the next 10 to 15 years, not only as the baby boomers retire, but as we have new entrants in the workforce. We are seeing critical skill shortages in many areas, including the trades.

In reviewing this bill, we would look for a proactive approach to increase trades and skills investment in Canada. We need funds to address communities in transition. My community of Nanaimo—Cowichan has been adversely affected by a number of factors, including softwood lumber, BSE and fishing. We would like to see a proactive, responsible approach in supporting workers and their families when their communities are facing significant transitions due to changes in the workforce.

We need a comprehensive industrial policy that looks at many aspects which include, social, environmental and economic issues. This industrial policy would look at building long term community capacity and would foster the integration of economic, social and environmental issues in all aspects of how we look at economic development.

This is more commonly known as community economic development. There is a role for human resources in this aspect. Individual and community self-reliance, through collaborative action, capacity building and returning control of business enterprises, capital, labour and other resources to the community, is an essential part in a healthy and vibrant community.

There are many tools for community economic development which can be looked at through the employment insurance surplus. These include significant investments in small business, supporting capacity building so that people know how to increase and grow businesses in their community, and looking at import replacement in communities which talks about investment in our communities.

● (1520)

We need targeted, long term policies that promote and support our domestic economy. These include funding things like important job creation. These are policies that would require input from our communities and our provincial governments so that we have policies that are developed and that actually support initiatives that are grown in communities.

Again, I come back to softwood lumber. The softwood community adjustment is a good example of a policy that was developed without significant input from communities, and as a result does not meet community and worker needs.

We could also institute and support things like community development corporations, downtown development authorities, and

loan funds. We need to walk the talk, and this includes things like government procurement, campaigns on buying local, and taxing the polluters to ensure that we are investing in things that we think are important in the environment.

Skills and training are important factors in community economic development, and we not only need to look at small business training but also at training for the future. This includes things like our apprenticeship programs. Right now, we are seeing an erosion of apprenticeship programs in some of our provinces, including British Columbia. In British Columbia we are seeing that some of our apprenticeship training programs are being divided and conquered so that we are not going to have things like interprovincial transfers possible.

We need to grow green business, and we can provide tax incentives and energy conservation initiatives that would support that.

Another aspect that the employment insurance fund could look at is supporting many of our rural economies. Right now, the definition of a rural economy is less than 50,000 people, yet we know many of our communities are far less than 50,000 and they get lost in policy development. When we are talking about a rural economy of only 1,000 people, a policy that is made for 50,000 just does not suit. Many of these smaller communities are losing out to these larger communities in their support and development.

One of the things that we need to do is reclaim our communities and grow our economies without sacrificing our livability. The revamping of this legislation is an opportunity to have a much broader labour market context and labour market policies that support the long term viability of our communities. I would urge the government and the committee to take a look at this.

● (1525)

Hon. Gurbax Malhi (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I am pleased to speak in support of Bill C-23, an act to create the Department of Human Resources and Skills Development. I am also happy to hear from yesterday's debate on Bill C-23 that there is wide support for this bill among political parties.

As we move forward in the 21st century, Canada will require a more highly skilled workforce. The new economy calls for highly skilled and adaptable workers who not only embrace change but drive change. In short, we have to, as the government has done, be ahead of the curve when addressing current and emerging labour force needs.

Countries that succeed in the knowledge based economy will be those in which all citizens can realize their full potential and contribute to overall productivity and competitiveness. This is integral to the mandate of the Department of Human Resources and Skills Development and why I support this bill.

Government Orders

Today I would like to talk about the foreign credential program of the Government of Canada and its importance to the workplace skills strategy.

We know that promoting human capital development is critical for Canada to sustain a high standard of living. We also know that immigration is essential to Canada's continued social and economic growth, labour market development and success in the global economy.

Given that between 2011 and 2016 immigration is expected to account for 100% of Canada's net labour force growth, it is all the more important that the Government of Canada doubles its efforts to attract, select and integrate skilled immigrants so that they can maximize their potential and fully contribute to Canada. In short, Canada's success depends on how well we develop, and apply the skills and talents of all Canadians so that no one is left behind.

As part of this effort, and indeed my responsibilities as Parliamentary Secretary to the Minister of Human Resources and Skills Development, we are working as a team across the federal government and with stakeholders to meet our objectives, so that all Canadians have the opportunity to develop their skills and succeed.

These partnerships are an extremely important part of accelerating the recognition of foreign credentials and previous work experience of skilled workers. Governments cannot do it alone. We must depend on the cooperation of regulated professional bodies, trades, non-regulated professions, employers, business leaders, employees and employee groups, associations, and the not for profit sector; in short, all Canadians.

In the coming weeks, I will have the opportunity to discuss these issues with groups across the country. I look forward to working with immigrant serving organizations and other stakeholders to further identify the challenges faced by new Canadians and immigrant communities.

Through the federal government's foreign credential recognition program, we are working with the provinces and territories, sector councils, and other partners to accelerate the integration of internationally trained professionals. We are focusing our initial efforts on some key occupations experiencing skills issues, namely, engineers, physicians and nurses.

Our objectives are in the short term to: increase the understanding, consensus and commitment on issues and potential solutions related to foreign credential recognition; increase the knowledge of what works in developing a Pan-Canadian process to foreign credential recognition; and enhance the national coordination of partnership activities with regard to foreign credential recognition.

The government has provided this leadership. The 2003 and 2004 federal budgets pledged a total of \$68 million over six years to support the attraction and integration of skilled immigrants into the Canadian labour market.

We are putting the collective efforts of several departments in the federal government to work on issues related to FCR and immigrant labour market integration. The Minister of HRSD, the Minister of Citizenship and Immigration and departmental officials have been

working tirelessly with 11 other federal departments on an action plan.

With regard to FCR, the 2003 budget invested \$40 million over five years to improve foreign credential recognition, with another \$5 million per year committed in the 2004 budget, all with the purpose of improving opportunities for immigrants to effectively participate in the Canadian labour market, helping employers alleviate skills shortages and ensuring Canada attracts a talented, diverse, and skilled workforce to meet current and future economic and social demands.

• (1530)

FCR is of course part of our broader workplace skills strategy to promote the full development and utilization of the abilities and skills of Canadians. The workplace skills strategy aims to respond to the needs of adults in the workplace by: reinvigorating existing programs to focus on the needs of employers and the currently employed for skills for work; creating the conditions and incentives necessary to encourage workplace skills development; engaging employers and workers to better understand their needs, incentives and barriers; and also consulting on priorities while delivering on early key commitments.

For all of these reasons I welcome the vision of this government and the Prime Minister for the future labour market success of the country. This legislation will provide the legal framework for the minister and the Department of Human Resources and Skills Development to carry out our most important objectives in building modern, productive workplaces in Canada and increased economic and social prosperity for all.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: By request, the vote will be deferred until the end of government orders today.

Government Orders

* * *

● (1535)

DEPARTMENT OF SOCIAL DEVELOPMENT ACT

Hon. Stephen Owen (for the Minister of Social Development) moved that Bill C-22, an act to establish the Department of Social Development and to amend and repeal certain related Acts, be read the second time and referred to a committee.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, Canadians are blessed to be citizens of this extraordinary country, a nation that is considered the envy of the world. Few countries compare in offering their citizens such a high standard of living and quality of life.

Canadians are justifiably proud of our social programs, which are an enduring source of our pride and identity.

[*Translation*]

You may look at almost all the indicators, whether they are economic or social, and it will be obvious that we are world leaders. Most surprisingly, Canada is achieving such powerful social results with relatively modest, although effective, spending in our social programs.

[*English*]

Despite this pleasing picture, everyone in the House knows that not all of our constituents see themselves reflected in it. Not everyone shares equally in our country's bounty and that is unacceptable, both to people whose lives fall short of their potential and for Canadians as a whole.

A new partnership for Canada is what we are proposing in Bill C-22. Canada must be grounded in what Canada and Canadians stand for: shared community, equality and justice, respect for diversity, and mutual responsibility.

Canadians want governments to accommodate their needs and priorities, not the other way around. Canadians want to be part of decisions that affect them. We need to shed the straightjacket of traditional policy responses and stop pigeon-holing people into categories: families, seniors, aboriginal peoples, Canadians with disabilities, students and so on.

We all belong to different groups. The challenge for policy-makers is to look behind the labels to the real lives of real people and at how our policies help individuals and how they can provide even more support in the future.

We face significant challenges to our quality of life. Many of these are not new. Poverty persists in Canada. Over 11% of Canadian children and 25% of Canadians with disabilities are poor. No one on either side of this House is proud of that record.

Exclusion from the economic and social mainstream is a daily reality for too many Canadians, especially people with disabilities, lone parents, recent immigrants, aboriginal Canadians, and middle-

aged, unattached individuals. Our aging society presents another set of challenges.

Communities are increasingly called upon to resolve complex social problems but often lack the tools that they need.

We need to work hard to restore Canadians' faith in our government. They are frustrated by uncoordinated, incoherent programs. Canadians want to know that the programs they value will be secure and will adapt to their evolving personal circumstances.

Our government recognizes that we need to start doing social policy differently in Canada.

[*Translation*]

Young parents wanted to have more choice in deciding what their needs were concerning the education and care of young children. Baby boomers caught in the sandwich generation, as we say, want more options when it comes to their responsibilities as caregivers. All working parents need flexibility and better support to achieve the balance between work and personal life that is essential to the health and welfare of children. This is a challenge that I had to face when I was elected and I had two young children.

This is why we have introduced, among other things, a parental leave program to give this chance to parents who were choosing to stay longer with their young children.

Canadians expect that seniors have more opportunities to continue to contribute to the economy and the community. For many of them, this means benefiting from income security, so that even the most vulnerable are able to lead their life in comfort and dignity.

A growing number of people believe that this may also mean that we give people the option of working longer. My father has decided to work for a long time; he is 75 years old and he continues to work part time.

● (1540)

[*English*]

Some people like to take time away from the workforce in the middle of life to attend to family issues, such as caregivers, for instance, or pursue lifelong learning or whatever life choices they make. Still other Canadians are seeking access to inclusive work places that make room for the skills and talents of all kinds of Canadians who are frequently excluded. As I said earlier, they are aboriginal people, recent immigrants and people with disabilities. They need more than income support to make that happen.

The many Canadians doing their part to address society's challenges, the millions of volunteers, for example, and community organizations providing services at the grassroots level, want more recognition for their contributions and the chance to do even more.

One of the most promising new vehicles is the social economy, for which I have been given responsibility by the Prime Minister. I am very pleased about having this responsibility although many people ask me what the social economy is. I have told people that it is one way of taking disadvantaged groups in society out of dependency on the state into the economy. That is the best definition I have heard.

Government Orders

Social entrepreneurs, who are all over Canada and are doing very creative and innovative things in terms of citizen engagement, take an alternative approach to achieving the same social goals as others in the sector. They provide goods and services that make a profit, but then they plow those profits back into addressing the needs of the most vulnerable in the community. They are our biggest partners, in my opinion. Their efforts are a complement to and not a replacement of the work of volunteer and non-profit groups.

A new social partnership will position us to implement bold new approaches, including establishing a national framework for the social economy, to address some of these concerns. Any new vision for addressing social development challenges cannot be defined by us alone. We must establish and maintain four essential partnerships based on consultation, collaboration and engagement: with Parliament and all parliamentarians, with the stakeholders, with other governments and with Canadians at large.

Why do we have Social Development Canada? Canadians want social policy that reflects the full complexity of this new reality that I just enunciated in my previous remarks. That is what Social Development Canada is all about. This new portfolio was created to be a more nimble organization that can respond more effectively to the needs and aspirations of Canadians. Its purpose is to help ensure that the benefits of Canadian citizenship are shared by all. Let us not forget that it was a committee of this House that first proposed the splitting up of the two departments into human resources and skills and social development.

What I have just described is the way we now define social development. Social well-being, citizenship and equality of opportunity exist only when citizens can take advantage of our education, health and judicial systems, community organizations, the job market and government programs they may require. We talk a lot about inclusion, but it only really happens when everyone enjoys that sense of belonging, when every Canadian has access to the necessary skills, goods and services, money and social supports that assure them a decent standard of living and good quality of life.

Our sense of social well-being reflects not only how we feel about ourselves but also how we feel about our families, our communities and our country. The creation of our new department is an acknowledgement of that. For all of our successes as a society, and they are many, we need to do more to reduce poverty, as I said earlier, tackle exclusion and enable Canadians to take greater control over their individual life choices and to build the stronger communities and the national systems in areas such as early learning and child care that are among the best in the world.

A strong and enabling society is not about a single sector. It is about all the factors that contribute to social growth coming together: a sound fiscal situation, good health and education systems, a strong economy, a labour market that works, quality social programs that meet the needs of Canadians, and the individual efforts of people across all sectors working together for the common good. It is about the individual decisions we make and the collective actions we take to prevent problems from arising.

● (1545)

[*Translation*]

It is about everything we do in every federal department, from investing in our children to the health care system, skills development and the tax system that redistributes income to meet the basic needs of individuals. Every other level of government is involved, not just ours. Federal, provincial, territorial and municipal governments all do their best to improve the quality of life of Canadians. More than ever we must work together.

[*English*]

Creating a strong, enabling society also requires the input and support of academics and the research community, think tanks, industry, labour, the non-profit sector and everything that falls in between in the social economy.

Doing things differently in social policy means understanding our limitations. We simply cannot be all things to all people anymore than we can develop a one size fits all policy that meets Canadians' expectations in the 21st century.

That is the basis of Social Development Canada's approach to strengthening Canada's social foundations. At Social Development Canada, we are focusing on the areas where we can make the greatest contribution. We are also bringing together all the other parties with a role in social development. Working jointly on our shared social agenda, we can take a more cohesive, integrated approach to social development that is linked to the real lives and expectations of Canadians.

One of the most important things we do at Social Development Canada is provide the knowledge required to inform sound policy development to allow Canadians to judge whether Canadian society is meeting its social objectives.

Once we know what it takes to effectively support the well-being of individuals, families and communities, we develop more citizen focused policies, programs and services within our areas of responsibility that better respond to the requirements of Canadians in our fast changing world.

This takes us to our second area of activity, the most significant from a budgetary standpoint, that of reducing the risks of exclusion and isolation by providing income security for the populations we serve. We look at the levers at our disposal, such as the national child benefit, the Canada pension plan and all the other pension plans for those who are disabled and others, and then determine how we can leverage the policies and programs of other departments, both social and economic, as well as the work underway at the provincial, territorial and community levels, to enable people at risk to achieve their full potential.

*Government Orders**[Translation]*

We try to connect the dots by showing, for instance, that by addressing child poverty and providing families with quality daycare we give parents the opportunity to go back to school and acquire new skills to become employable. In many cases these families are headed by a single parent, a native parent, a member of a visible minority or a handicapped person, in short, people who are at a higher risk of exclusion.

[English]

By helping parents achieve their potential through various programs, we will also help to ensure their children get off to a good start. We are making linkages between ensuring people with disabilities get adequate financial and other assistive supports they need and their ability to move into the mainstream so they can help to address some of the skills and labour supply shortages being experienced by some employers.

By giving working age Canadians the option of taking time mid-career to care for elderly relatives may mean that they will choose to work longer than the current retirement age.

By resolving the work and life balance question, we can reduce income issues for seniors. We are trying to ensure that Canadians will not be penalized for whatever life choices they make.

[Translation]

In conclusion, I will say that we are at our most efficient when we play the role of facilitator, bringing together all the pieces and various players to see how what we do, or do not do, has an influence on the situation as a whole, how the social policy choices we make today will influence our collective quality of life and standard of living in the future.

Together we can look at empirical research, discuss it and debate new concepts and new ideas put forward by Canadians from all walks of life and from across the country.

[English]

Social Development Canada provides a new vehicle to mobilize governments and all the individuals and organizations doing their part to advance social development in the country. We know we all want to go in the same direction. We also know we have to avoid duplication and maximize our investments and activities to produce the best results for Canadians.

All of this progress will be made possible with the passage of Bill C-22. The bill provides the Minister of Social Development with the mandate to provide a focal point for social policy within the Government of Canada.

● (1550)

[Translation]

I would like to emphasize that it was the June 2000 report of the House Standing Committee on Human Resources that recommended this division of responsibilities.

Even though the department is expressly responsible for promoting social well-being and income security among Canadians, its new structure will enable it to collaborate with federal partners.

The bill's progressive nature will enable us to approach social policy on a number of fronts, establishing relationships with the other federal departments and agencies that are working to improve the lives of children and families, older persons and those with disabilities.

[English]

This collaborative approach recognizes the shared jurisdiction in most social fields. The bill gives the Minister of Social Development the express authority to cooperate with our provincial and territorial partners to set goals, focus resources as well as enter into agreements with provinces or other bodies to facilitate the implementation of policies or programs which support the mandate of Social Development Canada.

As my colleagues know well, we are already making major headway in this regard. I can proudly report that we have made enormous progress in moving the early learning and child care initiative forward. We agreed with our provincial and territorial colleagues to establish a long term vision for early learning and child care that would include measurable goals, shared principles, strong accountability, and provincial and territorial flexibility. Of course it will take some time and discussion to arrive at a detailed understanding of the shared principles but there is no question of the commitment of both levels of government to advance this agenda.

With the passage of this bill we will be able to carry on our work with international organizations that provide for us to learn from the experiences of others, and to share our knowledge and experiences to help contribute to better social policies and programs in other countries.

We collaborate, as the House knows, with the OECD. We can also provide a better return on taxpayers' investments by sharing resources with our colleagues at the Department of Human Resources and Skills Development. Simplifying, automating and offering integrated services will help ensure that we provide citizen centred quality services to Canadians where and when they need them.

Equally important, by consolidating our corporate service delivery functions, we can reduce operational costs and put more money into programming that meets Canadians' expectations.

[Translation]

The bill includes a code to protect personal information intended to govern the communication of personal information in a clear and coherent manner. This code is based on existing codes found in the Canada Pension Plan and the Old Age Security Act. Together, these codes will form a detailed framework for all the department's current and future programs.

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[English]

All three codes are consistent with and will operate in conjunction with the Privacy Act to strike a balance between disclosure and protection of personal information. Although the majority of the consequential and related amendments are housekeeping in nature, the bill also includes the repeal of the Vocational Rehabilitation of Disabled Persons Act, the VRDP.

The VRDP became obsolete in 1998 when supplemented by more modern federal-provincial agreements to support programs and services for persons with disabilities that were in fact developed in collaboration with provinces and territories.

[Translation]

In conclusion, I firmly believe that all Canadians share a feeling of collective responsibility toward the well-being of their fellow other citizens. The complex nature of the challenges confronting us today confirms the wisdom of creating a new and distinct entity to work exclusively on social policy.

[English]

I call on my hon. colleagues to give their support to Bill C-22 so that we can carry on the progress that already has been achieved in the brief 11 months since our organization's creation.

Canadians expect parliamentarians to work together, to advance this vitally important agenda that touches Canadians' lives from birth to death.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, what we are really discussing here is people. That is why I want to address a number of important questions that affect real people in my riding as they relate to this sort of legislation

For example, I would like to hear what the hon. member thinks about the way in which people with dystonia are treated in this country. It is a debilitating disease and it is one about which there is not a lot of public knowledge. We learned this week that people will not be covered through public health insurance when seeking treatment for their children who are suffering with autism, an equally debilitating condition.

We have heard from the immigrant communities in our country that they are suffering with the reality that their foreign credentials are not being recognized by the government.

While the government has put its members forward today to defend its record and promote its legislation, Bill C-22, I wonder if the government could expound upon its commitment to these sorts of issues that affect real people, people who are suffering from diseases like dystonia, children who are not covered for their autism treatment, or in another area not related to health so much, immigrants whose very hard-earned foreign credentials are not recognized here in Canada. Perhaps the hon. member would like to comment.

•(1555)

Hon. Eleni Bakopanos: Mr. Speaker, I ask what relevance the hon. member's question has to what we were discussing today, Bill C-22.

On the question of autism, it is health in fact that is responsible for that program and not social development, just to give the minister a heads up. Also in terms of the credentials, it is citizenship and immigration that is responsible and human resources and skills development.

To go back to Bill C-22, I think if the hon. member took the time to read about the quality of the programs that are available, as I said, in terms of age zero until death, that is what social development is all about. It is about helping Canadians from birth to death in terms of meeting some of their income support and also ensuring there is some system in place for them to be able to work in the workplace and at the same time raise their children and have facilities available for them.

Those are the types of issues that Social Development Canada in fact is responsible for.

Mr. Paul Forseth (New Westminster—Coquitlam, CPC): Mr. Speaker, I was pleased to listen to the parliamentary secretary. I thought I heard her say that Canadians are rather dissatisfied about "uncoordinated and incoherent programs". By that she is as much admitting what the government record is because it is responsible for the present situation.

Then she went on to talk about the Liberals wanting to do social policy differently. Different from what? They have been minding the store and now they are trying to divorce themselves from their own record. When are they going to get on with it?

Her speech had a lot of nice sounding phrases and a lot of optimistic things for the future, but where have they been since 1993? Are they going to start now? Is this it?

When Bill C-23 is passed, what is going to be different for constituents in her riding, constituents in my riding? What difference are they really going to see in the benefits they get? The Liberals have been in charge since 1993, since I have been here, and now they are trying to divorce themselves. I think it is going to be more of the same.

I would like an example, a specific case, of how constituents are going to see anything different from what they have been getting.

Hon. Eleni Bakopanos: Mr. Speaker, the hon. member I understand is also the critic for social development. The body of my remarks was to say that yes, we have been doing things and I could run down the list for him: the national child benefit, the child disability benefit, the early childhood development agreement, the multilateral framework for early learning and child care. There are a number of programs that we have introduced in the last 11 years with significant amounts of money.

What was indicated in my speech in terms of the splitting up of the two departments was to give vision in terms of social policy issues and the responsibility to one department. That is what we are trying to do with this piece of legislation.

Government Orders

I do not think, as I said in my speech, that once the ministry is split that is the end of the types of policy issues that we will be working on and dealing with. We have a record. The record is the programs that have been put into place since 1993 when we became the government. We have provided income support and other programs to Canadian citizens.

We want to have a more coherent way of delivering those services. That is part of what the bill proposes, one stop shopping, if one wants to call it that. Canadians can go to one place and have access to all the programs and services that the Department of Human Resources and Skills Development provides because we did not want to duplicate administrative costs. The responsibilities in terms of the social agenda will be on Social Development Canada.

• (1600)

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I want to ask a question of the member who made the presentation for the government.

We have the same concern as the colleague of the Conservative Party when it comes to understanding why a second department is needed and justified.

We are trying to understand the real objective that has been announced in connection with the potential effectiveness of the mandate the government wants to give the department.

The government takes one department and divides it into two. When it talks about the objective in connection with the Department of Human Resources, it says that the main concern is contributing to Canada's success. This is in one of the first parts outlined in the beginning.

As for the new Department of Social Development, it is difficult to understand the real objective, but the chair of the Sub-Committee on Children and Youth at Risk said that the objective is to have the public and history remember the Liberal government. This is a quote. I am trying to reconcile this with the member's announced intention to improve services provided to the public.

I will conclude by reminding the House that, as it creates two departments, the government is announcing that it will maintain a single window. Services will be provided through a single door. It does not change anything in this regard. However, it is adding a second head.

I would like to know how she thinks that it will be able to ensure that this body functions with two heads.

Hon. Eleni Bakopanos: Mr. Speaker, I thank the honourable member for his question. This is also an issue that is often raised in committee.

As we have said already, since December 12, 2003, the departments continue to share existing services and programs delivery network. We cannot establish another administrative structure, because we already have a mechanism that can provide all these services to Canadians. This is the network that we will continue to use.

However, as regards the decisions that will have to be taken regarding social policies in Canada, the Department of Social Development will be responsible. Somebody will have to coordinate all the policies in all the federal departments for the Canadian government.

With respect to services to Canadians, I believe that my fellow citizens in the riding of Ahuntsic want somebody to address their needs. When there is already a mechanism in place and a single window for everybody, which meets their needs, a new administrative structure should not be created. In fact, this legislation does not establish a new administrative entity, except as concerns social policies and the coordination of those social policies throughout the federal government.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I will try to speak to the bill later to make some other points, but I first want to ask the member for her comments with regard to the coordination with the provinces since social services are often delivered directly by the provinces and require some coordination and collaboration.

I am also interested in the accountability. How can the federal government be accountable for the funding that it collects from taxpayers and gives to another jurisdiction without some reporting or accountability system being in place?

Hon. Eleni Bakopanos: Mr. Speaker, when we signed the multilateral framework for early learning and child care, we came to an agreement with the provinces that they were accountable first to their citizens and not to the Canadian government. They also are accountable in terms of reporting what results they have had in terms of the amount of money, for instance, the \$500 million that was given in the multilateral framework to the provinces. Some provinces have reported back and shown what progress they have made in terms of those programs.

As far as the new child care agreement and the early learning agreement, there have been discussions and will continue to be ongoing discussions with the provincial governments and territorial governments to see what mechanisms can be used in terms of those provinces reporting to their citizens in terms of the results.

• (1605)

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I would like to ask the consent of the House to split my time with my hon. colleague from New Westminster—Coquitlam.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

Mrs. Carol Skelton: Mr. Speaker, it is my pleasure to speak today to Bill C-22, otherwise known as an act to establish the Department of Social Development.

Many of my constituents know the programs that fell under the old Human Resources Development Canada, or the HRDC department.

While it is tempting to speak to the mismanagement and boondoggles of the old department, I will spend my time today looking to the future.

At the time I was heavily involved with the human resources parliamentary committee and was witness to the fact that institutional changes would be required to fix many problems within the department. While the case was never really made to me that a full division, split and overhaul of the department was needed, there was no question that we could not afford a repeat of the boondoggles of the past. However, that being said, I am not sure this legislation prevents that either.

Normally departments are merged to save money, so one can only assume that splitting this department will cost taxpayers unnecessarily. During our briefing on this legislation this question was asked but not answered. Perhaps the government has an answer now. How much will these changes cost in addition to what we had before?

Unfortunately the Liberal government started the split long before it brought the bill to Parliament. In effect, it put the cart before the horse.

If I were to oppose the legislation, the cost of reversing the changes already made would likely cost more than the costs just to finish what it started. In effect, the Liberal government has failed to consult with Parliament on the change to HRDC and the creation of the Department of Social Development due to the fact that it is already too late to change course.

The Prime Minister has failed again to provide Parliament with an opportunity to become more involved and more relevant to the democratic process. Rather than consult us before, we are simply treated as a rubber stamp. This is unacceptable, not just because it silences members of the House, but it makes the people we represent irrelevant.

Luckily, not everything about the legislation is flawed or unnecessary. I am pleased to see that there is a significant amount of attention being paid to the protection and security of personal information. Identity theft is a growing problem in Canada and the developed world. Those least able to serve themselves or fund the legal hassles of identity theft are often the clients of this new department. They are counting on us to protect their information for them.

As an MP from Saskatchewan, I remember quite well the fear and uncertainty surrounding the accidental release of personal banking and financial information on an old computer. People watched their accounts like hawks, fearful of seeing their life savings disappear. As far as I know, there were no major problems as a result of the oversight, but it could have been disastrous for many families.

I do support the increased privacy protections in the bill. I only ask that the government monitor the situation to ensure that tougher standards are implemented as soon as the need arises. Our disabled, our challenged and low income Canadians are counting on us to protect them.

This brings me to my next point. I am also in support of the one stop shop concept for service delivery. The average Canadian is too busy to follow the jurisdictional complexities of the federal government. All they want is a single point of service to which they can go for programs that they need.

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I would like to take a moment to let Canadians know of an important website that will assist them in assessing any benefits to which they may be entitled. The website lists almost every federal and provincial program there is. To make it easier to determine what applies to someone, there is a user-friendly feature. All someone has to do is answer about a dozen questions and then the computer will short list the programs. Everyone should get a pen because I will give the address in a second.

Before I do that, I want to stress that the website overcomes one of the most common complaints I get from those in need. They complain that it is too difficult to find, apply for, and access programs that already exist. The website can be found through a link on my website at carolskelton.ca or it can be accessed directly at canadabenefits.ca.

The government has a record of taxing the poor but not making it easy for them to get back that hard-earned money. Hopefully this website and the single service point delivery system will change this.

This new department has a massive mandate that is guaranteed to touch every single Canadian at some point in their lives.

● (1610)

Whether it is seniors, children, families, the disabled, volunteers or participants in the social economy, the new Department of Social Development will have an impact on them and most likely us. Even if we do not need to turn to the government for assistance, our pension plans will be administered by that department.

As always, I do have some serious concerns that a department this large could quickly balloon out of control for the government. I am concerned that such a large ministry will be sidetracked by a new, large social initiative. It will take the efforts of MPs, Canadians and especially Social Development employees to ensure that these radical structural changes do not fall off the rails and cost us billions.

Every dollar the government wastes on a new program is a dollar lost to a program that is already in place and often underfunded. As I said before, I hope the government stays on top of the costs associated with this change to ensure that they do not get out of hand.

The bill also contains many legal and housekeeping amendments to ensure that it complies with existing legislation. This is good but it also highlights and brings me back to one of my earlier concerns. The new department was born from the split of HRDC into Social Development and HRSDC. The minister and his staff have taken great steps to point out to me the cooperation and interconnecting relationship between the two new departments. Where I come from, that sounds like duplication and overlap.

As I said before, single points of service delivery are good but I am still not sure these changes are the most appropriate.

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I look forward to the minister perhaps clarifying some of the reasons that the old department could not do what the new ones can and also how much it will save Canadians. I suspect the savings do not exist. I cannot see how a new letterhead, computer systems, websites and the like save money. In fact, the departments already carry lots of overlap and duplication of information on both the SD and the HRSDC websites. Yet again, it begs a simple question of why a single department does not make sense.

I will let the government come up with a creative answer for that.

My colleagues will speak about these issues too. They share the same concerns as I for Canadians in need. The government needs to ensure timely and properly supported services to those under duress. When someone walks into our MP offices asking for help, they often do so as the last resort. They do not want hassles, delays and excuses. They want help.

I just hope all this bureaucratic reorganization actually changes the problems experienced at this level at reasonable cost. The Liberal government's experience has indicated otherwise.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I listened very carefully to the hon. member's remarks and I want to go back to what I said in my own remarks about the June 2000 report of the human resources standing committee. I would like to quote something and ask her opinion. I was not a member of the committee at the time but, apart from one minority report, if I am not mistaken there was agreement in terms of what was said by the committee at that time. The report states:

Given the Committee's conclusion that HRDC's structural makeup has proven unsatisfactory, we believe that the federal government should reposition itself so that it can better address issues that concern Canadians but that cut across existing departmental boundaries.

It goes on to say:

The Committee believes that it is time to rethink the whole concept of a department of human resources development in light of changing conditions and current needs.

We recommend that:

30. The government should divide HRDC into several more homogeneous and focused structures.

I admit that I do not know whether the member was a member of that committee but that was the June 2000 report of the standing committee.

• (1615)

Mrs. Carol Skelton: Mr. Speaker, I was not elected until November 2000, so I was not aware of that report.

I take very well into account the report from HRDC at that time but it bothers me how this was done. The bill should have been brought to the House and debated before the government went ahead with reorganizing the departments. As I said in my speech, I believe we have put the cart before the horse on this. I think there should have been discussion on the floor of the House of Commons before we did this.

Mr. Paul Forseth (New Westminster—Coquitlam, CPC): Mr. Speaker, the government is proposing Bill C-22, an act to establish the Department of Social Development and to amend and repeal certain related acts.

The bill establishes the Department of Social Development, over which presides the Minister of Social Development. This new law also sets out the minister's powers, duties and functions. It deals with rules for the protection and for the providing of personal information obtained under departmental programs, other than those governed by similar codes found in the Canada pension plan and in the Old Age Security Act.

We have a new department, Social Development Canada, with hopefully a clear focus. The government went ahead and split the old HRDC ministry into two parts through orders in council. Now it expects Parliament to approve such a reorganization. The bureaucrats and their weak follower Liberal ministers seem to forget that government may propose, but it is Parliament as a separate entity that must finally vote the appropriations and approve the legislation.

We are now doing this bill after the fact. In a way, it is like institutional blackmail. Much effort, money and human capital has already been expended in advance of implementation and that puts unreasonable pressure on parliamentarians just to go along. It is a fait accompli. It is a done deal.

The point is, we must never forget that Parliament is not the government, but it is where the government must come to obtain permission to tax and spend the people's money and to get its legislation approved and passed. The government should be more careful about spending money for which it has no parliamentary approval. It should also be more respectful of Parliament as it attempts to administer in ways that Parliament has not yet approved. Although it is not an absolute model in every case, the record of the Liberals is, in general, they have shown this kind of disregard for the House in the past. They have done it in the past. The present situation with this bill is just one more example.

The ministry has taken on the role, under its name Social Development Canada, to attempt to reflect the understandings of Canadians about a caring society. Some of the responsibility of the new ministry is for people with disabilities. It also has children, seniors and the voluntary sector, all of which have direct links to the disability community. Canadians want people to have a chance to live a full and challenging life. It is up to us as Canadians to see how we are doing against our own ideals and to work with both formal and informal entities to bring us closer to meeting our own idealism.

Historically, the federal government has done better in the area of employment. These joint labour market agreements, which it has signed with the provinces and territories, have acted as a springboard to success in other areas. However, I still think we need to achieve consensus on the best mix of programs and supports and the right balance among employment, income, disability supports, areas that we will need to continue to work on together in the years ahead.

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In this regard, I do not think the Liberals have any great new ideas. They just seem to be floundering. They know they have to be doing something. Canadians want it, but they are not quite sure what it should be, so they pick on departmental reorganization. At least there will be some impression of progress and movement.

There is work, however, internationally which Canada has done, such as in New York at the United Nations where officials from Canadian social development negotiated a new UN convention to protect the rights of persons with disabilities. These are efforts to set standards, generate expectations and encourage action. Let us hope that the national pride will cause other nations to try and better the other about their social safety net, so there is a gentle competition internationally, which sets the bar higher for everyone, and then we can all be better off.

Back within Canada, we need to work on provincial and territorial governments to determine the next steps in advancing the disability agenda. Some good things have happened in the past, but there has been much missed opportunity. Many resources have been wasted that could have done so much good if it had not been misspent by the Liberals.

We have to look to the future. Where can we be? How can we get there? What are our real priorities? We need to think about that and then envision it, see it in our minds. If we cannot imagine and ask why not, we will never move ahead. We need to work to develop a comprehensive disabilities agenda for Canadians.

I do not think anything can ever go far enough or fast enough for someone who has a serious need. Disability issues are a public priority. They also must become a government priority. The challenge is then for governments at all levels, for the charitable and non-profit groups, to create the chances and openings for those who need help and develop and learn so all can be players in life, where no one is left behind.

Now the Department of Social Development, this new entity, is now mandated with helping to secure and strengthen Canada's social foundation. It is to do this by helping families with children, supporting people with disabilities and ensuring that seniors can fully participate in their communities.

● (1620)

The federal level provides the policies, services and programs for Canadians who need assistance in overcoming the challenges they encounter in their lives and their communities. This includes income security programs, such as the basic Canada pension plan. I also hope social development will always be client-centred in its organization, and that is the point I tried to make earlier to the parliamentary secretary, committed to continually improving service delivery to Canadians.

Its vision statement says, "A Canada for all, where everyone participates and plays an active role". The mission is said to be to strengthen Canada's social foundations by supporting the well-being of individuals, families and communities, and their participation through citizen-focused policies, programs and service. I believe that can be achieved by reducing barriers and facilitating access to opportunities, investing in people and strengthening communities, delivering seamless, innovative and responsive service, both

internally and externally, working with federal partners and other governments and communities, supporting our employees and serving Canadians with integrity and commitment. Those are lofty goals for a government not known for either great efficiency or practical compassion.

The Minister of Social Development, the member for York Centre, and the Minister of State for Families and Caregivers, the member for Trinity—Spadina, both have a great task, but also an opportunity to do good things for the country. The deputy minister, Nicole Jauvin, seems capable and we wish her well. She was formerly the deputy solicitor general of Canada. Also the Parliamentary Secretary to the Minister of Social Development, the member for Ahuntsik, should be a great help to keep things on track.

Their program responsibilities are really valued by the average Canadian. They count on it. They include income security programs, such as the Canada pension plan, old age security, guaranteed income supplement, international benefits, help for person with disabilities, the Canada pension plan disability program and the social development partnerships program, as well as voluntary initiatives. The list goes on. They are really valuable. They are very important.

It has been said that while the regulatory system we currently have in Canada has served us well at times, it was largely developed for an industrial economy, a different age. Canada now needs a 21st century regulatory approach that reflects the values of Canadians, the realities of the knowledge economy and changing market imperatives. At the beginning of the 21st century, countries are examining the effectiveness of their social architectures. They need to respond to the new social risks related to changes in family structure, aging population and the changing labour market.

Canada's social architecture was designed to respond to social risks facing the population as a whole. Unfortunately, we will always have people in need, although the context may change. Today, new social risks intersect an increasingly diverse Canadian population and a political environment in which the roles of different levels of government are shifting. They raise challenges for designing a new social architecture for Canada, challenges that arise in a country defined by diversity.

Some of the questions we need to look at include these. What varied risks do Canadians face in today's labour market and how do they shape the choices that Canadians make? Are new family structures creating challenges for Canadian families? What are the current risks of social exclusion in Canada? Are we by accident developing new elites in unforeseen and undesirable social stratification because of the limits upon education training? The world is changing and so are Canadians. Will our political and social institutions be adequate for the emerging social architecture?

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We do get some help from various organizations, such as the Canadian Policy Research Networks and the Canadian Council on Social Development. We need to engage Canadians from all sectors of society to have an exchange of views where everyone is respected and not discounted in advance by the traditional insiders and the power holders. Of course we need the opinions of social science researchers and policy-maker, social policy stakeholders, members of the voluntary sector and every concerned citizen. Change begins with the recognition that a problem exists.

The government claims that it recognizes the challenges and the responsibility to serve Canadians. I wish it well, as it ensures and delivers measurable improvements for those at the extremities of services. May it never forget whom it does all this for and why we strive to do what we do.

● (1625)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I listened carefully to the member's comments. He has it right in terms of the thematics, the integrated programs, things that make sense and things that work.

There probably is no speech that someone could not give to lay it out thematically, but what is missing are some suggestions. I would ask the hon. member about suggestions. He talked about the disabled and seniors. Seniors is an issue in which I am very interested. For instance, I have discussed with government officials a number of times issues like dealing with something as bold as a guaranteed annual income for seniors. It is a very important issue.

How about mandatory retirement issues at age 65? How about caregivers and the tax credit that we give? It is a nominal amount, but caregivers play an important role in the lives of seniors. How about the medical expense supplement that we have in the Income Tax Act, which is nominal. Seniors often are the victims of high medical expenses which are not covered by insurance or medicare. How about home care? It is not a federal jurisdiction, but everybody knows that the health and well-being of Canadians is also a responsibility of the federal government and we have to work with and collaborate with other levels of government to ensure it is there. However, with home care, there is a big black hole. What happens if two hours is not enough, when one is discharged from hospital and a family member has to fill in the time needed. All of a sudden families are locked in to an enormous burden. Those are some examples.

If the member is true to the theme, what are some of the other things that he would think, whether it be for seniors or the disabled, could advance the cause of those most in need?

Mr. Paul Forseth: Mr. Speaker, I appreciate what the member had to say. It sounds like he has some good ideas. I have said in my speech that there are a lot of good things happening now, but often they seem to be half measures and very uncoordinated. I recently had a town hall meeting. Constituents asked fundamental questions of some very capable departmental officials. They were somewhat surprised at how constituents seemed to fall through the cracks.

The case example of course is that there is a constituency of several thousand Canadians who rightfully should receive benefits. They finally find out about the programs and begin to get benefits. However, they have been missing things, like the widow's benefit,

for many years. Then the government says that it will only go back 11 months, that it is too bad, so sad. The government did not tell people what was available. We could end that kind of discrimination.

Also, we need to build into our systems client accountability. Taxpayers need to have some kind of bill of service rights, or whatever, so they can hold their local offices to account when they try to dial a number and are placed on hold forever or when they go to a local office to see somebody, but there is no privacy for them to talk about their personal situation or no coordinated system for them to take a number. They may mistakenly enter an office and wait an hour only to be told they are at the wrong office.

There are all kinds of local issues that do not allow large bureaucracies to really interact at the community level. That accountability feedback loop is still missing. We need to be client and service centred. Then we could also at the academic level come up with those large ideas. I think there are a lot on both sides of the House. We can do so much better for Canadians.

● (1630)

Mr. Paul Szabo: Mr. Speaker, that is a start. I know the member is quite interested in criminal justice issues. He is aware, within the provincial jurisdiction, that certain things happen. For instance, in nursing homes, we have those who are abused. We have seniors who are defrauded by those who prey on the most vulnerable. The criminal justice system could look at stiffer sentences for the aggravating circumstances of taking advantage of those who are vulnerable, such as our seniors. There is the issue of affordable housing as well.

Is the member prepared to commit? It is good to have established the department, but it will be our starting point, our instrument to put on the table some important initiatives on behalf of Canadians in need.

Mr. Paul Forseth: Mr. Speaker, the reality is that when I return to my community, my constituents will say "You made a speech on departmental organization. How is that going to change what we've been getting for the last few years? Is our money going to be any more wisely spent?"

Then they give me an example of someone who is not being served. For example, supplemental training funds often have an age parameter. We had the case where two fellows were sharing an apartment. They both wanted to get some training. One qualified and one did not because one happened to be two years older than the other and was just arbitrarily cut off. He was really turned off about that.

There are all kinds of ideas in the House and in the voluntary groups out there that I think we need to pursue. Of course, it is a matter of priorities. I hope that the member opposite will be able to argue effectively within his caucus to redirect finances where they are really appreciated and where they can be really productive rather than in some of the historical wasteful programs that we have seen in the House.

[*Translation*]

The Deputy Speaker: It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Windsor West, Automobile Industry; the hon. member for Edmonton—Spruce Grove, Senate.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to rise this afternoon to speak on the establishment of this new department, the Department of Social Development. This is a department that could be perceived as a lure for all Canadians, smoke and mirrors, mirrors that can distort. As far as Quebec is concerned, I could elaborate on several important issues it could become a distorting mirror, not constructive and inapplicable.

This department will employ 12,000 civil servants and administer a budget of \$53 billion, of which 97% will be spent primarily on meeting the expectations of seniors, either for senior citizens benefits, income security or the guaranteed income supplement.

This means that some 3% of this \$53 billion will go to various support programs for the Canadian community, that is to say roughly \$2 billion at most.

We are told that the stated goal is to strengthen the social foundations of Canada. Looking at the whole issue of employment insurance, there is much to criticize about the way this government manages the money of those who contribute. We know how the program came to be. During World War II, because of the war effort, it was felt that it would be better for unemployment insurance to be administered by the federal government in order to meet the expectations of the general public. In light of the state of emergency, Quebec and the provinces relinquished part of their jurisdiction, never to regain control over the employment insurance fund.

It is well known that \$45 billion was stolen straight out of the pockets of taxpayers, employers and employees. The federal government was well-intentioned in wanting to meet the expectations of the public. It asked to be allowed to manage the EI fund, to take on that responsibility. Later, what happened is that it used the fund as it pleased. It has excluded thousands of workers, who are no longer eligible under the Employment Insurance Act. It has tightened the eligibility criteria and cut the number of benefit weeks workers could count on.

You can understand the Bloc Québécois position. We have been fighting since 1993 and are still fighting today to have this employment insurance fund managed by those who contribute to it. In fact, a bill is currently being considered on the Employment Insurance Commission. They do not want the commission to include more than two people: a commissioner and an assistant commissioner.

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How can we trust them? How can we be enthusiastic about this bill? We too have our heart in the right place. We support families, children and the less fortunate in society. I have thought about the thinning of the social safety nets, the federal government's diet program you could say.

It also makes me think of the guaranteed income supplement. It was meant to help people in difficulty. There was a guaranteed income supplement added to the income of seniors. Apparently there were 270,000 people in Canada, including 68,000 people in Quebec, who were entitled to the supplement and never got it.

In other words, the Government of Canada kept \$3.2 billion in its pockets. That is \$800 million for the people in Quebec who did not receive this benefit.

● (1635)

The Bloc Québécois has carried out a whole operation in order to inform seniors that they might be entitled to it. As a result, we found 25,000 eligible people. Of course we could not get through to everyone eligible, but the Bloc Québécois does deserve a pat on the back for what we did accomplish.

We cannot give the federal government the go-ahead to invade more jurisdictions, rather than attacking the real problem of fiscal imbalance, a problem they are totally in denial about. I hope that it is the same in the rest of Canada, and that each opposition member is doing his or her duty explaining the impact of fiscal imbalance.

We in Quebec are starting to make some progress. Individuals, organizations, social, political and economic leaders are now beginning to understand the game the government is playing here in Ottawa. In the last election, there was the sponsorship scandal, but I can tell you that was not the only issue. There is also the way the government is handling Quebec's expectations.

As far as the creation of this department is concerned, moreover, the National Assembly is unanimous, regardless of party affiliations. When the federal government says it wants to negotiate with the federalist party in Quebec, I can tell them that that party is not in agreement with the department's creation, since it knows very well what pitfalls the government has in mind for us, especially since we did not sign the agreement on the social union.

The federal government's reputation, as far as its intention to respect jurisdictions is concerned, is already made. Let me remind hon. members about the Young Offenders Act, and all the battle that waged around that. I remember the eloquent oratory of our colleague from Berthier—Montcalm when they were trying to pass it here. It ran counter to the way things were being done in Quebec, where we are concerned with rehabilitation of young offenders who have done something society considers unacceptable.

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We should not stick our head in the sand. When young persons commit a reprehensible act, we know full well they will eventually be back in society. Instead of putting them in jail with hardened criminals and prosecuting them in adult court, we need the youth tribunal to support them from the time of their arrest to steer them towards rehabilitation. The government wanted to interfere with Quebec's jurisdiction over young offenders support.

The millennium scholarship program is another case in point. We waged a battle of epic proportions to allow Quebec to keep its own system of scholarship and bursaries. As we know the millennium scholarship program works as a loan program. We spent time, money and energy trying to make the federal government understand that it was heading in the wrong direction in Quebec. Again, it was another battle of epic proportions.

I have been asking a lot of questions here in this House of the new social development minister, or the minister in charge of the parental leave file, namely the Minister of Human Resources and Skills Development. He says Quebec will be respected.

We want more than respect. What we want can be spelled out in a few words. "Opt out with full compensation", that is what we want. That is what it means to respect the provinces. However, every time I ask him to answer my question, he always finds it difficult to say, "respect with full compensation". So he says, "Yes, we will respect you", but at the same time he forgets the principles.

Today, they are trying to hoodwink us again about parental leave and daycare. Soon it will be about the social economy.

So you will understand the position of the Bloc Québécois on this bill that seeks to create a new department that will increase the size of the federal public service to manage its programs. It is all that too.

• (1640)

It is not just a department, but also the monitoring of a number of the federal government's programs and expenditures. The operating expenses of every department have been growing by leaps and bounds.

Social development belongs to the governments of Quebec and the other provinces. The others can do as they wish, but we shall defend our unique character and governance in the various files. Whether it is in the health or education sectors, or in municipal affairs, we know that we have strong institutions. That is why we are fighting to keep them from weakening. We know that the whole problem of fiscal imbalance is weakening those institutions we consider essential.

When the community is not happy with its government in Quebec, it can change it. It can decide to elect different people to power. It does not necessarily have the same opportunity when it does not like the government in Ottawa. We have been rather quiet here since 1993. Where are the huge demonstrations in front of Parliament that will make this government tremble and change course? Perhaps that is why the Liberal government, election after election, never manages to change its tune; it is because the people do not make a fuss.

I can see the parliamentary secretary smiling; she is a member of our Standing Committee on Human Resources Development, Social

Development and the Status of Persons with Disabilities. She would be well advised to listen to what I have to say. When we in opposition listen to the witnesses who appear before the committee, they very often tell us that our programs are on the wrong track. But what happens is that they are not heard at all. Everyone smiles and thinks what rabble-rousers these witnesses are, and the witnesses feel that no one wants to listen to them.

These structures are new and useless to Quebec. It is another kind of interference. I would call it the social development tentacles—tentacles Quebec does not need in order to continue with its own social development.

The government can simply send Quebec money, since we already have the know-how. In parental leave, child care or the social economy—we could then move ahead with developments much faster than we do now.

The Department of Social Development will coordinate all the activities of the Minister of State—a new Minister of State—whose powers will extend to families and care-givers. Once again, this pertains to the area of health. A large number of the initiatives that will be taken by the government pertain to education, early childhood development and homelessness. For sure, if some goodies are handed out and are needed to finish out the day more agreeably, we will say yes. On the other hand, this does not mean that the problem will be fixed for the rest of the day. To a point, this what is happening with the policies of the federal government.

Turning to the creation of programs, we are told said that this will be citizen-oriented and that it will promote the well-being of people. We note that there is an issue that has been raised by the Auditor General, that is, the whole aboriginal issue. We have an aboriginal affairs critic, and we are in the process of setting up the whole federal follow-up file. This is one of its jurisdictions and powers, and yet it is not even able to satisfy the expectations of the aboriginal community. I say that it must first do its homework in its own jurisdictions, let the other provinces exercise their own jurisdictions and stop creating programs which it costs a lot of money to follow up.

The situation of people with disabilities was also turned into an election issue. As hon. members know, the Bloc Québécois also worked very hard so that disabled people would have a tax credit. We cannot be opposed to any type of tax credit, because it goes directly into the pockets of those who expect concrete measures that are easy to follow.

The government's involvement with community organizations is also another hobby horse of the federal government, which is doling out money and intruding in provincial jurisdictions. I could raise the whole issue of the homeless. The government created a new program in which funds were invested. However, we have yet to hear what it will do in terms of extending that program. We are talking about \$56 million for Quebec, when \$100 million are needed in the next agreement to meet the needs of the homeless. But we still do not know what will happen.

I am not the one who says that. We also consult social organizations in Quebec. We are told that the federal government sets up programs that last three or four years and then disappear, because it decided to change its priorities. There is no follow-up, no integrated policy that would indicate where the federal government is headed.

• (1645)

It is often very difficult. Quebec, for example, has an integrated family policy. It wants an integrated policy for the whole issue of homelessness, but it needs money to move forward.

The federal government may have decided to also provide some help with its national standards, but these standards are often a burden in the operations of our communities. Organizations have to ask both the federal and provincial governments for help. They often give up during the waiting period to get a subsidy. They are often too late, or else the money is already spent. Also, the amounts are often so small, so minimal, that it is better to direct them to a program that is already in place, than set up a program that is too small and one for which these organizations do not even qualify.

Launching a program may make the government look good and it may make it feel like it is doing the right thing, when in fact it is not from a practical point of view. Indeed, one of the objectives of that department is to ensure better management. I am quite curious to see how this will be achieved. For the time being, we are definitely not seeing better management in the various programs for which the federal government is responsible.

Then there is the New Horizons program for seniors in the community. This is for agencies, which have to submit projects. There will be a round table, along the same lines as the one on homelessness. Then there is the volunteer sector initiative.

Then there are all the other family and child policies. The government is casting a very broad net. Take the matter of parental leave for one thing. What did the Minister of Human Resources and Skills Development do immediately after the federal election? Just appointed, he accepted the reference to the Supreme Court of Canada of the Quebec appeal court ruling on parental leave. According to that ruling, this constituted an encroachment on areas of Quebec jurisdiction, an intrusion. According to the Constitution of 1867, parental leave is a Quebec responsibility.

Rather than accepting the Quebec Appeal Court decision and saying that, yes, they would respect it and authorize Quebec to opt out with full compensation, they referred the matter to the Supreme Court of Canada. They would like us to buy their expressed desire to respect provincial areas of jurisdiction. The Minister of Human Resources and Skills Development is giving us one very concrete example of federal intentions.

As far as the family and child policy is concerned, we know very well that there is consensus in Quebec. There is talk of a new child care project, but it is still embryonic at this time. Will there be respect this time for Quebec's jurisdiction, and not just on one point. What Quebec needs is the right to opt out, with full compensation. The cost to implement the program in Quebec is \$1.7 billion at the present time. That is a lot of money, when their contribution is \$5

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billion over 5 years. According to the experts, the cost will be \$10 billion over 10 years to implement the program Canada-wide.

So there needs to be some realism, knowing what lies ahead. I do not have much hope that this new department will have any concrete ability to change people's day-to-day lives. These are fine principles, I will admit, and I share their fine principles, let me assure you.

• (1650)

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, it is certainly a surprise for me to hear my colleague opposite making such a comment on the bill before us today.

She is talking about respect for provincial areas of jurisdiction. I consider that our government is, and has been for many years, a government that respects provincial jurisdictions.

Some hon. members: Oh, oh!

Mrs. Raymonde Folco: I think it is quite inappropriate for the members opposite to laugh. I would like to give you some examples of this respect that we have for provincial areas of jurisdiction.

Let us talk about immigration. We have spoken with Quebec and with other provinces also, and we have given the provinces some powers, along with a very generous resource envelope that goes to Quebec every year.

Let us also talk about the work and the job training that the federal government has given to the Province of Quebec, also accompanied by resource envelopes.

Let us also talk about parental leave and day care centres. We are in talks with the Quebec government to determine how these new parental leave and day care programs, that are offered by the federal government but based on the Quebec model, could help families. The federal government is in talks with the Quebec government in order to reach an agreement that will help not only Quebec families, but all Canadian families.

I think that my colleague opposite exaggerates wildly. Splitting this department will allow both ministers to focus more on social policy and human resources. I think that this is an excellent idea.

• (1655)

Ms. Christiane Gagnon: Mr. Speaker, I am smiling. We may both get a bit carried away, but that is not the issue. It is because we have different viewpoints. And we must also be able to debate and defend those viewpoints.

I would like to remind the hon. member, who chairs the committee on which I sit, of some of our epic battles. She says her government respects provincial jurisdictions. She ought to consider how the Bloc Québécois battled here in this House about the millennium scholarships, young offenders, and so many more topics. Remember the battles we have had here.

With respect to jurisdiction over young offenders, the Bloc Québécois had to fight fiercely to make sure provincial jurisdictions were respected. It does not happen easily.

Business of the House

On the contrary, we must be ever on the alert, because one never knows. We know that the true desire of the federal government is to infringe on provincial domains and set national standards. Such standards are contrary to the way things are done in Quebec.

As for parental leave, why has the hon. Minister of Human Resources referred a Quebec Appeal Court decision to the Supreme Court? Because it did not suit his purposes, and because there is something to consider. He said, in effect, "If we succeed in reaching an agreement with Quebec concerning its priorities, we will settle, and we will forget the Supreme Court's response. If not, we will wait and come to terms with the Supreme Court's decision". I do not think that can be called respect for Quebec's jurisdiction and Quebec's wishes.

The entire National Assembly is opposed to the creation of this department. That is because we know what kind of traps the department will set, to try to get public servants to work on and decide on realistic, long-term positions and guidelines.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member covered an awful lot of ground. One of the areas that she mentioned a few times, even in response to the last question, was with regard to maternity and parental leave and the extension to a full year.

I have a particular interest in that one because on October 28, 1998, I introduced private member's Bill C-204 to effect that change. I am very proud to say that on January 1, 2001, it was implemented by the Government of Canada for the benefit of all Canadians. It took three years, but with a little cooperation in the House and a bit of discussion with all stakeholders, it was viewed to be a progressive policy.

Three years later, did the Government of Quebec ever talk about extending maternity or parental leave? If the federal government had not taken on that initiative and extended it, it would never have happened, not even today. The member referred to national standards. Is it not true that sometimes even the province of Quebec may not have all of the ideas and may not be able to provide all of the benefits without cooperating with the Government of Canada?

[Translation]

Ms. Christiane Gagnon: Mr. Speaker, what a great opportunity I am being given. Obviously, the Government of Quebec cannot provide all the benefits it would like to provide, because the priority is to deal with the fiscal imbalance.

For example, when the federal government invests \$10 billion of the profits accumulated at the expense of taxpayers across Quebec and Canada, if this money were redistributed among the provinces, there is no doubt that the Government of Quebec would move forward on the issues of parental leave, child care centres and homelessness. In Quebec, we have very strong institutions and structured groups pressuring the government in the National Assembly. Antipoverty legislation was even passed, in spite of the fact that Quebec does not have all the tools required, as these include funding to meet expectations in Quebec.

When it comes to having good ideas, I think that ours must be very good, because they are being taken up in this House today.

Ideas can be borrowed from other countries or people from elsewhere, the same way ideas can be borrowed from our friends opposite, provided that provincial jurisdictions are respected and that a fair distribution of taxation powers is restored across Canada. This would take care of a big problem. Perhaps we would not be here, considering the establishment of the new Department of Social Development. This department will be expensive to operate and, in the end, the expectations of the public will not be met.

In fact, the Auditor General referred to this extensively today in one of her criticisms. In her report, she deplores the raiding of the employment insurance fund, as well as the fact that government programs do not provide aboriginal people with access to post-secondary education, and the list goes on. The government has a lot of mea culpa to do with respect to its operations and what it has control over. Let it start by dealing with what is wrong in its own jurisdictions; then we will talk.

● (1700)

[English]

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I am new to this place and new to the committee on human resources and skills development. I am actually enjoying myself there. There are a lot of opportunities to interact and ask questions. In fact, we have been successful in convincing the committee to do a number of things such as setting up a subcommittee to review EI and a subcommittee to look at disability issues.

As the member for Quebec has been here longer than I have, I will ask her to tell me if that is the normal attitude and experience of that committee over the years or not.

[Translation]

Ms. Christiane Gagnon: Mr. Speaker, I thank the member for Sault Ste. Marie for his question.

When the House of Commons reconvened, we worked very hard to have a subcommittee established concerning the use of the money in the employment insurance fund. The government knows very well how we worked with opposition parties. I will spare you the details of the procedure. However, without the support of the NDP and the Conservative Party, we would not have seen the creation of a subcommittee to study the issue and to make recommendations about the employment insurance fund.

I want to thank the member for Sault Ste. Marie because he had tabled in committee a motion that would allow us to debate this before December 17. We will soon be able to receive the recommendations of this committee. We will see whether the Liberal government is acting in good faith. Liberal members will have to do a very interesting exercise in democracy. I invite them to focus on the positive responses to give to this committee.

* * *

[English]

BUSINESS OF THE HOUSE

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I rise on a point of order. There have been discussions among the parties. I would seek unanimous consent for the following motion. I move:

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That, during the debate tonight on the business of supply, notwithstanding Standing Order 81(4)(a), within each 15 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 approximately reflect 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 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)

* * *

DEPARTMENT OF SOCIAL DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C-22, an act to establish the Department of Social Development and to amend and repeal certain related Acts, be read the second time and referred to a committee.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, it is my pleasure to rise this evening. While I have had the honour of rising in the House to ask questions, make statements and participate in a take note debate on the BSE crisis, I do consider this my maiden speech in this chamber. It is indeed an honour to be here. It is an honour, too, as the member for Sault Ste. Marie, to be the first individual to represent my riding in northern Ontario in both the provincial legislature of Ontario and now here in the House of Commons.

I would like to recognize the contributions of my predecessors in this place, particularly the most recent, Carmen Provenzano, Ron Irwin, and a member of my own party, Steven Butland, some few years ago.

Today we are discussing what on the surface appears to be a housekeeping bill giving a legislative framework to the new ministry of social development that has been operating since last December. However, while the legislative framework may be housekeeping, the mandate of this department, which is social development and the social economy, is not housekeeping. Rather, it is about nation building. This mandate goes to the very heart of who we are as Canadians.

Today at the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, in estimates, the Minister of State for Families and Caregivers talked of this ministry as the heart of the government. I agree with him. What we can yet become again in building a nation where all are equal and all are included could be very much under consideration here as we debate this department in Parliament.

I must say that this mandate of social development and the social economy very much connects with my own journey, both personally and politically. I want to begin with the wisdom I have gained from that journey. I am one of seven children of parents who arrived in Canada in January 1960 from Ireland. My father Martin came nine months earlier than the rest of us to establish a home, ending up in Wawa in northern Ontario working in a mine in that small community. My mother, Rose Savage, also from County Louth, Ireland, on her own escorted her seven children across the Atlantic to a new life in this wonderful country.

It was very exciting for us as children. We took a train in the middle of January up through the hinterland, ice and snow hanging from the trees. We children thought that we had died and gone to Disneyland. My mother, of course, thought she was in Siberia and some suggest that perhaps she was. It was very exciting, though, for all of us. I am an immigrant from Ireland who for the first nine years of his life had no electricity and no running water. I think in that there is a lesson for all of us, particularly where the social economy is concerned.

We came to a country whose social policy then was inclusive and welcoming. It was my first taste of Canada, a country rich in diversity and resources, filled with hopes and dreams, people working hard and playing hard, as northerners do, supporting one another and building community. The only way to survive this challenge was in fact to do it together with neighbours and with fellow workers and to do it in community.

It was out of this collective experience, in fact, that this nation came to believe in the power of community and the necessity of working together through the hard times such as the weather, the geography and the distance, all of life's hardships for those of us who have lived in northern Canada or in rural Canada.

It was with this experience of community and family and the need to care for one another that I saw first-hand what led me to want to work to create a society that reflected those values.

Those Canadian and community values connect very well with my faith journey, which was anchored in the social gospels. My faith led me to politics and the New Democratic Party, to people like Tommy Douglas, who allowed us to concretely root this care for other people and to build other structures that are fair and just.

I was able to work with this in a very concrete way in my home community in Sault Ste. Marie where, with some like-minded people, we established a soup kitchen in 1983. Half of our major industry had just been laid off. I am talking about a drop in employment of 6,000 people in a community of 80,000. It was major and it had a major effect. It was in Sault Ste. Marie, surrounded by really good people, that I saw the need for government programs and interventions if we are going to provide opportunities for everyone.

● (1705)

It was in that capacity I discovered that not only could government be helpful when it chose, it could also be hurtful in the choices it made. It was there that I committed to changing the structures and attitudes that contributed to the pain and suffering of so many people. That was what I saw happen under the Conservative government over the last eight years in Ontario, for example, with it taking away 21.6% of the income of the most marginalized and at risk individuals and families, decimating a support structure that had been put in place over many years by different stripes of government, New Democrat, Liberal and Conservative, all in the interest of lowering taxes, and judging some people not worthy of government assistance.

Government Orders

It was in this period that my resolve was born to fight poverty and to help create a society that was supportive and helpful of our people. This fight is not won, by any stretch of the imagination. James Wolfensohn, President of the World Bank, said recently that he believes that today poverty is not “central on the global agenda”. I would add that it is not central on this government's agenda. Wolfensohn believes that “today lip service is given to the question of poverty”.

He states:

There are safe statements made by just about everybody about the issues of the Millennial goals and about poverty. But the real issues today that seem to be on the mind of the world, terrorism, Iraq, Afghanistan, strains in the Trans-Atlantic Alliance, budget deficits, and parochial problems...while attention is given less to the equally inevitable and equally dangerous problems that come with poverty.

Wolfensohn says that “poverty and the environment in which we live are the real challenges for peace and that we need to give them priority.”

This global fight against poverty has a human face, a face that all of us here see on a daily basis if we are going back to our communities and listening to and looking at what is happening there.

I remember like it was yesterday learning during my people's parliament on poverty hearings of the news about the death of Kimberly Rogers, a story that more than any other painted the picture or told the story about what happens when government actually abandons people or chooses to abandon people.

For those who do not know, Kimberly Rogers was a young pregnant woman who was on social assistance and chose to go back to college and better herself. She became caught in a legal wrangle; in Ontario it was deemed to be illegal to collect student assistance and social assistance at the same time. She was found guilty and assigned to house arrest. In the heat of a very hot summer, she passed away in her apartment.

That is what can happen when governments put in place policies that have not been fully thought out and will ultimately come back to haunt them and all of us.

Being here in Parliament now allows me the opportunity to take this fight to a higher national level. When I announced my intention to seek a seat in the House of Commons, I spoke of the two kinds of politics in our country: the politics of access and influence and the politics of building a better society that includes everybody.

What matters to me is a politics of inclusion, politics as if people and communities matter. Among our New Democratic priorities for this new ministry will be, among other things, fighting the clawback of the national child tax benefit supplement and fighting child and family poverty, which is getting worse, according to news stories today reporting on tomorrow's Campaign 2000 report card, which says that family poverty is getting worse in our country.

This is shameful at any time, but intolerable when in our country the surplus currently stands at \$9.1 billion and we have an EI surplus that sits at \$44 billion.

New Democrats also pledge to work for a credible national child care plan.

I believe that splitting the former Human Resources Development Canada ministry into two ministries and creating a Ministry of Social Development gives us a wonderful opportunity to revisit what we can do as government and as members to ensure that every citizen at a very basic level lives a life reflective of the dignity inherent in every person and is able to participate fully in the life of their community.

I believe that government has a pivotal role to play in stabilizing our economy so that we all have a chance at good, secure, safe and well-paid jobs.

● (1710)

From my experience of fighting poverty in the community, it seems to me that the government needs to take a different, more fundamental track in its program development and approach. It needs to begin with a respect for the inherent value in each human being and the potential in each person to contribute to their own livelihood and the life of their community in a way that is often unique and particular.

We have fundamental questions to ask about social policy in our country and communities. When someone stands before us as legislators or as public servants to access a government program, for example, who do we see? Do we see someone who is valuable, someone who is worthy or do we see someone inherently lazy or bad, someone that some parties and policies would blame for their very own situation? The social development question is, how do we build a community around that person and for that person?

For our party, the essential difference is that we need to break out of a notion that sees society only as a collection of individuals, all in competition with each other, and to build a society that is supportive and cooperative, a society seen through community eyes as a community of communities. This is the social democracy we New Democrats offer this country. I am convinced that the more progressive social agenda from the throne speech we heard a couple of weeks ago is in good part there because New Democrats have a central role in this minority government.

I am proud to be affiliated with the party of Tommy Douglas. I make an unabashed plea in this place to anybody who is listening to vote for Tommy Douglas as our greatest Canadian. I know that there will be some out there who will want to make a plug for perhaps Mr. Trudeau or Mr. Pearson, but if we look at the contribution that Tommy Douglas made, particularly at a time when we had a minority government in this place, and the introduction of national programs like our health care and the role that he played in that, we will understand why some of us feel so strongly about his contribution. He introduced the last really national program to this country, a program that we now hold up as that which identifies us as Canadians.

My passion in coming to politics, as I said before, is to wipe out poverty. It is the reason I am in politics. The just released National Council of Welfare's poverty profile for 2001 reported that about 240,000 Canadian families with two working parents lived below the poverty line in 2001. Low paying jobs continue to fall short in providing workers a living wage. Almost 60% of poor single mothers, 128,000 women, reported earnings that could not lift them above the poverty line.

Government Orders

Some of the programs that the government has introduced to reduce poverty has turned out to be an exercise in simply moving people from one state of poverty to another. The working poor in this country find themselves still unable to pay for and have those things that are basic to a decent standard of living to support them, their families and their children.

I have been touching on the social justice and community themes that are an inherent part of the Ministry of Social Development. Let me use my remaining time to briefly elaborate on those priorities at this time for our party in that context.

The government is finally, after years and years of promises, saying it will put in place a national child care system. Our party wants to support this national system if, and it is a very big if, we get it right on crucial issues, such as child care being publicly funded and publicly delivered.

As we talk more about a national plan, we need the stark reminder that by the time a truly national child care system is operating, today's toddlers will be finishing university. As I have said on a number of occasions over the last couple of weeks, we do not have more time on this file. As a matter of fact, we are into overtime. Our party believes that a national child care system must be sustainable, well past the five years promised by the government.

● (1715)

It will be important to ensure that provinces spend this money for child care. We need enabling legislation sooner rather than later to lay the foundation for this plan. This legislation would be part of the growing confidence of citizens in a national child care and early learning system.

There are some positive conditions, I must say, at the moment that give me confidence that the government may actually deliver this time on its promise of a national child care system, the most important being that we have a minority government at play here with a central role for the New Democratic Party.

Our commitment is to work with those people in this place who sincerely want to put in place a national child care system based on the principles that have been studied and developed over a long period of time now, that have a commitment from all those out there who understand and have worked, and are looking forward to a national child care system that is enshrined in legislation and that is publicly funded and publicly delivered.

We have here the kind of Parliament that produced our health care program, something put together by the New Democratic Party, government and the CCF government in Saskatchewan. Our party's priorities for a national child care system include building a not for profit system.

There has been a trend to privatization in health care under Liberal and Conservative governments. Governments de-fund or underfund a system and then say that they cannot afford a universal plan. We have already seen a creeping Americanization of our health care system. We must not allow an Americanization of the child care system.

Supporters of for profit child care say providers can create child care spaces more quickly than the not for profit sector and at a lower

cost. They argue that giving private providers public child care funds maximizes choices available for parents. The OECD report, which was delivered here a week ago, is clear that quality suffers with private child care. For example, it becomes more costly and it becomes, in time, mediocre.

In an era of free trade and global trade agreements that exert wide influence on domestic social policy, Ottawa's money must be restricted to non profit programs or we risk falling into the hands of foreign big bucks child care.

Let us not forget that quality child care is about the social and economic development of a community and of our country. A national child care system would be a place of employment for thousands of people. It would constitute an essential resource which would enable parents to participate in the labour market, study, and pursue professional development opportunities. It could nurture better self-esteem for the child and the parent, and better economic development for both the child, the family and the community.

I want to speak for a few minutes on the national child benefit and the clawback. The national child benefit and its supplement was supposed to fight child and family poverty. The rationale was to reduce child poverty, promote labour force attachment, and reduce overlap of government services and benefits, but we know that the clawback robs the poor in very real ways. Only in families where an adult has a job is one allowed to keep the national child benefit supplement of a \$126 for the first child and decreasing amounts for subsequent children. Parents on social assistance or a disability pension are out of luck. When the rent is \$775 and total income is \$1,334, the extra couple of hundred dollars for a family with two children would make a huge difference.

Research from the Daily Bread Food Bank in Toronto documents how ending the clawback would reduce the number of families with children that have to turn to a food bank to put food on the table. Daily Bread Food Bank estimates that 13,500 children in the greater Toronto area alone would not need to rely on the food bank if the clawback were stopped.

● (1720)

Finally, I would like to comment on the social transfer. The government has a wonderful opportunity, with the empowerment of this new ministry, to go to the people of this country and ask them what they think we should be doing in terms of delivering social programs, where the money that is flowed to the provinces through the social transfer should go, what the priorities should be, and how we should be tackling this terrible blight on our society of so much poverty in such a rich country.

I would urge the government, in my support for the development of this ministry, to take that task on, and to take this opportunity at this time and go to the people of Canada and ask them what they think about the social transfer, and where they think it should be spent and what the priorities should be.

Supply

• (1725)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to thank my hon. colleague from Sault Ste. Marie for raising a couple of important points. He talked about the Campaign 2000 report which was just released regarding poverty, and children and families.

He also mentioned the OECD report which was sharply critical of Canada's child care system, describing it as a patchwork of uneconomic, fragmented services within a small child care sector and seen as a larger labour market support often without a focused child development and education role.

If child care is not kept in the not for profit sector, what kind of impact does my colleague think it will have with regard to NAFTA and the WTO?

Mr. Tony Martin: Mr. Speaker, my colleague is certainly right. She led off her comments with the fact that poverty is on the rise and that there are several things that we could be doing as a government to alleviate that. One of them would be to stop the clawback. The other thing we could do would be to introduce a national child care program that would be delivered by the not for profit sector.

She was also right when she said that studies have been done on this issue. A legal opinion was delivered only a week ago saying that if we were to go down the road of for profit delivery of child care, we would stand to trigger some of the NAFTA sections that would allow for the takeover of our national child care program by the corporate sector. We know it is waiting to move in when real money begins to flow for child care in Canada.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, the hon. member discussed the Liberal failure to build social infrastructure in this country. Can he address the government's failure to confront the physical infrastructure problem in our country? For example, the government has failed year after year to provide support to build the Strandherd to Armstrong bridge which results in enormous commercial traffic through the village of Manotick. That is just one example of how the physical infrastructure of this country has been neglected by the government.

I would like to return to the issue of social infrastructure. The hon. member gave a passionate plea in favour of the government run babysitting bureaucracy that the government intends to set up. Our party is going to be the only party that will stand in the House in defence of parents. Our party is the only party that actually trusts parents. Let me give members an example why. Why does that party over there refuse to take child care dollars and give them directly to parents and let those parents decide what to do with those child care dollars?

The first reason the hon. member gave was that big American corporations were going to take over the raising of our children if we let parents decide what to do with their own kids. The hon. member believes that parents do not know how to decide what to do with their own children.

We on this side propose that any child care program ought to be universal, contrary to the proposal which that hon. member and the government put forward. It would apply only to those parents who put their children in a government run babysitting program. Those

parents who decide to send their kids over to grandma or decide to stay at home and raise their kids or go to a local synagogue or church for their child care would not be covered by the government's babysitting bureaucracy. Thus it would not be universal; it would not be national. It would apply only to that narrow group of people who would entrust the government to raise their kids.

Why would New Democrats oppose a universal system of child care?

Mr. Tony Martin: Mr. Speaker, the national child care program is certainly not a babysitting service. It is a program based on research and science and all of the best knowledge that is available in terms of how children grow and develop. It is a program that should be available to everyone across the country.

In fact, one of the principles that those who support a national child care program talk about is exactly what the member says he wants, which is universality of access.

He also referred to the fact that we do not have good social infrastructure and he talked about physical infrastructure. The reason for that is that we have chosen different priorities over the last 10 or 15 years, driven by the member's party, to focus on tax breaks and paying down debt aggressively to the detriment of some of our social infrastructure and physical infrastructure.

If we want to build a country that is reflective of the wealth that we have here and the intelligence that exists, I would suggest that he should begin to encourage his party to participate with the rest of us and talk about priorities that will deliver some of the physical and social infrastructure that he and I know we desperately need .

* * *

• (1730)

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—HEALTH

The House resumed from November 18 consideration of the motion.

The Acting Speaker (Mr. Marcel Proulx): It being 5:30 p.m., pursuant to order made Thursday, November 18, 2004, the House will now proceed to the taking of the deferred recorded division on the opposition motion of the hon. member for Winnipeg Centre relating to the business of supply.

Call in the members.

• (1800)

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

(*Division No. 13*)

YEAS

Members

Ablonczy
Alcock
Angus
Bachand
Bains
Bélanger

Adams
Anderson (Victoria)
Augustine
Bagnell
Bakopanos
Bell

Bellavance
Bergeron
Bigras
Blais
Boire
Bonin
Boshcoff
Boudria
Bourgeois
Brison
Brown (Oakville)
Bulte
Cardin
Carrie
Carroll
Chan
Christopherson
Cleary
Comartin
Cotler
Cullen (Skeena—Bulkley Valley)
Cuzner
Davies
Desjarlais
DeVillers
Dosanjh
Dryden
Emerson
Faille
Folco
Forsyth
Fry
Gagnon (Saint-Maurice—Champlain)
Gaudet
Godbout
Godin
Guarnieri
Guimond
Hubbard
Jennings
Kadis
Karetak-Lindell
Khan
Kotto
Laframboise
Lapierre (Lévis—Bellechasse)
Lauzon
Layton
Lee
Lessard
Longfield
Lunney
Macklin
Maloney
Marleau
Martin (Sault Ste. Marie)
Matthews
McGuinty
McKay (Scarborough—Guildwood)
McTeague
Ménard (Marc-Aurèle-Fortin)
Mitchell
Myers
Nicholson
Obhrai
Pacetti
Paquette
Perron
Picard (Drummond)
Plamondon
Powers
Ratansi
Robillard
Rota
Sauvageau
Savoy
Scott
Siksay
Simard (Beauport—Limoulu)
Skelton
St-Hilaire
St. Denis
Szabo

Bennett
Bevilacqua
Blaikie
Blondin-Andrew
Boivin
Bonsant
Bouchard
Boulianne
Bradshaw
Broadbent
Brunelle
Cadman
Carr
Carrier
Catterall
Chong
Clavet
Coderre
Côté
Crowder
Cullen (Etobicoke North)
D'Amours
Demers
Desrochers
Dhalla
Drouin
Duncan
Eyking
Fletcher
Fontana
Frulla
Gagnon (Québec)
Gagnon (Jonquière—Alma)
Gauthier
Godfrey
Graham
Guay
Holland
Ianno
Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)
Karygiannis
Kilgour
Kramp (Prince Edward—Hastings)
Lapierre (Outremont)
Lastewka
Lavallée
LeBlanc
Lemay
Lévesque
Loubier
MacAulay
Malhi
Marceau
Martin (Winnipeg Centre)
Masse
McDonough
McGuire
McLellan
Ménard (Hochelaga)
Minna
Murphy
Neville
O'Brien (London—Fanshawe)
Owen
Pallister
Paradis
Phinney
Pickard (Chatham-Kent—Essex)
Poirier-Rivard
Proulx
Redman
Rodriguez
Roy
Savage
Scarpaleggia
Sgro
Silva
Simms
Smith (Pontiac)
St. Amand
Stoffer
Telegdi

Temelkovski
Basques
Thibault (West Nova)
Tonks
Valley
Vincent
Wappel
Wasylycia-Leis
Zed— 193

Government Orders

Thibault (Rimouski-Neigette—Témiscouata—Les
Toews
Valeri
Vellacott
Volpe
Warawa
Watson

NAYS

Members

Abbott
Anders
Batters
Bezan
Brown (Leeds—Grenville)
Cummins
Devolin
Easter
Finley
Gallant
Goodyear
Grewal (Newton—North Delta)
Guergis
Harper
Harrison
Hiebert
Hinton
Johnston
Kenney (Calgary Southeast)
Lukiwski
MacKay (Central Nova)
Merrifield
Mills
Moore (Fundy Royal)
Oda
Poilievre
Preston
Reid
Scheer
Schmidt (Kelowna—Lake Country)
Solberg
Steckle
Thompson (Wild Rose)
Trost
Ur
White
Yelich— 73

Ambrose
Anderson (Cypress Hills—Grasslands)
Benoit
Breitkreuz
Casey
Day
Doyle
Epp
Fitzpatrick
Galloway
Gouk
Grewal (Fleetwood—Port Kells)
Hanger
Harris
Hearn
Hill
Jaffer
Keddy (South Shore—St. Margaret's)
Komarnicki
Lunn
MacKenzie
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
O'Connor
Penson
Prentice
Rajotte
Reynolds
Schellenberger
Smith (Kildonan—St. Paul)
Sorenson
Strahl
Tilson
Tweed
Van Loan
Williams

PAIRED

Members

André
Crête
Dion
Lalonde
Pettigrew
Torsney

Asselin
Deschamps
Duceppe
Peterson
Saada
Wilfert— 12

The Speaker: I declare the motion carried.

* * *

● (1805)

[English]

DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from November 19 consideration of Bill C-7, an act to amend the Department of Canadian Heritage Act and the Parks Canada Agency Act and to make related amendments to other acts, as reported (without amendment) from the committee, and of Motions Nos. 1 to 3.

The Speaker: The House will now proceed to the taking of the deferred recorded divisions on the motions at report stage of Bill C-7.

Government Orders

[Translation]

The question is on Motion No. 1. The vote on this motion will also apply to Motions Nos. 2 and 3.

• (1815)

(The House divided on Motion No. 1, which was agreed to on the following division:)

(Division No. 14)

YEAS

Members

Abbott	Ablonczy
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Angus
Bachand	Batters
Bellavance	Benoit
Bergeron	Bezan
Bigras	Blaikie
Blais	Boire
Bonsant	Bouchard
Boulianne	Bourgeois
Breitkreuz	Broadbent
Brown (Leeds—Grenville)	Brunelle
Cadman	Cardin
Carrie	Carrier
Casey	Chong
Christopherson	Clavet
Cleary	Comartin
Côté	Crowder
Cullen (Skeena—Bulkley Valley)	Cummins
Davies	Day
Demers	Desjarlais
Desrochers	Devolin
Doyle	Duncan
Epp	Faillie
Finley	Fitzpatrick
Fletcher	Forsyth
Gagnon (Québec)	Gagnon (Saint-Maurice—Champlain)
Gagnon (Jonquière—Alma)	Gallant
Gaudet	Gauthier
Godin	Goodyear
Gouk	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guay
Guergis	Guimond
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffar	Johnston
Julian	Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)	Komarnicki
Kotto	Kramp (Prince Edward—Hastings)
Laframboise	Lapierre (Lévis—Bellechasse)
Lauzon	Lavallée
Layton	Lemay
Lessard	Lévesque
Loubier	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Marceau	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
McDonough	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Merrifield
Miller	Mills
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Nicholson	O'Connor
Obhrai	Oda
Pallister	Paquette
Penson	Perron
Picard (Drummond)	Plamondon
Poillievre	Poirier-Rivard
Prentice	Preston
Rajotte	Reid
Reynolds	Ritz
Roy	Sauvageau
Scheer	Schellenberger
Schmidt (Kelowna—Lake Country)	Siksay

Simard (Beauport—Limoilou)	Skelton
Smith (Kildonan—St. Paul)	Solberg
Sorenson	St-Hilaire
Stoffer	Strahl
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thompson (New Brunswick Southwest)	
Thompson (Wild Rose)	Tilson
Toews	Tonks
Trost	Tweed
Van Loan	Vellacott
Vincent	Warawa
Wasylcia-Leis	Watson
White	Williams
Yelich— 157	

NAYS

Members

Adams	Alcock
Anderson (Victoria)	Augustine
Bagnell	Bains
Bakopanos	Barnes
Bélanger	Bell
Bennett	Bevilacqua
Blondin-Andrew	Boivin
Bonin	Boshcoff
Boudria	Bradshaw
Brisson	Brown (Oakville)
Bulte	Carr
Carroll	Catterall
Chan	Coderre
Cotler	Cullen (Etobicoke North)
Cuzner	D'Amours
DeVillers	Dhalla
Dosanjh	Drouin
Dryden	Easter
Emerson	Eyking
Folco	Fontana
Frulla	Fry
Galloway	Godbout
Godfrey	Graham
Guarnieri	Holland
Hubbard	Iano
Jennings	Kadis
Karetak-Lindell	Karygiannis
Khan	Kilgour
Lapierre (Outremont)	Lastewka
LeBlanc	Lee
Longfield	MacAulay
Macklin	Malhi
Maloney	Marleau
Martin (Esquimalt—Juan de Fuca)	Matthews
McCallum	McGuinity
McGuire	McKay (Scarborough—Guildwood)
McLellan	McTeague
Minna	Mitchell
Murphy	Myers
Neville	O'Brien (London—Fanshawe)
Owen	Pacetti
Paradis	Phinney
Pickard (Chatham-Kent—Essex)	Powers
Proulx	Ratans
Redman	Robillard
Rodriguez	Rota
Savage	Savoy
Scarpaleggia	Scott
Sgro	Silva
Simms	Smith (Pontiac)
St. Amand	St. Denis
Steckle	Szabo
Temelkovski	Thibault (West Nova)
Ur	Valeri
Valley	Volpe
Wappel	Zed— 112

PAIRED

Members

André	Asselin
Crête	Deschamps
Dion	Duceppe
Lalonde	Peterson

Pettigrew
Torsney

Saada
Wilfert— 12

The Speaker: I declare Motion No. 1 carried. Consequently, I declare Motions Nos. 2 and 3 carried.

[*English*]

Hon. Stéphane Dion (Minister of the Environment, Lib.) moved that the bill, as amended, be concurred in.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

* * *

[*Translation*]

CANADA NOT-FOR-PROFIT CORPORATIONS ACT

The House resumed consideration of the motion.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion to refer Bill C-21 to committee before second reading.

[*English*]

Hon. Karen Redman: Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting yes, except for those members who would like to be registered as having voted otherwise.

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

Some hon. members: Agreed.

Mr. Jay Hill: Mr. Speaker, members of the official opposition present this evening are opposed to the motion.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, Bloc Québécois members will support this motion on Bill C-7.

Mr. Yvon Godin: Mr. Speaker, the members of the NDP are in favour of this motion.

[*English*]

Mr. Alan Tonks: Mr. Speaker, I wish to be recorded as being in favour of the motion.

Mr. Chuck Cadman: Mr. Speaker, I will be opposing the motion.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, I rise on a point of order. Earlier, I alluded to Bill C-7, but the Chair will know that Bloc Québécois members are in favour of the motion dealing with Bill C-21.

• (1820)

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

Government Orders

(Division No. 15)

YEAS

Members

Adams	Alcock
Anderson (Victoria)	Angus
Augustine	Bachand
Bagnell	Bains
Bakopanos	Barnes
Bélanger	Bell
Bellavance	Bennett
Bergeron	Bevilacqua
Bigras	Blaikie
Blais	Blondin-Andrew
Boire	Boivin
Bonin	Bonsant
Boshcoff	Bouchard
Boudria	Boulianne
Bourgeois	Bradshaw
Brisson	Broadbent
Brown (Oakville)	Brunelle
Bulte	Cardin
Carr	Carrier
Carroll	Catterall
Chan	Christopherson
Clavet	Cleary
Coderre	Comartin
Côté	Cotler
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cuzner
D'Amours	Davies
Demers	Desjarlais
Desrochers	DeVillers
Dhalla	Dosanjh
Drouin	Dryden
Easter	Emerson
Eyking	Faillie
Folco	Fontana
Frulla	Fry
Gagnon (Québec)	Gagnon (Saint-Maurice—Champlain)
Gagnon (Jonquière—Alma)	Galloway
Gaudet	Gauthier
Godbout	Godfrey
Godin	Graham
Guarnieri	Guay
Guimond	Holland
Hubbard	Ianno
Jennings	Julian
Kadis	Karetak-Lindell
Karygiannis	Khan
Kilgour	Kotto
Laframboise	Lapierre (Outremont)
Lapierre (Lévis—Bellechasse)	Lastewka
Lavallée	Layton
LeBlanc	Lee
Lemay	Lessard
Lévesque	Longfield
Loubier	MacAulay
Macklin	Malhi
Maloney	Marceau
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathews
McCallum	McDonough
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McLellan
McTeague	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Minna
Mitchell	Murphy
Myers	Neville
O'Brien (London—Fanshawe)	Owen
Pacetti	Paquette
Paradis	Perron
Phinney	Picard (Drummond)
Pickard (Chatham-Kent—Essex)	Plamondon
Poirier-Rivard	Powers
Proulx	Ratansi
Redman	Robillard
Rodriguez	Rota
Roy	Sauvageau
Savage	Savoy
Scarpaleggia	Scott

Government Orders

Sgro	Siksay
Silva	Simard (Beauport—Limoilou)
Simms	Smith (Pontiac)
St-Hilaire	St. Amand
St. Denis	Steckle
Stoffer	Szabo
Temelkovski	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Thibault (West Nova)	Tonks
Ur	Valeri
Valley	Vincent
Volpe	Wappel
Wasylycia-Leis	Zed— 180

NAYS

Members

Abbott	Ablonczy
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Batters
Benoit	Bezan
Breitkreuz	Brown (Leeds—Grenville)
Cadman	Carrie
Casey	Chong
Cummins	Day
Devolin	Doyle
Duncan	Epp
Finley	Fitzpatrick
Fletcher	Forseth
Gallant	Goodyear
Gouk	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guergis
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffer	Johnston
Kamp (Pitt Meadows—Maple Ridge—Mission)	Kenney (Calgary Southeast)
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Obhrai
Oda	Pallister
Penson	Poilievre
Prentice	Preston
Rajotte	Reid
Reynolds	Ritz
Scheer	Schellenberger
Schmidt (Kelowna—Lake Country)	Skelton
Smith (Kildonan—St. Paul)	Solberg
Sorenson	Strahl
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Toews
Trost	Tweed
Van Loan	Vellacott
Warawa	Watson
White	Williams
Yelich— 89	

PAIRED

Members

André	Asselin
Crête	Deschamps
Dion	Duceppe
Lalonde	Peterson
Pettigrew	Saada
Torsney	Wilfert— 12

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Industry, Natural Resources, Science and Technology.

(Bill referred to a committee)

DEPARTMENT OF HUMAN RESOURCES AND SKILLS
DEVELOPMENT ACT

The House resumed consideration of motion that Bill C-23, an act to establish the Department of Human Resources and Skills Development and to amend and repeal certain related Acts, be read the second time and referred to a committee.

The Speaker: The House will now proceed to the taking of the deferred division on the motion at second reading stage of Bill C-23.

[English]

Hon. Karen Redman: Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberals voting in favour, except those members who would like to be registered as having voted otherwise.

The Speaker: Is there unanimous to proceed in this way?

Some hon. members: Agreed.

Mr. Jay Hill: Mr. Speaker, members of the Conservative Party of Canada present this evening are in favour of the motion.

[Translation]

Mr. Michel Guimond: Mr. Speaker, members of the Bloc Québécois will vote against this motion.

[English]

Mr. Yvon Godin: Mr. Speaker, the members of the NDP are in favour of the motion.

Mr. Chuck Cadman: Mr. Speaker, I will be supporting the motion.

[Translation]

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

(Division No. 16)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Ambrose	Anders
Anderson (Victoria)	Anderson (Cypress Hills—Grasslands)
Angus	Augustine
Bagnell	Bains
Bakopanos	Barnes
Batters	Bélangier
Bell	Bennett
Benoit	Bevilacqua
Bezan	Blaikie
Blondin-Andrew	Boivin
Bonin	Boshcoff
Boudria	Bradshaw
Breitkreuz	Brisson
Broadbent	Brown (Oakville)
Brown (Leeds—Grenville)	Bulte
Cadman	Carr
Carrie	Carroll
Casey	Catterall
Chan	Chong
Christopherson	Coderre
Comartin	Cotler
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cummins
Cuzner	D'Amours
Davies	Day

Dejarlais
 Devolin
 Dosanjh
 Drouin
 Duncan
 Emerson
 Eyking
 Fitzpatrick
 Folco
 Forseth
 Fry
 Gallaway
 Godfrey
 Goodyear
 Graham
 Grewal (Fleetwood—Port Kells)
 Guergis
 Harper
 Harrison
 Hiebert
 Hinton
 Hubbard
 Jaffer
 Johnston
 Kadis
 Karetak-Lindell
 Kenney (Calgary Southeast)
 Kilgour
 Kramp (Prince Edward—Hastings)
 Lastewka
 Layton
 Lee
 Lukiwski
 Lunney
 MacKay (Central Nova)
 Macklin
 Maloney
 Martin (Esquimalt—Juan de Fuca)
 Martin (Sault Ste. Marie)
 Matthews
 McDonough
 McGuire
 McLellan
 Merrifield
 Mills
 Mitchell
 Moore (Fundy Royal)
 Myers
 Nicholson
 O'Connor
 Oda
 Pacetti
 Paradis
 Phinney
 Poilievre
 Prentice
 Proulx
 Ratansi
 Reid
 Ritz
 Rodrigue
 Savage
 Scarpaleggia
 Schellenberger
 Scott
 Siksay
 Simms
 Smith (Pontiac)
 Solberg
 St. Amand
 Steckle
 Strahl
 Temelkovski
 Thompson (New Brunswick Southwest)
 Tilson
 Tonks
 Tweed
 Valeri
 Van Loan
 Volpe
 Warawa
 Watson
 Williams
 Zed — 221

DeVillers
 Dhalla
 Doyle
 Dryden
 Easter
 Epp
 Finley
 Fletcher
 Fontana
 Frulla
 Gallant
 Godbout
 Godin
 Gouk
 Grewal (Newton—North Delta)
 Guamieri
 Hanger
 Harris
 Hearn
 Hill
 Holland
 Ianno
 Jennings
 Julian
 Kamp (Pitt Meadows—Maple Ridge—Mission)
 Karygiannis
 Khan
 Komarnicki
 Lapierre (Outremont)
 Lauzon
 LeBlanc
 Longfield
 Lunn
 MacAulay
 MacKenzie
 Malhi
 Marleau
 Martin (Winnipeg Centre)
 Masse
 McCallum
 McGuinty
 McKay (Scarborough—Guildwood)
 McTeague
 Miller
 Minna
 Moore (Port Moody—Westwood—Port Coquitlam)
 Murphy
 Neville
 O'Brien (London—Fanshawe)
 Obhrai
 Owen
 Pallister
 Penson
 Pickard (Chatham-Kent—Essex)
 Powers
 Preston
 Rajotte
 Redman
 Reynolds
 Robillard
 Rota
 Savoy
 Scheer
 Schmidt (Kelowna—Lake Country)
 Sgro
 Silva
 Skelton
 Smith (Kildonan—St. Paul)
 Sorenson
 St. Denis
 Stoffer
 Szabo
 Thibault (West Nova)
 Thompson (Wild Rose)
 Toews
 Trost
 Ur
 Valley
 Vellacott
 Wappel
 Wasylcia-Leis
 White
 Yelich

Private Members' Business

NAYS

Members

Bachand
 Bergeron
 Blais
 Bonsant
 Boulianne
 Brunelle
 Carrier
 Cleary
 Demers
 Faille
 Gagnon (Saint-Maurice—Champlain)
 Gaudet
 Guay
 Kotto
 Lapierre (Lévis—Bellechasse)
 Lemay
 Lévesque
 Marceau
 Ménard (Marc-Aurèle-Fortin)
 Perron
 Plamondon
 Roy
 Simard (Beauport—Limoilou)
 Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
 Vincent — 48

Bellavance
 Bigras
 Boire
 Bouchard
 Bourgeois
 Cardin
 Clavet
 Côté
 Desrochers
 Gagnon (Québec)
 Gagnon (Jonquière—Alma)
 Gauthier
 Guimond
 Laframboise
 Lavallée
 Lessard
 Loubier
 Ménard (Hochelaga)
 Paquette
 Picard (Drummond)
 Poirier-Rivard
 Sauvageau
 St-Hilaire

PAIRED

Members

André
 Crête
 Dion
 Lalonde
 Pettigrew
 Torsney

Asselin
 Deschamps
 Duceppe
 Peterson
 Saada
 Wilfert — 12

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Human Resources, Skills Development, Social Development and Status of Persons with Disabilities.

(Bill read the second time and referred to a committee)

[English]

The Speaker: It being 6:22 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]

WORLD TRADE ORGANIZATION

Mr. Roger Gaudet (Montcalm, BQ) moved:

That, in the opinion of the House, in the current World Trade Organization negotiations, the government should not agree to any concession that might weaken collective marketing strategies or the supply management system.

He said: Mr. Speaker, I am very pleased to move the motion today, which reads as follows:

That, in the opinion of the House, in the current World Trade Organization negotiations, the government should not agree to any concession that might weaken collective marketing strategies or the supply management system.

This is the complete text of the motion. The Bloc Québécois will support the supply management system, and it hopes that all political parties in this House will do likewise.

Private Members' Business

•(1825)

The Supply Management Five, or SM5, is a coalition for a fair agricultural model. Its goal is to support the Canadian government in the WTO negotiations. A broad-based coalition supporting supply management was set up in July 2003. It is composed of agro-industrial partners, businesses, financial institutions, consumer associations, unions, municipal, provincial and federal elected officials, as well as individuals.

Its aim is to unite all persons and organizations who believe in a strong agricultural sector and a prosperous food industry in Quebec and Canada.

Supply management is the means by which dair, chicken, turkey, table egg and hatching egg producers set the best possible equilibrium between supply and demand for their products in Quebec and Canada.

Producers thus only produce the quantities of agricultural products necessary to satisfy Canadian needs and avoid producing surpluses that would then have to be disposed of at a loss.

This planning process, coupled with the control of imports and a mechanism that enables producers to negotiate jointly for a price based on the production cost, assures them of a stable and fairer income, without governmental subsidies.

Supply management is based on three pillars. The first pillar is production management. Agricultural producers undertake to provide the Canadian market with quality products in sufficient quantities, avoiding surpluses. Dairy, chicken, turkey, table egg and hatching egg producers each undertake to supply a share of the Canadian market.

The second pillar is import control. The government commits itself to limiting imported products to ensure Canadian market requirements are met by Canadian production. This needs to be watched carefully.

Take the example of butter oil. The Ontario processed ice cream industry wanted to stop using cream in the production of its ice cream in order to cut production costs. It had hoped to buy a mixture of U.S. milk by-products and sugar called butter oil as raw material.

The federal government gave in to the industry lobby and abandoned dairy farmers by declaring that butter oil was not a dairy product, which opened the border to imports. In five years, between 1997 and 2002, imports increased by 557% resulting in a \$500 million loss for dairy farmers.

The same is true for cheese sticks. Since this product contains as much bread as cheese, the government declared that it was not a dairy product. It promised the WTO to allow a certain quantity to enter duty free but regularly issued supplementary permits. Each time, the Bloc Québécois expressed its opposition and the government reversed its decision, until the next time.

The third pillar is a pricing policy that covers production costs. The government also introduced mechanisms to enable producers to receive prices that guarantee reasonable returns and a decent living from their production, without subsidy.

Supply management is a fair agricultural model that ensures consumers a nutritious basket of high-quality products that are among the least expensive in the world.

Under the Canadian Dairy Commission Act, the CDC's legislated objectives are: to provide efficient producers of milk and cream with the opportunity to obtain a fair return for their labour and investment; and to provide consumers of dairy products with a continuous and adequate supply of dairy products.

Dairy products are a good buy for Canadians. According to an AC Nielsen survey this summer of 83 stores in 10 Canadian and 10 American cities, Canadians paid 23.6% less than Americans for the same 25 dairy products.

This backed up the findings of a previous study. Canadian dairy producers have been carrying out surveys on a smaller scale since 1996, and these show that dairy products are a far better buy in Canada than in the United States.

According to a Statistics Canada spending report, Canadians spend under \$12 a week on dairy products, less than it costs to go to the movies, buy a CD or park for one day in Ottawa.

What the dairy farmers get for their milk is just a drop in the milking pail. Even the tip we leave for our waiter, or the taxes added to our restaurant bill, are more than what the dairy producer gets for the products sold to the restaurant.

•(1830)

Supply management also introduces stability into the market, and contributes to the success of processing companies, which realize attractive earnings in Canada.

For example, according to a survey by Samson Bélair/Deloitte & Touche, in 2001, Canadian dairy processing plants realized a 21% return on shareholder equity. This same sub-sector was found in the same survey to rank in the leading group of the entire Canadian agri-food sector.

This sector does not cost public treasuries one cent. Dairy, table egg and hatching egg, chicken and turkey producers get no government income subsidies whatsoever.

It stabilizes producers' revenues and allows a better distribution of the consumer dollar among the various links in the food chain, from producer to retailer.

It promotes efficient and human-scale agriculture throughout Canada that respects resources and people.

Supply management thus helps create a stable and equitable economic environment that benefits every link in the food chain.

I would now like to speak about the WTO, whose goal is to create a free-flowing international commercial system by eliminating all obstacles to trade, from high customs tariffs to restrictions on the types of products that can be imported into a country. For example, the Europeans no longer want to import beef containing growth hormones or genetically engineered farm products, also called GMOs or genetically modified organisms.

During the last round of WTO negotiations, the Uruguay Round, the issue of agricultural products came up for the first time. The treaty nations agreed at that time to reduce the obstacles to trade in these products. They began to trade more freely and agreed to continue this process during future rounds of negotiations.

In Qatar in November 2001, the WTO member countries began the Doha Round of negotiations, which was expected to conclude by January 1, 2005. Agriculture is one of the principal issues in this round.

The proposals are now on the table and if they are accepted they will have a very serious impact on agriculture here, and especially on products that come under supply management.

Export subsidies offered by the great economic powers are largely responsible for the ridiculously low prices of some agricultural products on the world market.

Our governments in Canada and Quebec do not have the means to compete with the United States or European Union treasuries. The proposal now on the table would not completely eliminate these subsidies.

I would like to tell the House about a study by Daniel-Mercier Gouin. It was published in *Le Devoir* on November 16, 2004, and reads as follows:

Replacing supply management for dairy production in Quebec by income support to maintain producers' income approximately at its current level would cost the governments \$600 million more every year, without any guarantee that consumer prices would not rise.

This is what Daniel Mercier Gouin, the director of the Groupe de recherche en économie politique agricoles and a professor in the Department of the Agri-Food Economics and Consumer Sciences at Université Laval, concluded. This study was carried out for the Coalition pour un modèle agricole équilibré, representing the five supply management sectors in Quebec, namely dairy, poultry (chicken and turkey) and eggs (table eggs and breeder eggs). The coalition has 7,000 members, including municipalities, businesses and various economic organizations. The party leaders in Quebec City and Ottawa also gave their support to this formula.

● (1835)

This 120-page study, presented yesterday morning with former Premier and coalition counsel Pierre Marc Johnson, Marcel Groleau, the president of the Fédération des producteurs de lait du Québec (FPLQ), and Serge Lefebvre, the president of the Fédération des producteurs d'œufs de consommation du Québec, present, marks the launch of a new public awareness campaign in preparation for the negotiations at the WTO, scheduled to resume next spring.

There have been various modes of regulation.

The study consisted in analyzing the various regulation modes for the dairy sector in five countries, namely Canada, the United States, France and the Netherlands in Europe, Australia and New Zealand. The professor found that, despite the Uruguay Round, safeguards at the borders remain high and interventionism is the rule to regulate dairy markets. For example, between 2002 and 2004, the United States paid \$1.8 billion in direct subsidies. In Europe, quotas were imposed as part of a budget control process.

Whether it is in constant or absolute dollars, the study shows that the price paid to Canadian producers is stable and higher than the prices paid to their fellow producers in the other countries. Moreover, in those countries that have supply management (France, the Netherlands and Canada), prices paid by consumers increased less between 1981 and 2002 than in the other two countries. There is also this finding that Canadian producers are better protected, and that Canada is one of the countries where state support is the least significant. And producers are responsible for production surpluses.

Based on these findings, Mr. Gouin concludes that deregulating the Canadian dairy sector would not provide any guarantee of a benefit to consumers. Why then is there this widespread desire among WTO members to deregulate agricultural products? The answer is that this is part of a prevailing ideology to the effect that

Private Members' Business

liberalizing the agricultural economy would result in significant gains. "It is an economic theory that does not stand the test of reality", says Mr. Gouin.

Access to markets through tariff quotas is an effective means of promoting trade, while allowing the country to maintain programs such as supply management. If all countries were to put in place conditions that would provide clear access to the market through tariff quotas, the volume of agricultural and food products that could be traded in the world without being subjected to special tariffs would increase drastically.

Supply management or SM5 will not solve all agricultural problems. There are still the main crops, such as corn and wheat. Even the Prime Minister received a cow yesterday. Today, it was auctioned off for 18¢ a pound. This means less than \$200, because the cow was not very heavy.

Therefore, we support supply management. This should not be negotiable. We should hold firmly to our position and defend it. I hope that all members of this House will support my motion.

● (1840)

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, I want to ask a question of my colleague. First, I would like to congratulate him on moving such a motion. This was a very important issue during the last election campaign. I myself come from a rural riding. The Arthabaska RCM, which is part of my riding, is the largest milk producer in Quebec. Consequently, this issue was very important and still is.

We deplore the Liberal government's failure to defend supply management as it should have. It is thanks to a motion such as the one moved by my colleague from Montcalm that we will succeed in getting things done.

I would like to ask him one thing, since he was a mayor and also a reeve in a rural region and is very familiar with this issue. How will this motion alleviate the concerns of our milk producers, who are under supply management?

Mr. Roger Gaudet: Mr. Speaker, I would like to thank my colleague for his question.

The answer is simple. They will have a guaranteed income. That means that subsidies the government has difficulty providing will not be there; they will have a guaranteed income. They will themselves be responsible for their surpluses.

In that case, it would be better for the government to negotiate properly at the WTO to ensure that these five sectors remain efficient and do not produce more than is necessary. Moreover, our government must not import to interfere with our products.

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I too wish to congratulate my colleague from Montcalm on this fine initiative of putting forward a motion concerning the entire farming community in Quebec as well as Canada.

Private Members' Business

In his very sensible remarks, he provided a good background of the SM5. He clearly defined the SM5 movement, which started in Quebec. As we know, in the last election campaign, the current Prime Minister agreed to sign. So did the representative of the Conservative Party, as did every member of the Bloc Québécois. This commitment having been made, it is only a matter of having election commitments approved by the House.

This commitment proposed by our colleague would ensure that supply management is protected in WTO negotiations. I have a question for my hon. colleague however. I think that he left the door open when he answered the question of another member earlier.

As far as the supply management he is talking about is concerned, at present, the government is not implementing it fully. He mentioned that. The government is allowing butter oil. It has refused to get involved in the butter oil issue, and to implement supply management fully. And the Canadian representatives are always the ones granting a 5% allowance regarding the various supply management productions.

At the same time, does his motion not send the government a clear message not only to negotiate supply management properly, but also to implement it fully right away to show how important it is to us?

Mr. Roger Gaudet: Mr. Speaker, my hon. colleague is quite right. Given the current crisis in the agricultural community, I think that supply management is a good way to help the government and the producers make fair and equitable choices in the future, so that everyone can live within their means.

I find that very fair. Besides, this is the way to go. The government must make its support to supply management very visible.

• (1845)

[*English*]

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Mr. Speaker, I am pleased that members of Parliament have an opportunity to discuss supply management, which is of critical importance to the Canadian agriculture and agriculture producers in my riding of Tobique—Mactaquac and across the country.

In my riding of Tobique—Mactaquac we have the beautiful Saint John River Valley with its rolling hills. Whether one is in St. Andre, in Stanley, in Millville, in Mactaquac country, in the Grand Falls region or in the Woodstock region, supply management is important to our agriculture community because it is the backbone of the economy in the Saint John River Valley. Supply management is a key pillar in agriculture.

Therefore, the issue is important to Canadians and very important to farmers in my riding who live up and down the Saint John River Valley.

At the outset I would like to affirm the importance and uniqueness of supply management and the Canadian Wheat Board in Canada's agri-food sector. These marketing structures have been the choice of dairy, poultry, egg and grain producers since they were established, and has been successful for these industries.

The Government of Canada has clearly, consistently and strongly supported supply management both domestically and internationally. Domestically by providing the legislative, regulatory and institu-

tional framework for supply management and internationally by forcefully defending supply management against changes in the NAFTA and WTO.

Likewise, the Government of Canada has strongly defended the Canadian Wheat Board against politically motivated, unsubstantiated U.S. challenges time after time. NAFTA and WTO panels have consistently upheld Canada's position that the Canadian Wheat Board is a fair trader and that its mandate, structure and activities are consistent with our international trading obligations.

The WTO agriculture negotiations provide another excellent example of how the government is working closely with the provincial governments and the full range of agri-food stakeholders, including the five supply managed industries and the Canadian Wheat Board, to advance Canada's negotiating objectives.

In 1999 the government announced Canada's initial negotiating position for the WTO agriculture negotiations. This position was developed in close consultation with the provincial governments and the full range of agri-food stakeholders, including the five supply managed industries.

Our position, aimed at levelling the international playing field, has truly enabled Canada to assume a position of strength in these negotiations. It has allowed Canada to work toward an outcome that is in the best interests of the entire Canadian agriculture and agri-food sector.

Since the negotiations began in 2000, the Ministers of Agriculture and Agri-Food Canada and International Trade, as well as members of Canada's negotiating team, have been working very closely with the provinces and the sector to ensure that they are kept up to date at each step of the way in these negotiations.

Both ministers and their officials have met with the provinces and stakeholders to listen to their perspectives on issues under negotiation and to ensure that Canada's negotiating approaches reflect the interests of the sector as a whole.

Agri-food industry representatives, representing a wide spectrum of the sector, have attended all WTO ministerial conferences since the Seattle conference in 1999. Canadian ministers and officials have ensured that all stakeholders were fully briefed on the discussions. As well, officials have provided detailed briefings before and after significant developments to a wide range of agri-food stakeholders, both at the event itself and those back in Canada.

At no time has this kind of collaborative effort between government, industry and the provinces been more evident than during the intense period of negotiations in July during which 147 members of the WTO unanimously agreed on a framework on agriculture to guide the next stages of negotiations.

Almost 40 Canadians were in Geneva during the last two weeks of July to follow the framework negotiations, many of whom were from the five supply managed industries and the Canadian Wheat Board. The Minister of International Trade, the Minister of Agriculture and Agri-Food and members of Canada's negotiating team spent a great deal of time each day seeking views and briefing them on the latest developments in the negotiations.

The framework on agriculture points in the direction of a more level international playing field. While it went further on a few issues than Canada would have liked, it provides scope for us to continue pursuing our negotiating objectives and reflects many of the key ideas that Canada has put forward since the negotiations began.

As the negotiations progress, the government will continue to face strong pressure on certain issues. While the framework does not include a reference to the reduction of over-quota tariffs, Canada will continue to face significant pressure from other WTO members on this issue as the negotiations progress. All other WTO members are calling for tariff reductions on all tariff lines.

• (1850)

The U.S. and European Union will also continue to press for new disciplines on state trading enterprises like the Canadian Wheat Board.

However the government will remain steadfast in its commitment to defending the right of producers, producers like those in my riding of Tobique—Mactaquac, to choose how to market their products, including through orderly marketing structures like supply management and the Canadian Wheat Board.

We will continue to put forward our view on behalf of all agricultural producers and those in my riding that countries should be allowed some flexibility in how market access improvements are made to reflect their different domestic policy approaches. We will continue to insist that the Canadian Wheat Board is a fair trader and that its mandate structure and activities are consistent with Canada's international trading obligations.

We will continue to work closely with the entire range of agri-food stakeholders to achieve a positive outcome for the entire agri-food sector. The whole of the agri-food sector and the whole of the Canadian economy stand to gain from these negotiations.

We are seeking prosperity for Canadians through secure access to markets around the world, a stable and predictable business environment and a level playing field for our producers.

The WTO sets the rules for global trade. We must remain focused on getting the best outcome for Canadians and we will work with all stakeholders to achieve it.

Ms. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, it is an honour to speak in the House today to this important issue. My colleagues from Quebec raised the subject of government accountability. I would like to take this opportunity to talk about this subject that truly matters to Canadians.

During this past summer's federal election campaign I was greeted at doorsteps with an unprecedented level of cynicism. People told me that they did not respect politicians any more. Their trust had been

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violated one too many times. They had heard the Liberal promises, put their faith in the government over and over again and waited for action, only to see the Liberals continue to break promises, ignore Canadians and further demean elected office in the eyes of the Canadian taxpayer.

The arrogance of the government has grown to such heights that it has forgotten that government, minority or otherwise, brings not only the privilege of the fancy seats on the other side of this chamber but also the responsibility of governing on behalf of Canadians.

I am proud to join with the members of the Bloc to call on the Liberal government to do its job, to honour commitments made to Canadian producers and to negotiate in good faith with the WTO.

Canadian producers from all sectors of agriculture were snookered into thinking that they knew what to expect from their negotiators at the World Trade Organization. Prior to the launch of the Doha round of negotiations in 1999, the Liberal government and the then agriculture minister, Lyle Vanclief, made the following statement on August 19, 1999:

Over the past two years the Federal Government has been consulting closely with the industry and the provinces to determine how Canada's initial negotiating position could best reflect the interests of the entire Canadian agri-food sector.

The statement went on to say:

Another theme raised by many stakeholders is the need to maintain Canada's ability to continue orderly marketing systems, such as, supply management and the Canadian Wheat Board. The Federal Government is committed to preserving the ability of Canadians to operate the orderly marketing systems necessary for stability and profitability. Decisions regarding marketing system choices will continue to be made in Canada.

Why are we here today? The negotiations continue and producers in all sectors should feel secure that their concerns and priorities are being kept in mind by their government.

The Liberals claim to have sought consensus of the industries through stakeholder consultations, convincing producers that they had input into creating the trade negotiations mandate. However the Liberals have violated their trust. They have leaked their willingness to make concessions and deals, and even sacrifice one sector for another. The government has abdicated its responsibility to live up to its own negotiating mandate.

It is clear that the Liberals have just tried to distract Canadians and producers from what is really going on in Geneva. For years the Liberals have pursued a divide and conquer strategy with Canadian agriculture. They have pitted producer against producer and region against region.

The Liberals have been very good at this. The issue of supply management, in particular, is often used by the Liberals to redirect producer anger over uncertainty at the WTO. This is a devious ploy that falls flat in the face of reality.

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During the federal election campaign this past summer, our leader, the member for Calgary Southwest, expressed his strong support for supply management by signing a declaration in support of this system. Our party is on the record supporting supply management and also in support of the three pillars of supply management as expressed in the declaration which reads:

—the Canadian supply management system, which is based on planning production to match demand, on producer pricing that reflects production costs, as well as on control of imports—

● (1855)

The Conservative Party will continue to stand by dairy, poultry and egg producers. We have been clear that a new Conservative government will ensure that industries under supply management remain viable.

We will support supply management and we will work to protect it in international trade discussions. Mr. Harper said this in speeches from Regina to Belleville during the election campaign, and I am proud to repeat it in the House of Commons today.

The Acting Speaker (Mr. Marcel Proulx): May I remind the hon. member that she is to use the titles or riding names of members and not family names.

Ms. Diane Finley: Mr. Speaker, I apologize.

We as Canadians should not allow ourselves to be baited into this false controversy of arguing about which sector must be sacrificed at the Liberal altar. These producers must realize that it is the Liberals themselves who are weak in their support of producers.

With regard to the motion at hand, the Bloc asks that this House agree to ask the Liberal government not to agree to any concessions at the WTO that would weaken collective marketing strategies or the supply management system, but the real issue at stake here is that we are hearing talk of concessions at all.

What negotiator goes into arbitration talking of concessions? Is this what they are saying in Geneva? How can they possibly expect to achieve their objectives if they have already admitted defeat or have given up the fight?

The Conservative Party of Canada knows that this is not how to govern. Canadians expect more than a government that gives up before the fight is over. The Conservative Party is disgusted that the government would rather encourage divisive debate on which farmers have to lose their livelihood because the Liberal government cannot be bothered to live up to its commitments.

Conservatives know that producers have no appetite for these battles. No producer wants to gain at the expense of his or her neighbour.

The Liberals have promised Canadian producers that by joining together and crafting and negotiating a mandate the efforts of the Canadian whole will be stronger than its parts. Before the negotiations are even over, we have a government that is trying to get out of delivering on its side of the deal by playing one group of producers off another in order to discredit them all.

Regardless of the sector, agriculture or other, Canadians deserve to be treated with respect by their government. They should have confidence that their representatives will stand tall for them and stay

true to their commitments. We will not be drawn into a discussion of the merits of one sector over another. This boils down to accountability. The Liberal government has abdicated its responsibility to live up to its own negotiating mandate.

We support this motion because it is unacceptable for the Government of Canada to consider concessions that would inevitably cause producers to believe that they had to fight against each other just to survive.

● (1900)

[*Translation*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I would like to begin by thanking the hon. member for Montcalm for this motion on such an essential matter. Essential not only for the livelihood of our farmers, but also for the maintenance of an independent food policy, in Quebec as well as in the rest of Canada.

Our system of dairy product supply management as well as the collective marketing of wheat is endangered at the present time. Its life is in danger: first of all, because of the attacks by the World Trade Organization; second, because of the propaganda from the right, for example the Fraser Institute and the lobbyists connected with multinational interests; third, and most important, the lack of resolution and sincerity on the part of the Liberal government.

Let us start with the WTO. Everyone knows that the World Trade Organization, the WTO, which replaced the GATT in 1994, is mandated to promote integral free trade for all international trade, with the corollary being the abolition of any form of subsidy or control mechanisms for agricultural production.

Whereas initially the GATT and then the WTO had set agricultural products aside in a separate category, the tack that has been taken in the negotiations in recent years is a bad sign. From now on, the WTO wants to consider agriculture as a sector just like the others, and to eliminate not only any possibility of subsidy, but also the mechanisms of supply management and collective marketing that are so important to Canada.

[*English*]

In fact, as recently as July 31, 2004, the 147 members of the WTO, Canada included, unanimously agreed on a negotiation framework to allow the resumption of the Doha round of trade negotiations.

The new agreement commits WTO members to the elimination of agricultural export subsidies and targets in the longer run Canadian supply management practices and state trading enterprises such as the Wheat Board.

[*Translation*]

We know full well that agriculture is not like other sectors and that we cannot leave this key sector in the hands of bureaucrats and WTO officials or the dozen or so multinationals that control the world's food production.

We know full well that a farm producer's job is one of the most difficult and essential jobs there is. Food does not grow on the supermarket shelf. A farmer has to take risks and work very hard in order possibly to earn enough to live on, small compensation for the invaluable service farmers provide to Canadian society.

It is only normal, and we must commend them, that farmers have managed to come together to create such important management mechanisms for the smooth functioning of this key sector and to ensure that their family gets a fair share of the fruits of their labour.

In my opinion, this House has a duty to protect these assets, especially since it is in the public interest to do so.

[English]

This brings me to the second threat against our supply management system and single desk selling: the relentless attack of big agribusinesses and those who serve them. Their agenda is to promote bigger profits and the control of larger market shares through the complete deregulation of agriculture. Why else would they want to abolish such a successful system of supply management in the dairy sector, a system which in fact secures a decent income to our farmers without any drain on tax revenues?

Poultry and dairy are two of the few areas in agriculture where farmers make money and can stay in business without being run down by multinationals. Instead of applauding a system that helps us remain standing and keep what is left of our family farms and preserve some of our farming communities, those so-called free marketers, which in fact are looking for a back door to corner the market, allege that Canadians pay more for dairy products than do American consumers. This is hogwash, frankly.

A 2001 OECD report comparing estimates of total consumer and taxpayer support to milk producers in Canada and the U.S. for the period 1998 to 2000 found that they are virtually identical: 58% and 55% of total gross farm gate receipts respectively. Producer support to milk producers throughout all OECD member nations also averaged 58% during that same period. Moreover, for the past decade the dairy farmer of Ontario grocery basket has been cheaper than the American equivalent.

Because the Canadian Wheat Board is a state trading enterprise, it is under constant attack from Canada's trading partners, particularly the United States and the Cairns group, of which ironically Canada is a member. These forces continue to challenge its legitimacy, lobby the WTO and support their friendly lobbyists in Canada to undermine the confidence of Canadians in the Wheat Board.

This brings me to my final point, the third danger to our agricultural marketing system: the apathy and insincerity of the federal government. Although the Liberals made the support of the Canadian Wheat Board and supply management one of their platform planks in the last federal election, the WTO framework of negotiations to which the Liberal government agreed in Doha contains elements that could eventually impact the Canadian Wheat Board's current capacity to market wheat and barley.

For instance, article 18 of the WTO framework calls for the elimination of export credits, export credit guarantees or insurance programs with repayment periods beyond 180 days. The same article also mentions that the following should be eliminated:

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Trade distorting practices with respect to exporting STEs (State Trading Enterprises) including eliminating export subsidies provided to or by them, government financing, and the underwriting of losses. The future issue of the future use of monopoly powers will be subject to further negotiation.

While current practices are consistent with current trade obligations, the latter are a priority on the WTO negotiation table. Given that government financing and export credit could be eliminated, it is unclear how the Wheat Board could survive in the long run without vigorous political action. On one hand, the federal government swears allegiance to the Wheat Board and supply management; on the other hand, it signs international agreements that restrict our freedom to choose what is good for our sovereignty and our existence as a nation.

The federal government has overseen crippling grain prices and rising input costs while helping foreign investors through deregulation, NAFTA and the WTO. Under NAFTA the income of farmers in all three countries has declined. How can we trust the government to defend those institutions and walk the talk when the record is a record of broken promises?

● (1905)

[Translation]

We cannot trust what the Liberal government says since it uses its words to disguise its thoughts. We must be vigilant and closely follow its initiatives at the WTO and elsewhere.

[English]

Just before I conclude, I would like to read an extract from *The New York Times* editorial of October 1, 2004: "In Canada, the supply management system estimates demand, coordinates supply, and is profitable for small farmers. It is a non-subsidy way of supporting farmers and does not use tax dollars. The system is under threat from world trade rules. Should Canada be required to dismantle the system in the years to come, it could mean significant reorganization and re-scaling of sectors of the dairy industry and one that may be less secure for small farmers".

The Wheat Board and supply management is under attack. The motion that has been brought forward by the member of Parliament for Montcalm helps to address that critical issue that has importance not only for rural communities across the country, but also for urban areas that benefit from the contribution rural areas make.

I and the caucus of the NDP strongly support this motion. We hope that it will pass in the House.

● (1910)

[Translation]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, as the critic of the Bloc Québécois for agriculture and agri-food, it is with enthusiasm that I support my colleague from Montcalm concerning the motion to maintain supply management. The government must not do away with supply management.

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The largest part of farm income in Quebec comes from sectors organized under the supply management system, particularly the milk sector. This system has the double benefit of providing decent income to our producers and skewing world markets.

In fact, the supply management system deserves to be better known in other countries and might even be part of the solution to the world farm crisis. The federal government, which is responsible for trade negotiations, should believe it.

Supply management is based on three pillars.

Production is restricted through a quota system. A milk producer buys a quota, that is, the right to market a certain quantity of milk, to ensure that it meets domestic demand, but does not result in overproduction, which would cause prices to fall.

With production restricted to need, prices are regulated to prevent excessive fluctuations. Prices are established to ensure producers can cover their costs and feed their family.

In order to maintain the balance between supply and demand, the borders are closed through the imposition of high tariffs on imported poultry, eggs and dairy products. Thus, imports cannot upset the balance.

It is essential to maintain all three pillars. If one of them falls, the whole system crumbles. For years, the federal Liberals have pretended to support supply management. But each time the system has been attacked, the government has helped to weaken it.

Ottawa is a poor defender of supply management. Take butter oil, for example. Ontario's chemical ice cream industry wanted to stop using cream in manufacturing its ice cream in order to reduce production costs. It wanted instead to purchase as a raw material an American mixture of milk by-products and sugar called butter oil. Giving in to the industry lobby and abandoning Quebec's dairy producers, the federal government ruled that butter oil is not a dairy product, which made it possible to open the border to imports. In the five years from 1997 to 2002 imports of butter oil rose by 557%, representing a loss of half a billion dollars for Quebec dairy producers.

A similar tangle ensued over imported cheese sticks. Only the Bloc Québécois's vigilance in bringing this issue before the public forced the government to go back on its decision to issue additional import permits.

Let us take a moment to analyze Canada's role in the World Trade Organization; once again, let us repeat that supply management is not negotiable in this context.

Ottawa hesitates to support supply management in WTO negotiations. The agricultural issue is at the heart of the current round of WTO negotiations. The supply management system has been criticized by a number of member countries which want Canada to abandon it and open its borders. The United States and New Zealand have already taken the issue to the WTO's arbitration tribunals.

The worst thing in this story is that Canada has been a member of the Cairns group for many years, in order to influence WTO

negotiations, even though all these countries object to the continuation of supply management.

A cabinet memorandum obtained by the Bloc Québécois in the spring of 2003 indicated that Ottawa would be ready to abandon supply management if that doing so enabled it to obtain a significant reduction in other countries' agricultural subsidies and better access to their markets.

That is the position Canada took at the last WTO ministerial meeting held in Cancun in September 2003. Ottawa indicated its willingness to let the WTO set limits on its ability to charge import duties. But we know that supply management involves borders being kept closed through high duties.

Had an agreement been reached in Cancun, that would have been the end of supply management. Fortunately for Quebec's producers, the meeting ended in failure. But it is not over, because negotiations between officials are ongoing, and another ministerial meeting will soon be held.

•(1915)

In this context, we in the Bloc Québécois believe that the Liberal government is prepared to let Quebec down in order to please western Canada. We can see the role played by Canada among its allies in the Cairns group, and it is easy to conclude that Ottawa is prepared to ruin Quebec's agriculture in exchange for growth in grain exports in western Canada. In cooperation with Quebec's agricultural community, the Bloc Québécois intends to fight to prevent this from happening.

The thing is that western Canada and Quebec have different agricultural bases. In western Canada, agriculture is characterized by monoculture farming with a large proportion of GMOs grown in export oriented megafarms. Grain producers are calling for total free trade in agriculture to stimulate their exports, and the elimination of agricultural production subsidies worldwide, because these subsidies have caused prices to collapse, which affected their incomes.

They have a very active lobby in Ottawa, which has succeeded in convincing the federal government to support their position. This is no surprise in light of the fact the agricultural system in Quebec is different from that of the majority in Canada.

Conversely, the supply management system governs the production of poultry, eggs and dairy in Canada. In Quebec, which accounts for 47% of Canada's dairy quotas, supply management production account for 61% of agricultural income in Quebec.

The prosperity of rural Quebec depends in large part on maintaining the system of supply management, a system with many advantages.

Despite the present crisis in agriculture characterized by price decreases triggered by foreign subsidies and, in the case of beef, by the mad cow crisis, dairy revenues did not go down in 2003. As a result, Quebec fared less badly than Canada last year. This indicates the advantages of supply management. On the other hand, supply management, unlike subsidies which enable farmers to sell their crop below cost price, does not skew world prices.

The current government is attracting a lot of criticism. Jean Grégoire, past president of the Fédération des producteurs de lait du Québec, has said “Governmental inaction will destroy dairy production.”

On September 16, 2003, Laurent Pellerin also said in connection with the WTO conference at Cancun:

We have understood that, if Canada had had to make the choice between concessions unfavourable to producers under supply management and not signing the agreement on the table, it would have opted for concessions—let us be up front about this, great vigilance will have to be exercised.

This is why I support the bill introduced by my colleague this evening without reservation. The financial and personal situation of our Quebec farmers is of the utmost concern to us and I feel that this will ensure them of a better future without the fear of losing income they have worked so hard to earn.

Mr. Marc Godbout (Ottawa—Orléans, Lib.): Mr. Speaker, I am pleased to speak tonight in this debate on the agricultural negotiations before the World Trade Organization.

The WTO is primarily an instrument to ensure domestic prosperity. It offers our exporters access to the markets of the world, a stable and predictable business climate, and equal chances for all our producers. It also makes it possible for our importers to purchase supplies from the most efficient producers in the world and thus pay prices low enough to stimulate productivity and provide more choice to consumers.

The WTO sets the rules for international trade. These multilateral rules are an essential instrument in Canada's exchanges with its long-standing partners like the U.S., the EU and Japan, and with emerging markets such as China, Brazil, India and the developing world.

The WTO helps us to manage our disputes with the United States and our other trading partners by relying on the rules and not the power of the parties. In short, the WTO opens the door to the world's markets for Canada.

As a middle size nation that depends on trade, Canada knows that it is important to have clear and enforceable rules and efficient dispute settlement mechanisms so that political power does not adversely affect worldwide trade in agricultural and food products.

Canada has always worked with a broad range of countries to establish a system of trade in which all nations, regardless of political or economic weight, could compete under the same conditions established according to the terms of multilateral agreements.

That is why the negotiations on agriculture at the WTO are so essential to all of Canada and the agri-food sector in particular. These negotiations give us an excellent opportunity to work with other countries to establish equal opportunity for everyone by addressing the foreign subsidies and tariff barriers that create unfair competition on foreign markets

Before the negotiations on agriculture began in 2000, the government held extensive consultations with the provincial governments and the entire agri-food sector in order to define Canada's initial negotiation position. As a result of these consulta-

tions, the main objective became to establish equal opportunity for everyone.

More specifically, we want export subsidies to be eliminated as soon as possible, internal support that distorts trade to be eliminated or at least reduced, and access to markets to be improved in a true and appreciable way for all agriculture and agri-food products. Our negotiating position has helped Canada propose solid and credible ideas and approaches throughout the negotiations.

I am proud to say that Canada is one of the most active and influential countries in these negotiations. Our negotiators are working with a broad range of developed and developing countries to find a solution.

• (1920)

[English]

The Deputy Speaker: I am sorry, but the hon. the member for Ottawa—Orléans will have six minutes when we resume debate. 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.

[English]

AUTOMOBILE INDUSTRY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is my privilege to stand today to follow up on a question I asked in the House of Commons on November 2. I was asking for a response from the Minister of Industry with regard to an auto policy. At the time I gave a reference of some dates, asking for an auto policy going back to 2002. The minister at that time said he would have something together but it was going to take a couple of weeks. Since that time it has been three weeks and we have yet to hear from the minister.

To provide some context, I first want to touch on a couple of things that have been happening over the years and also in that timeframe where people out in the community in business and labour as well as organizations are very much interested in advancing Canada's automotive strategic position to make sure that we are going to be competitive in the world, and also that we are going to be able to move our industry in an environmental way that really will benefit not only our producers, our manufacturers and our employment but also our environment.

Since 2002 I have heard from three separate ministers that they would move on auto policy but I have yet to see action. There is a history of this. I would say that the CAW needs to be congratulated for its original position, “Getting Back in Gear”, which was the first comprehensive paper on auto policy advocating for an active role in the government since the collapse of the auto pact.

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We worked with the CAW, Greenpeace and David Suzuki to make sure that we had a green auto policy in this last election. There was great interest in the creation of manufacturing jobs related to renewing our industry through the environment.

Second, what precipitated my question was a recent policy which was a call for action. The Canadian Automotive Partnership Council has finished its last draft of a call for a national strategy on auto policy. In it there are five suggestions at the top of the list; there are others that are part of the list but it is pushing for the government to act on some and have graded some favourable but others very low. We need to make sure that those graded very low get the appropriate supports.

Last, since that time the Sierra Club was host for a day on the Hill where we talked about environmental conditions, auto policy and the procurement of a new strategy.

Therefore, my question for the parliamentary secretary is to find out exactly when we are going to see this auto policy. The minister has committed to it publicly in this chamber. He said that he would have something within a couple of weeks. He has indicated to me in other discussions that he does want to move on this file, but we need more than just rhetoric. We need to make sure that we are going to have an actual policy, because we have seen lost opportunities. From my community we have witnessed the lost opportunity with DaimlerChrysler. The Liberals basically botched the file. I would give the government credit for recently being able to actually do a deal with Ford in Oakville, which was very important for that community and also for this country.

Finally, we need to have a transparent auto policy which makes sure that the industry, consumers and also this country understand the importance of the auto industry and also the accountability of addressing the subsidization that is happening across this country and across the world and is costing us auto jobs.

● (1925)

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, I am pleased to have the opportunity to respond to the member for Windsor West's comment about our auto policy and the direction in which we are going.

The member has expressed his concern that the government is moving too slowly. Quite frankly, this is a major task that we are moving forward on.

As the member for Windsor West knows, in 2002 we created the Canadian Automotive Partnership Council, or CAPC, to help identify ways the government and private sector could work together to strengthen this key sector. On October 26 of this year CAPC released a report entitled "A Call for Action: A Canadian Auto Strategy", which outlines a vision for increasing investment and innovation in the Canadian auto sector in order to make Canada the location of choice in North American manufacturing.

I can assure the House that we will be responding very shortly with a new strategic framework for the automotive sector. The CAPC report represents an important contribution to the new framework and we have been looking very carefully at its findings. The industry minister and I had an excellent half-day meeting with

CAPC executives on November 3, when the report was discussed at length.

Those hon. members who are familiar with the CAPC report will know that many of its recommendations align very closely to federal government priorities. For example, one of our top priorities is to improve the Canada-U.S. border infrastructure to facilitate secure and efficient trade. This government is also serious about attracting new automotive investment to Canada, another core priority identified in the CAPC report. This is evidenced by the government's \$100 million contribution related to Ford's \$1.2 billion investment in the Oakville facilities and important new research and undertakings by Ford.

Budget 2004 committed the government to develop a new strategic automotive framework. I will reiterate for all members of this House that we are working hard to develop this framework. Several ministers are involved with the auto issues, and CAPC and others have expressed perspectives that we are assessing.

This new strategic automotive framework will outline a vision for Canada's automotive sector through the year 2020 and examine the key competitive issues impacting its long term growth. Skills development, R and D, trade infrastructure and regulatory harmonization will be important parts of the basis of this study.

It is very important to realize that this minister and this government are very concerned about moving the agenda of the auto sector forward. We are putting plans together at this point in time and with other departments, by the way, because it is not one department in the federal government but several that are involved in making sure the auto industry has the correct direction. I am sure the member for Windsor West would agree with me that we must make certain we get it right and we get it straight the first time. It is critical that we look at all suggestions and all directions very carefully and make sure we have it right as we introduce it in the House.

● (1930)

Mr. Brian Masse: Mr. Speaker, I would agree that we have to get this straight and get it right and that is what I have been asking for since 2002. This is why I find it very difficult to accept promises.

The minister said specifically on November 2:

Over the next couple of weeks we will be putting together the final touches on an automotive industry strategy for all of Canada.

That was within two weeks and we are on the third week today. I understand that we do need to have organization and meetings with the different departments to have the file progress, but at the same time we have important opportunities. For example, there is GM's Project Beacon right now.

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Taxpayers deserve to understand the transparency of supporting procurement and renewing the auto industry. That is why I think this government needs to be held to the fire: to make sure it actually completes the progress it claims is happening on the file. The minister said it could be done in a couple of weeks and I will not be satisfied unless we actually hear some public discourse and greater commitment to the auto industry, because verbatim does not do it anymore.

Hon. Jerry Pickard: Mr. Speaker, there is absolutely no question. It is critical that we work with industry and all of the people who are participants in the auto industry and that we make sure we have coordinated all the departments in the federal government. I believe the minister has been moving in that direction and working very hard.

The Beacon project was mentioned. I believe the government is very serious about working with General Motors in order to make sure that our opportunities and direction will be positive ones for the auto industry in this country, but it is extremely important to make sure that all proper elements are in place.

Our discussions with CAPC people occurred just a couple of weeks ago and it is critical to realize that their input was extremely important in making sure the auto policy in this country goes forward, so we have to work with all shareholders and make sure we move in the right direction.

THE SENATE

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, I thank you for giving me the opportunity to address this issue as it is an issue of great importance for the people of Alberta and for many Canadians. The Conservative Party of Canada is committed to appointing elected senators from any province that holds elections and we think it is time the Liberals made the same commitment.

The question I asked was very specific. I asked:

Will the Prime Minister keep his word to Premier Klein and use his unilateral power to appoint Alberta's elected senators?

Breaking this suggestion down, I asked two things. First, I asked if he would keep his promise to Premier Klein that he would consider appointing a senator from Alberta. Second, I asked if he would use his unilateral power to appoint a senator that Albertans have chosen in an election.

In response, the hon. deputy House leader and Minister responsible for Democratic Reform answered:

Mr. Speaker, the Prime Minister has indicated repeatedly that we are open to reform of the Senate, but we are not going to do it in a piecemeal manner. If we are to reform the Senate, it will be done entirely. For that, we need a consensus, a wide consensus across this country, which is obviously not present at the current time.

The answer I received is deficient on five fronts. First, it came from the Minister responsible for Democratic Reform. The point is, I wanted to hear from the Prime Minister. It simply is not right that he would make a promise and then hide behind the minister when Canadians ask that he keep his promise, but this of course is something we have seen a lot of from the Prime Minister.

Second, the answer did not acknowledge the promise the Prime Minister made to Premier Klein at the Grey Cup meeting last year.

Third, the Prime Minister did not get up to acknowledge that he has the unilateral power to appoint senators, and he did not tell us whether he thought that was a good thing.

Fourth, we hear a lot about the desire of the Prime Minister to reform the Senate, but we do not know how he would like to reform the Senate. We do not know what policy he has regarding how the Senate ought to be reformed. We have not seen any action on Senate reform from the Prime Minister.

So we do not know what he thinks and we do not know what he would do. On this issue, the Prime Minister has been inert. Albertans are now eager to see what he is planning on doing in relation to the Senate. It is time for him to act.

Finally, the minister did not say whether or not he believes in the overall goal of an elected Senate and whether or not Alberta's senators of choice would be, in his mind, fit for an appointment by him to the Senate. I, for one, trust the electorate. I wonder if the Prime Minister does not. If that is so, why not?

I think it goes without saying that the answer was lacking, but I would argue further that the answer was intentionally vague and lacking so that the Prime Minister can hedge, do nothing and keep his back turned to Alberta as long as possible.

Let us think about it. He said that he is for Senate reform but only if we open up the Pandora's box of the Constitution and do it all at once. He is on the record as supporting wholesale Senate reform as far back as 10 years ago.

If we look at our parliamentary history, both here in Canada and in the history our country has inherited from Britain, much of what we do is based upon convention. The laws that we create are more often than not a recognition of what works or what has been working informally versus radical change.

It is in this light that we ask the Prime Minister to appoint Alberta's elected senators to the upper chamber. Let us see if it does work. It seems that we do a somewhat competent job as elected officials in Parliament, so a precedent does exist for him to at least try.

I would therefore suggest that appointing an elected senator is one way for the Prime Minister to prove to others that his apparent dream of an elected Senate could work, but as with much of what the Prime Minister does, most Canadians are starting to see that it is all a bunch of talk, which is really too bad because more and more Canadians are suggesting that they want a voice in the Senate and that the Senate should be elected.

Other provinces have signalled an interest in Senate reform, so this is not an all or nothing issue. And it is not an Alberta versus Ottawa issue. It is an issue about representation and democracy. Yet the Prime Minister is doing nothing when instead he could show some leadership on fixing the democratic deficit.

Under the formulation—

● (1935)

The Deputy Speaker: We will hear a response from the hon. deputy government House leader.

Adjournment Proceedings

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages, Minister responsible for Democratic Reform and Associate Minister of National Defence, Lib.): Mr. Speaker, I appreciate the opportunity to elaborate on the response given in answer to the question from the hon. member for Edmonton—Spruce Grove.

First of all, this is not a question of whether it is constitutionally possible for the Prime Minister to appoint senators that have been elected in provincial elections. No one questions whether the Prime Minister could do so if he wished. That is certainly his prerogative. However, constitutionality is not the only question here. There is a larger question on whether or not it is a good idea to appoint elected senators and thereby embark on a piecemeal path to Senate reform.

This brings me to a point that has been repeatedly made and that is the Prime Minister's position on Senate appointments. There have been a number of occasions over the past year, both before and after the recent federal election, where the Prime Minister was asked specifically about his position on the issue of appointing elected senators.

At a CBC public town hall meeting in Ottawa last February he was asked whether he would appoint senators elected in Alberta. The reply he gave then has been his consistent position on this matter. He supports Senate reform but not in a piecemeal fashion.

As the Prime Minister and others have noted, the method of appointment is only one aspect of the Senate. Fundamental reform would need to consider other matters, such as the distribution of seats among provinces and the Senate's role in Parliament. This type of reform cannot be done unilaterally. It will require a consensual approach with the provinces and we should let the Council of the Federation, which embarked to look at this under the leadership of the premiers of New Brunswick and British Columbia, time to carry out its work.

On September 8, following the cabinet retreat in Kelowna, the Prime Minister again was asked this question and again made it clear that pending an agreement on comprehensive reform, which someday we hope to see emerge, he intends to continue to make Senate appointments in the traditional fashion.

Last month, in correspondence to Premier Klein, the Prime Minister reiterated his view that piecemeal changes to one aspect of the Senate would not be an effective way of achieving meaningful reform. At the same time, he reaffirmed that the government remains willing to consider fundamental changes to the Senate should the provinces come forward with a consensual approach.

This brings us to last week, when once again the Prime Minister was clear in response to the Leader of the Opposition. The Prime Minister said:

I do not believe that doing Senate reform piecemeal would bring us the desired result. What it could quite well do is simply exacerbate a number of the problems. What I think we should do is look at Senate reform but look at it in its entirety.

The Prime Minister's position on this matter has been clear and consistent, and for good reason. Patchwork or scatter-gun reforms would cause more problems than they would solve.

Ms. Rona Ambrose: Mr. Speaker, the one thing that the Prime Minister has not been on this issue is clear. The member talks about not wanting to reform the Senate in a piecemeal way, but we have not seen any sort of comprehensive plan that he is suggesting, that some day will be implemented down the road. If he is truly committed to it, then I would suggest that he puts a plan forward immediately, whether it is piecemeal or a whole plan.

When the Prime Minister made the comments and the overtures to Premier Klein at the Grey Cup meeting last year that he would look favourably at appointing the elected senators in Alberta, he set into motion a set of expectations. Premier Klein has held Senate elections and Albertans have spent \$3 million of taxpayers' money holding these elections. Now he has gone back on his word and I have a serious problem with that.

● (1940)

Hon. Mauril Bélanger: Mr. Speaker, the Prime Minister has been consistent on this. He said that we would entertain Senate reform but in its entirety and not in a piecemeal manner. He is not the only one saying that. I hope the members opposite will take note that there are a number of commentators that have noted the same thing.

I refer to a recent study by Gordon Gibson who is well known in western Canada. He has been quite an ardent supporter of Senate reform for many years. He was particularly critical of the idea of appointing elected senators as an interim solution to fundamental Senate reform. In fact, he referred to this idea as a horror show. He noted that under current rules once senators were elected they would be able to serve until the age of 75 without ever standing for election again. That is in the Constitution.

More importantly, he also noted that the imbalance in the distribution of seats in the Senate would remain, and what he called the recipe for serious national discord. To say nothing of the institutional dysfunction that could result from having senators appointed via different methods.

It is for these reasons and many more that the Prime Minister has consistently argued against half measures and piecemeal reform. His arguments are sound.

The Deputy Speaker: Pursuant to Standing Order 81(4) the motion to adjourn the House is now deemed to have been withdrawn. The House will now resolve itself into committee of the whole to study all votes under Health in the main estimates for the fiscal year ending March 31, 2005.

I do now leave the chair for the House to resolve itself into committee of the whole.

GOVERNMENT ORDERS

[Translation]

SUPPLY

HEALTH—MAIN ESTIMATES, 2004-05

(House in committee of the whole for consideration of all votes under Health in the Main Estimates, Mr. Strahl in the chair.)

The Chair: Order, please. I would like to open this committee of the whole session by making a short statement on this evening's proceedings.

[English]

Tonight's debate is being held under Standing Order 81(4)(a) which provides for each of two sets of estimates selected by the Leader of the Opposition to be considered in committee of the whole for up to four hours. Last week the committee considered all of the votes under Canadian Heritage.

Let me explain how we will proceed. Tonight's debate is a general one on all of the votes under Health. Earlier today the House adopted a special order that established the rules of debate for tonight. They are as follows.

Each member will be allocated 15 minutes. When a member is recognized, he or she will indicate if the 15 minute period will be shared and how the time is to be apportioned between speeches and questions and answers. In other words, a member might say that he or she has a five minute opening statement and questions to follow, or whatever the numbers are.

In the interest of fairness, the Chair will expect that the minister's responses will generally reflect the time taken by the questions since this time will be counted in the time allotted to the member. Members may speak more than once though the Chair will try to ensure that all members wishing to speak are heard before inviting members to speak again. Members need not be in their own seat to be recognized.

As your Chair, I will be guided by the rules of committee of the whole agreed upon earlier by the House leaders of all parties. However, in the interest of a full exchange, I am prepared to exercise discretion and flexibility in the application of these rules.

The first round will be the usual round for all parties, namely, the Conservatives, the government, the Bloc Quebecois and the New Democratic Party. After that we will follow the usual proportional rotation.

•(1945)

[Translation]

At the conclusion of tonight's debate we will rise, the estimates will be deemed reported to the House, and the House will adjourn until tomorrow.

[English]

We may now begin tonight's session and the Chair will recognize the hon. member for Charleswood—St. James—Assiniboia.

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Chair, I would like to thank the minister for coming out

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this evening. We have some very important issues that we would like to raise. My first question for the minister is, when you were Premier of British Columbia, you favoured—

The Chair: I would ask all members to address all questions through the Chair this evening, please.

Mr. Steven Fletcher: Mr. Chair, when the hon. minister was Premier of British Columbia, his government favoured a lawsuit against big tobacco dealing with the issue of light and mild labelling.

As Minister of Health, the same minister and his government have taken the side of big tobacco on this very same issue in the courts. I wonder if the minister can explain this hypocrisy?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Chair, obviously, this is not an easy issue, but it is not a simple one either. Yes, I am a strong proponent of tobacco control.

In my earlier life as the attorney general and the Premier of British Columbia I took several actions. I was the first one in the country, as attorney general of British Columbia, to commence legal proceedings against tobacco companies for doing the damage that we alleged that they have done.

It is important to recognize that the action here, on behalf of the Government of Canada, has been brought about as a result of the government being forced to be a third party in the action that has been brought in British Columbia against Imperial Tobacco. The Government of Canada is not there of its own volition.

The Government of Canada may eventually apply to be struck as a third party; however, in the meantime, to protect the interests of the government and the taxpayers of Canada, it is important that the government is there and acts in the best interests of Canadians so that the class that is certified to be a class in that action is not unnecessarily broad and illegitimately broad. That is really the only purpose why the government is there at this point.

Mr. Steven Fletcher: Mr. Chair, I would ask the minister to keep his answer to approximately the length of my question.

The bottom line, if I understand the minister, is that the government is siding with big tobacco and is basically going against the plaintiff. Is that not the bottom line?

Hon. Ujjal Dosanjh: Absolutely not, Mr. Chair. We will never side with big tobacco. We are not siding with big tobacco now and we will not do it in the future. We are simply trying to protect the Canadian taxpayers so that the class that is certified is not unnecessarily illegitimately broad. That is the only reason why we are there.

•(1950)

Mr. Steven Fletcher: Mr. Chair, the bottom line is that the minister and the Government of Canada have filed against the plaintiff who is suing big tobacco, therefore, the government is on big tobacco's side.

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I would like to shift gears if I may. Today the Auditor General released a report indicating that the federal government had collectively overpaid approximately \$17 million for drugs used to treat stomach ulcers. There has been a huge overcharge in the dispensing of drugs. Why has the Department of Health done nothing after it had already been warned three times about this? No action had been taken. Why is that?

Hon. Ujjal Dosanjh: Mr. Chair, if the hon. member insists on making a remark after I answer a particular question, then I should be able to answer that remark in addition to the question that the hon. member asked.

My position on the tobacco issue remains what I said in my earlier responses.

However, with respect to the new question, let me say that the Department of Health accepts all of the recommendations, without any reservation whatsoever, made by the Auditor General. They are good recommendations. We will follow through with those recommendations.

I will ask the department, as we change according to the recommendations and implement those recommendations, to consult with the Auditor General from time to time to ensure that the Auditor General is satisfied with the changes as we are making them.

The Department of Health, long before I got here, attempted to make some changes. There are issues of consent and privacy that are involved, and that is why the speed of the change was slow. It is obviously not as fast as I would have liked it to be.

Mr. Steven Fletcher: Mr. Chair, I understood that the Auditor General had said that the issues of privacy did not necessarily affect her recommendations. Why has the government refused to implement the recommendations from the Auditor General twice or three times before? It seems like we have just heard more stalling tactics as we move forward. It is just shameful.

Hon. Ujjal Dosanjh: Mr. Chair, it is important to remember that the Auditor General made some excellent recommendations. Yes, the Department of Health has not moved as fast as it should have due to the issues of privacy and consent.

We just saw a press release from the Assembly of First Nations indicating that, while they actually agree with some of the recommendations made by the Auditor General, they are concerned about issues of privacy and consent.

We may not need consent and privacy in collecting the information. However, in preventing abuse, preventing double and triple prescriptions and unnecessary prescriptions, we do need disclosure. The Department of Health is trying to buy upgraded computer equipment so that we could actually deal with these issues at the point of sale. We are making the best efforts that we can.

Mr. Steven Fletcher: Mr. Chair, while I am pleased the minister admits that the department has not been implementing the Auditor General's recommendations, I can only assume it is because the Liberals do not have the political will to protect taxpayers' dollars and they are fine with government waste.

I would like to move on to the issue with hepatitis C. Yesterday I was on CTV with one of the minister's colleagues, the parliamentary

secretary. In the conversation, the parliamentary secretary explained that it took quite some time and quite a bit of convincing for the minister to get cabinet to agree with the hepatitis C compensation, or at least agree to look at it. Can the minister confirm that?

Hon. Ujjal Dosanjh: Mr. Chair, I would urge the hon. member to resist the temptation of making remarks after I have answered the question so we can move on to his next question. Otherwise, we will get bogged down with respect to the previous answers as well. That would be a good practice.

I appreciate that he is new in Parliament. I am new to this place myself, although I have some earlier experience. It would be wonderful if we could move from question to question without unnecessary commentary.

With respect to the hepatitis C question—

Mr. Jay Hill: It is called a rebuttal.

Hon. Ujjal Dosanjh: I appreciate that, but it is important to remember that cabinet deliberations are confidential. Yes, the deliberations took some time. This is not an easy issue. This is a very difficult issue with a long history and with a lot of tears shed both by the victims and those who had to make tough decisions.

I appreciate all the history. Having appreciated all the history on all sides of the House, it is important that we take whatever steps we take after due deliberation.

● (1955)

Mr. Steven Fletcher: Mr. Chair, the minister hides his experience well. It is interesting that it took so long to convince cabinet, and we know this to be true. The parliamentary secretary said so on television last night. The present Prime Minister, then finance minister, the present Deputy Prime Minister, then health minister, and many of the current Liberal members who were involved in the original decision are now part of the current cabinet. I am sure they do not want to be known to be making wrong decisions, as they have clearly done.

Having said that, could the minister tell us that these people will receive compensation in a timely manner and similar compensation to the people who have already received compensation?

Hon. Ujjal Dosanjh: Mr. Chair, I was not here and I do not want to be judgmental about these issues. These are difficult issues at any time. I think all of those who made the decisions felt that those were appropriate decisions for those times. Times have changed and circumstances have changed.

It is important that we remember when we make difficult decisions, we are not always right. Quite often we are right and quite often we may not be. What we are doing today is the right and responsible thing to do. It is important that we not now interfere in the discussions that are taking place by talking about the mandate the lawyers might have.

Lawyers have been given the mandate to look at all available options to provide financial compensation to the hepatitis C victims, pre-1986 and post-1990 and as part of the consideration, they will be looking at that potential actuarial surplus.

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Mr. Steven Fletcher: Mr. Chair, what does the government say to the families of those hundreds of people who have died, families who have suffered for eight years. The information the government has today, it had eight years ago when it made the decision. It refused to do the right thing then. It is still delaying in doing the right thing now.

Will the government get this going right away to compensate these victims? It should be done now. Do the right thing, right away.

Hon. Ujjal Dosanjh: Mr. Chair, I believe the right thing is being done. Lawyers have been mandated to discuss all available options. I believe it may take several months. I said that before, and I am prepared to say that again. These are difficult issues involving several thousands claimants, several sets of lawyers and several class actions. We have to talk to the provinces and territories and to all the lawyers on behalf of the claimants.

These are very sensitive issues. I do not wish to politicize the issue at all. That is why I have conducted myself in an extremely non-partisan fashion on this particular file.

Mr. Steven Fletcher: Mr. Chair, these people have suffered due to Liberal partisan politics and the fact that you guys could not get it together in cabinet. It is disgraceful that—

The Chair: Order, please. Please address all comments through the Chair for the questions.

Mr. Steven Fletcher: Mr. Chair, changing gears again, the minister in Boston made an announcement that Canada would not be the drugstore for the States. The Prime Minister later on that same week indicated that the government had no plans to deal with the Internet pharmacies.

Why is there this contradiction between what the minister says and the Prime Minister? Who is right?

• (2000)

Hon. Ujjal Dosanjh: Mr. Chair, let me reaffirm on the previous question. The government of the day felt that it was the appropriate decision to make on hepatitis C. Circumstances have changed, and we are making what is now the right and responsible decision.

However, on the issue of the Internet pharmacies, the Prime Minister and I are of one mind. The Prime Minister has said that very clearly. The Prime Minister supports the positions that I have taken. Once again, it is a very difficult issue. It is an issue of adequately safeguarding the safety and supply of drugs for Canadians. We are looking at all options in the event that we need to use them to safeguard that supply. We will continue to monitor the issue and we will continue to look at all the legal options available for us if and when they are needed.

The Chair: Resuming debate, the hon. Minister of Health.

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Chair, the fact the House has chosen to focus on the health estimates here in the committee of the whole obviously shows that we think the health care system in the country deserves this kind of scrutiny, and it reflects the deep interest all of us have in our health care system across the country.

I know that we will have a substantial debate on many policy issues this evening. However, since this session is about the

estimates, I want to take a few minutes to map out the work of my portfolio and, in particular, my department, Health Canada. Then I want to outline how that department gets its results and some of the major issues that are addressed through the resources that Parliament will vote this year.

Let me start with the broadest scope of my responsibilities to Parliament, which is to say, the entire health portfolio.

As members may probably know, many ministers are responsible to Parliament for a mix of departmental and agency activities. The health portfolio has one department, Health Canada, which I will come back to in a few moments. It also includes the Canadian Institutes of Health Research, which has a \$752 million budget. Of that, fully \$711 million goes to grants, largely to support innovative health research.

I am also responsible for two small agencies: the Hazardous Materials Information Review Commission and the Patented Medicine Prices Review Board.

Health Canada is by far the largest component of my portfolio. The main estimates for 2004-05 project a budget of \$3.2 billion for the department and more than 9,000 full time equivalent employees, with many of them spread across Canada's regions. Since the mains were developed before the creation of the new Public Health Agency of Canada, all those figures include the people and funds that are being transferred to that new agency during this year.

There is another point that I should make now on these resources. They do not include the transfers that our government makes to the provinces and territories, such as the Canada health transfer. Those funds are recorded in the estimates of the Department of Finance.

Health Canada expenditures cover a very wide range of activities that are aimed at improving the health of Canadians. The activities include ones that are fully within federal jurisdictions, while others support the provinces and territories as we all address common challenges.

In most cases, the work of my department takes place through partnerships with all kinds of institutions, groups and individuals who are interested in health issues.

Let me take a few moments to identify some of the major areas of activity of my department. I will set them out by the strategic outcomes that we can see in the report on the plans and priorities.

By far, the largest single component of our budget, and in that I include the resources being transferred to the Public Health Agency of Canada, is spent on first nations and Inuit health activities. The strategic outcome is healthier first nations and Inuit, through collaborative delivery of health promotion, disease prevention and health care services. This reflects our jurisdictional responsibility for the health of first nations on reserves and Inuit people.

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It includes the direct health services that we fund in those communities, whether supplied directly by us or through funding agreements with aboriginal groups. It also includes the non-insured health benefits program that covers many health related costs, such as dental and vision care, medical transportation and prescription drugs.

This is an area in which our government has been investing more money.

These decisions are meant to address the needs of growing first nations and Inuit population. They are meant to take on specific challenges, such as the need for clean water in first nations and Inuit communities. They are incorporating our continued commitment to deal with specific concerns, such as diabetes.

These estimates include the 2003 budget commitments to increase funding to the first nations and Inuit health system by \$231.9 million this year alone for specific needs, as well another additional amount of \$36.4 million to cover rising demands in general.

A second aspect of our work in Health Canada falls under the strategic outcomes of access to quality health services for Canadians. In this case, while a lot of the attention goes to our work to meet obligations under the Canada Health Act and deal with major policy questions, much of the funding goes to support primary care reform.

We are working closely with our provincial and territorial colleagues to help fund their efforts to improve how primary care is delivered in Canada through the primary health care transition fund, which is allocated an extra \$23.6 million for 2004-05.

• (2005)

This area is also the focal point for much of my department's work to follow through on many of the first ministers health commitments of recent years. For example, it includes the \$20 million northern health supplement that came about in connection with the 2003 first ministers accord on health care renewal.

In the interest of time I want to group two strategic outcomes together. One is about healthier environments and safer products for Canadians, while the other is about safe health products and food. Both have in common the legislative responsibilities that we have under a range of federal laws and regulations. Some people do not realize the substantial role that the government is expected to play on issues such as approving new drugs going onto market, testing consumer products for safety or ensuring that Canadians are not exposed to radiation hazards.

However every working day doctors, scientists and other professionals, as well as many support staff in my department, are dealing with those specific priorities.

These estimates incorporate \$37.6 million that will help us implement the new therapeutic access strategy. The strategy is quite wide-ranging and I hardly have the time to do it justice here. Let me summarize it by saying that it will help us improve our regulatory performance in getting new drugs to Canadians sooner, while improving our ongoing tracking of drugs that are on the market. It will help us promote the more optimal use of drugs by Canadians and will fund important policy work.

The estimates also include other commitments such as an increase of \$15 million for a successful federal tobacco control strategy. They also include our work under Canada's drug strategy which received \$18.4 million this year in the 2003 budget. That funding is helping us support measures to reduce substance use and abuse, particularly among young people. We are using it to support community driven programs and activities.

These estimates include \$7.2 million in additional funding for the Pest Management Regulatory Agency which is part of Health Canada. The funds are needed to implement the new Pest Control Products Act that was passed in the last Parliament.

As these estimates are set out, there is a substantial allocation devoted to the strategic outcome of bringing about a healthier population by promoting health and preventing illness. This work is largely moving to the new Public Health Agency of Canada.

Although there is much more that I could discuss in terms of our strategic outcomes and the organization and mandate of the department, I should conclude these remarks by saying that there is more to come.

The President of the Treasury Board has tabled supplementary estimates that included our most recent commitments to Canadians. For example, they authorize spending related to initiatives from the 2004 budget, such as improvements to Canada's public health system and the extension of both the Canadian diabetes strategy and the hepatitis C prevention support and research program.

They will cover funding for initiatives arising from the 2003 first ministers accord. One example is the support for the new health council of Canada. Another is funding for the health human resources strategy that involves work with the provinces, territories, health organizations and others to ensure that we have the health workforce that Canada needs.

In time, my colleague, the President of the Treasury Board, will also seek the Commons approval for our share of commitments under the first ministers agreement that was reached in September.

Let me sum up by saying that a record of solid fiscal management and a commitment to put resources where they are most needed is paying off for Canadians. Our government has a diverse and active health agenda. My department is at the centre of that agenda and is taking the steps to use the public funds that it gets in the most productive ways possible and very often in partnership with others.

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● (2010)

[*Translation*]

Mr. Réal Ménard: Mr. Chair, may questions be put to the minister?

The Chair: Yes, five minutes are provided for questions.

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, I would like to discuss with the minister the whole issue of drug costs. I believe that the minister is aware of the fact that, at present, the most inflationary item in the health system is the cost of drugs.

His predecessor struck a federal-provincial-territorial committee to look at the reasons for the high cost of drugs. It was agreed that there are three main reasons. First, new drugs apparently account for 30% of the increase. Naturally, the aging population was also a reason. This is a very important factor. And, finally, new therapies are more expensive.

The Minister of Health must show concern for this issue. It is up to the provinces to decide which drugs will be reimbursed, but the federal government is responsible for drug certification. In that sense, I will have the opportunity to put forward a balanced bill. Balance is in my nature; excess is not for me. My private member's bill will be balanced.

I would like to ask the minister if he has considered the issue of drug costs. Does he think that the medicine prices review board should also look at the activities of generic companies? Did he give any thought to the whole issue of the link regulations? Are our legislative tools balanced?

I will be very happy to discuss these issues with him when I introduce my bill.

[*English*]

The Chair: Before the minister responds, after checking the order that was passed earlier this day, each party may allocate time for its members within that 15 minute allotment. I think I was wrong to allocate a question to the opposition.

I will allow the minister to answer, if he would like, and then we will go to the Liberals to finish their 15 minutes. The member for Mississauga South was on his feet.

It was my mistake but we will continue if the minister would like to answer.

Hon. Ujjal Dosanjh: Mr. Chair, this is obviously an important issue in light of the fact that when the first ministers gathered in September they actually ordered the ministers of health to put together a national pharmaceutical strategy. Part of that would be bulk purchasing, speedier drug reviews, common drug reviews and perhaps a common formulary. Those issues are very important for Canada and Canadians.

Yes, I have looked at the role of the Patented Medicine Prices Review Board and I believe that the prices for generics in Canada are relatively higher than other places. I have not been able to tackle that issue but I have been thinking about it. I think it is an important issue for our consideration. I will be considering it after I am out of the estimates and in the next few weeks.

● (2015)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Chair, I would like to thank the minister for his frankness and openness, which I think has characterized his ministership right from the outset. That is to the credit of the minister.

I want to ask the minister very briefly about the Canadian Institutes of Health Research. It is a body that was established to replace the Medical Research Council, which is a research granting authority. Its budget has increased substantively over recent years and some very important research is being funded.

However one of the reasons that the CIHR was created to replace the Medical Research Council was that it was felt that the Medical Research Council had become too involved in some of its own pet projects and that new and emerging research was not receiving the funding that it required.

The minister may want to comment on the fact that the CIHR is not subject to a parliamentary review unlike other agencies. I wonder if the minister would consider, given his openmindedness, making the CIHR subject to possibly a three year parliamentary review.

Hon. Ujjal Dosanjh: Mr. Chair, first let me say that I have been absolutely impressed with the performance of CIHR. I have actually attended several functions where researchers, scholars, scientists who are doing research with funds provided by CIHR and others have met and discussed issues. I was also present in Vancouver a couple of weeks ago where I announced \$187 million in research funds for various projects right across the country. I believe CIHR is doing a very good job.

In terms of accountability, the CIHR is accountable to the minister and the minister is accountable to the House. However if members believe there is a better way of seeking that accountability directly, I am prepared to take a look at that.

Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Chair, I would like to ask the minister about the new public health officer, which is a great addition to the whole health care system. Could he or someone else elaborate on the benefits of that?

Hon. Ujjal Dosanjh: Mr. Chair, as a result of our experiences in the SARS situation and as a result of the Naylor report, we have learned some lessons as a country and as a government and put together the Public Health Agency of Canada.

We now have our Dr. Canada, the Chief Public Health Officer of Canada, Dr. David Butler-Jones, who has very impressive credentials and is well-respected for the work that he has done. I believe that he actually plays the role of coordinating with public officers across the country very well, whether it is on the issue of the flu vaccine or any other issues. He also keeps in touch with places like the WHO, the Centres for Disease Control in the U.S. and his counterparts in the rest of the world. I think Canada is taking a leadership role in this. That was very clear from the fact that I was in New York with him announcing our global health public intelligence network, stage 2, with Ted Turner and Senator Sam Nunn. That is the result of the work done by our public health agency.

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[Translation]

Mr. Réal Ménard (Hochelaga, BQ): Mr. Chair, I have several questions for the minister. I have received a number of e-mails from fellow citizens indicating their concerns about the national diabetes strategy. From 1994 to 2005, the government committed some \$200 million to this, and there are some indications that it may not be renewed in 2005. Can the minister provide some reassurance to people with diabetes that the strategy will be renewed after 2005? That is my first question.

[English]

Hon. Ujjal Dosanjh: Mr. Chair, under the leadership of Dr. David Butler-Jones and as a government, we are looking at the issue of separate strategies for chronic diseases. We want to ensure we follow the advice of the first ministers, as represented, I believe, in the FM accord of September this year, which says that we should be looking at an integrated and coordinated approach to chronic diseases in the country. I believe that if we do that, the issue of diabetes would be looked at. However if we are not able to put together a strategy, I would be concerned if the funding is not there on an ongoing basis for the diabetes strategy.

• (2020)

[Translation]

Mr. Réal Ménard: Mr. Chair, a few years ago, the federal government announced \$480 million over five years for the federal anti-smoking campaign. The amount of \$210 million has been earmarked for national prevention campaigns.

We have been told that this \$210 million had been administered by the PMO, because of the sponsorship program.

Can the Minister of Health tell us whether the \$210 million for national smoking prevention campaigns has or has not been used by the Department of Health? Can he deny that the PMO has picked up that money for use in the national sponsorship program?

[English]

Hon. Ujjal Dosanjh: Mr. Chair, I understand that over the last three years the government has spent over \$90 million in terms of the campaigns that the hon. member is talking about.

I also understand that as a result of some of the changes that were required to meet the emerging and changing needs, the money for advertising was pulled into the central agencies.

However I can also tell the hon. member that we have been working very hard with the central agencies and we will be getting some of that money back on a regular basis to carry on and to continue the advertising campaigns and the like.

[Translation]

Mr. Réal Ménard: Mr. Chair, I have two short questions on tobacco.

First, can the minister tell us when his government intends to ratify the convention of the World Health Organization on tobacco control?

Second, what is his government's position on the labelling for light products that give false information to consumers? Minister

Allan Rock had pledged to prohibit advertising for light cigarettes. Does the government intend to act on this commitment?

[English]

Hon. Ujjal Dosanjh: Mr. Chair, with respect to the framework convention on tobacco control, we are very close to ratifying that. I am more anxious than most to make sure it is ratified. Canada is one of the first 40 countries to do so, perhaps one of the first G-8 countries to do so. That is on its way to happening and hopefully it can be done soon.

The other issue the hon. member raised was with respect to light and mild. As the member knows, light and mild is currently before the courts in the class action suit that one of the members referred to earlier. In that context, I do want to make sure that we proceed in terms of attempting to ban light and mild descriptors. Whether or not we can successfully do that without impacting the pending action before the courts one way or another remains to be seen. I say that cautiously because obviously one does not want to negatively influence the outcome of the court action in any way by taking action now which perhaps could have been done earlier.

I am anxious to proceed with the banning of light and mild if I can do it without—

The Chair: The hon. member for Hochelaga.

[Translation]

Mr. Réal Ménard: Mr. Chair, the federal government set up a program called the community action program for children, or CAPC. This program is useful to children in our communities. However, there has been no budget increase over the past number of years. This means that stakeholders are limited in their ability to act, because budgets are stagnating. Again, I am referring to the CAPC, the community action program for children.

Can the minister tell us whether or not he intends to increase the federal contribution to organizations that do so much good in our communities, particularly in my riding of Hochelaga, where there are many such community groups?

• (2025)

[English]

Hon. Ujjal Dosanjh: Mr. Chair, I understand that the budget for that program is currently about \$80 million a year. I cannot access the information right away but I would be happy to provide that information to the hon. member. I understand it is a useful program. We can have a dialogue on it. If there are any issues, the member can raise them with me.

[Translation]

Mr. Réal Ménard: Mr. Chair, as regards the issue of virtual drug stores, I know that the minister is considering a few options. Of course, this is a reality that has a major impact in Manitoba. I am told that there are 80 such drug stores in operation in Canada, including more than 50 in Manitoba. Quebec is not affected by this phenomenon.

Can the minister give us an outline of the options that he is contemplating? Also, does he not believe that the federal government has a duty to take action regarding this issue?

Business of Supply

[English]

Hon. Ujjal Dosanjh: Mr. Chair, I believe it is the responsibility of the federal government as the regulator of a price regime in the country for prescription drugs and the approver of drugs. It is our role to make sure that we have the safety and supply of drugs for Canadians at the core of our program and our actions.

There are many options one can look at. The only option that I think at this time is viable and one which I am looking at is the option as I said earlier before the committee of looking at amending the definition of the term “practitioner” to see if we could prevent or deter members of the medical profession from providing prescriptions to people who are not residents of Canada and who are not visitors in Canada.

[Translation]

Mr. Réal Ménard: Mr. Chair, in 2001, Justice Sharlow rendered a decision concerning the minister's power to oppose placing a drug on the patent register.

Previously, the Minister of Health had the power to establish the relevance between a patent and the product. Unfortunately, the federal court did not recognize that the minister had this power. Is he concerned by the fact that he is now deprived of this power? Also, would he agree to support an excellent bill that would make it possible to rectify this situation?

[English]

Hon. Ujjal Dosanjh: Mr. Chair, I am sure the Department of Justice would tell me what powers I do have and do not have. I would be happy to have a conversation with the hon. member on that issue as well. I am not aware of the case the hon. member is talking about. I will become aware of it very quickly because I intend to look at it.

In the business that we are in, as governments and as parliamentarians, we do have to worry about the charter and the Constitution of the country. However, sometimes we need to test those boundaries for the right cause and for the good cause, and I am always prepared to do that.

[Translation]

Mr. Réal Ménard: Mr. Chair, the Standing Committee on Health, one of the best committees here, tabled a report last year asking the government to increase the budgets of the Canadian AIDS Strategy, to raise them to \$100 million and to do so quickly. I am very disappointed that the government did not act on this issue, since we are not in a situation where the AIDS epidemic is under control.

Could the minister tell us what he intends to do to follow up on the recommendations that the Standing Committee on Health made to him on May 13 of last year, on my birthday?

[English]

Hon. Ujjal Dosanjh: Mr. Chair, I understand, and I remember reading about this, that my predecessor actually announced some time ago that the funding would be increased from \$41 million to about \$83 million or \$84 million. It would be ramped up to double over five years. I understand that that money is there. We are seeking approval to begin the increase incrementally over the next five years.

I was actually at the AIDS walk in Vancouver where I talked about this money. I want to make sure that we get it out the door and into the communities at the earliest possible time. I recognize that AIDS is a very serious issue.

• (2030)

[Translation]

Mr. Réal Ménard: Mr. Chair, all premiers, no matter what their allegiance, formed a coalition to ask the federal government to contribute 25% to the costs of the system.

Can the Minister of Health tell us now what is the percentage of the federal government's contribution to the health system in Canada?

[English]

Hon. Ujjal Dosanjh: Mr. Chair, the hon. member asked the same question in the committee. I told him that once I have the numbers I will be bringing those forward and tabling them for the benefit of all. Several numbers are being thrown about. It depends on how one calculates those numbers. I want to be able to bring the numbers that I can back up with facts, with reality.

I also just want to say that Commissioner Romanow agreed that in the accord, in the money that has been provided for health care across the country, the Romanow gap has been closed. This means that according to his calculations, there is adequate money for health care needs across the country for at least a little while.

[Translation]

Mr. Réal Ménard: Mr. Chair, earlier I asked the minister a question about the Canadian diabetes strategy. I could have asked him the same question about the prostate cancer strategy.

Am I right in understanding that senior officials at Health Canada are asking the minister to no longer reserve funds for particular illnesses, and that it would be a mistake not to reserve funds specifically for diabetes or prostate cancer?

Can the minister assure us that there will still be funding set aside for certain, very carefully identified pathologies?

[English]

Hon. Ujjal Dosanjh: Mr. Chair, with respect to prostate cancer in particular, I understand that CIHR in fact has taken up the slack and has provided \$8 million for research in that particular area.

[Translation]

Mr. Réal Ménard: Mr. Chair, with all due respect to the minister, he is acting like a crown prosecutor. He did not answer my question.

I asked him whether his government intends to keep money earmarked for certain pathologies, such as prostate cancer or diabetes, or whether he wants to have a comprehensive approach to public health.

I was told that some officials from his department were pressuring him to have a comprehensive strategy for public health, without funding reserved for certain pathologies. I believe this would be a mistake.

Business of Supply

[English]

Hon. Ujjal Dosanjh: Mr. Chair, there is no question that we are discussing the possibility of a coordinated integrated chronic disease strategy. I think I said that to the hon. member in one of my earlier remarks. We want to make sure that we actually arrive at that because I believe that many of these diseases have similar issues relating to them. There are underlying diseases that happen for the same reasons and their treatment, cure and prevention sometimes take the same kinds of approaches to deal with them.

There is no question that we will be looking at that, but I believe that for HIV-AIDS and the like, very special kinds of diseases, we support specific strategies.

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Chair, I will try to keep my questions brief so that the minister can answer.

First, with respect to the questions that he has already been asked about the hep C announcement today, the minister quite rightly pointed out how difficult this issue is with lawyers, class action suits, et cetera. Would he not agree that things would be less difficult if the government would say at the same time as it said what it said today that it would be willing to put more money on the table should it be required in order to meet the needs of all the victims who exist outside that window? That would certainly make things a lot less difficult.

• (2035)

Hon. Ujjal Dosanjh: Mr. Chair, the member obviously raises an important question that perhaps can be answered, but I have said very clearly that we are looking at all options. No option is foreclosed. Lawyers have been given a mandate to look at and discuss all available options for financial compensation to those from the pre-1986 and post-1990 class.

I believe it is important, if we want to have discussions with the lawyers from all the classes and the justice lawyers, that we not interfere in those discussions by holding negotiations in public.

Hon. Bill Blaikie: Mr. Chair, it is not a question of negotiation. It is a question of the federal government making it clear that it would be willing to put more money on the table if that is what it takes to solve the problem and meet all the needs that are identified. The minister said this is a question that can be answered, but then he went on not to answer it. If it can be answered, perhaps he could give it another try.

I want to ask the minister a second question. Of course he can respond to my commentary on his first answer and I realize that. It has to do with something that the member for Hochelaga also brought up and it has to do with the national strategy against diabetes.

The Canadian Diabetes Association was on the Hill today meeting with members of Parliament. The NDP caucus had a meeting with its representatives. I am sure they met with other members. They are concerned that the funding for the national diabetes strategy as it is now constituted will run out on March 31, 2005.

The minister said he hopes to maybe integrate a national diabetes strategy into the 10 year health accord, but if that did not happen, he would be concerned that the money not run out. I am wondering why he does not just get up and say that if it does not get integrated into

the 10 year health accord, there will be \$50 million which the Canadian Diabetes Association is looking for, not for itself but for Health Canada. The association is not asking that the \$50 million be given to it. It is saying to give Health Canada \$50 million to implement this particular strategy.

Can the minister make that commitment this evening?

Hon. Ujjal Dosanjh: Mr. Chair, let me address the earlier part of the hon. member's remarks with respect to the hepatitis C issue. Yes, the question can be answered, but at the risk of vitiating the discussions that are taking place. That is why I want to say all of the issues that members have raised on the floor of the House are wrapped up in the mandate that has been provided to the lawyers to have discussions and look at all available options for financial compensation.

With respect to the issue on diabetes, if I were able to say what the hon. member wants me to say, I would be pre-empting the Minister of Finance for next year's budget. The budgetary process is not complete. We will of course fight to make sure that the health budget is protected. It is the top priority of the government. I am assuming it would be protected. I remain hopeful that we will be able to integrate the strategies into one common chronic disease strategy across the country, with ample and sufficient funding. That is very important for me.

Hon. Bill Blaikie: Mr. Chair, I offered the minister the opportunity to make a pre-emptive strike on the budget and he turned it down, but pre-emptive strikes are popular in other forms of geopolitical activity so I thought that maybe within the Liberal Party that might have been appropriate as well.

I wonder if the minister could tell us whether, since becoming the Minister of Health, he has made himself aware of all the various problems that have arisen around the Virginia Fontaine centre in Manitoba. I actually was the first one to raise this on the floor of the House of Commons a number of years ago.

Many things have happened, but it seems to me that this is a case which has had many, many ramifications. I wonder whether the minister is in a position to say whether he is just going to allow this thing to drag on in a piecemeal fashion or whether he is prepared to hold the kind of inquiry, public, judicial or otherwise, that would be necessary to finally determine exactly what all went wrong and how something run by Health Canada could be so badly mismanaged.

• (2040)

Hon. Ujjal Dosanjh: Mr. Chair, let me first say I understand from the information I have been able to glean from the pages I have been able to access and read that Health Canada has made many changes in its processes to ensure that this kind of thing does not happen again. We also know that the matter is before the courts. We also know it was Health Canada that actually alerted the RCMP with respect to an investigation.

Business of Supply

I think the questions of an inquiry are premature. As a former attorney general, I can tell the member one ought not to even think about an inquiry while there are criminal proceedings under way. At the end of those criminal proceedings, as a result, and if we can look at what Health Canada has done and what the results of the criminal proceedings are, in the end if the hon. member is still dissatisfied I will be happy to take that question from him and answer it more fully.

Hon. Bill Blaikie: Mr. Chair, we have had some discussion tonight about the cost of drugs in Canada. It came up in earlier questions. I have a couple of questions related to drug policy.

The first has to do with the practice of evergreening. I do not know if the minister is aware there is a private member's bill, Bill C-274 in the name of my colleague from Windsor West, which, if it were to come to a vote and then be passed, would eliminate this practice that has the effect of increasing the price of drugs, unnecessarily in our view. I know it is a private member's bill, but does the minister look favourably upon this proposed legislation or not?

Hon. Ujjal Dosanjh: Mr. Chair, the hon. member raises a very important issue. In fact, this was one of the first couple of issues that came to my attention when I became minister. We are currently in the process of developing and concluding development of regulations to deal with evergreening. Hopefully we would not need the private member's bill, but if we do I would be happy to take a look at it and tell the hon. member at that time whether or not I support it.

But I do support dealing with the issue of evergreening. It is a serious issue. It is a matter of balance. We want pharmaceutical companies to have drugs approved in this country and to manufacture drugs in this country. We also want to make sure that they do not unnecessarily delay the entry of generics into the market.

Hon. Bill Blaikie: Again with respect to drugs, Mr. Chair, I wonder if the minister could tell us about it. There has been a lot of controversy of late about it, and I heard the minister say earlier that part of the plan that the federal government and the provinces are looking at is a national formulary and bulk buying and this sort of thing and also speedier approval of new drugs.

I understand the reason for that, yet at the same time we are in a context now where we see that many drugs have been approved—I do not know whether they have been approved speedily or not but they were approved—and then we find out sometime down the road that they are not all they are cracked up to be or they have side effects that are quite serious. Vioxx comes to mind, as do certain anti-depressants that have been identified with suicide. Just today Depo-Provera was identified as causing osteoporosis, I think.

I recall actually raising the issue of Depo-Provera in the early 1980s in the House when I was the NDP health critic, in another century, and at that time I raised it because they were experimenting with Depo-Provera on women in third world countries. We asked the Canadian government to oppose that at the WHO.

We did not succeed and of course after the experiment on third world women we have now had the experiment on first world women, and now we finally have the results of that experiment.

Could the minister tell us what is the government's intention with the drug approval process? There are obviously some problems. What is the government's plan to deal with the inadequacies in that particular process?

Hon. Ujjal Dosanjh: Mr. Chair, obviously it is very important that we keep and maintain the robust drug approval process that we have. In terms of speedier drug approvals, I only meant to say that we have provided resources, starting last year with \$190 million over five years, I believe, to make sure that we have the resources to be able to approve drugs within about 300 to 350 days rather than drugs having to wait over a couple of years to be approved. We want to make sure that business comes to Canada and they actually apply to have their drugs approved here. It is important for us.

But it is also important to ensure as rigorous a process as there is for pre-approval. There ought to be a rigorous process for post-approval in terms of the surveillance. That is missing at this point. I have been talking to my own department for the last several weeks to make sure that we add post-approval requirements for the drug companies to report to us any information and data they collect, and that we also have some surveillance ability and opportunity to be able to see how those drugs are doing after they have been approved, so that we do not have a situation of a drug being utilized over 10 years and finding out after 10 years that people have been having problems from year one.

It is important. I have actually been discussing that with my own department to make sure that we get there.

• (2045)

Hon. Bill Blaikie: Mr. Chair, it seems to me that the minister or the federal government would have a lot more control and a lot more influence over many issues having to do with drugs if in fact the government had proceeded with its own election promise and responded to the proposal by the premiers for a national pharmacare program.

Earlier the minister raised questions about Internet pharmacies. If the federal government was in charge of pharmacare in this country and if that Liberal promise had been kept, or if the premiers' proposal had been responded to, does the minister not think he would be in a much better position to deal with this than he is now, having to deal at several arms' lengths with this issue?

Hon. Ujjal Dosanjh: Mr. Chair, I will stand corrected if I am wrong, but I do not think having a national pharmacare program would make much difference in terms of how we are able to deal with the issue of drug prescriptions, because they are prescribed by doctors and filled by pharmacists and both of those bodies of professionals are obviously governed by provincial legislation.

Yes, export of drugs is dealt with by the federal government in any event, even now, but we are trying to deal with the issue of Internet pharmacies by using the definition of practitioner, because we believe that is the simplest way of dealing with it rather than a cumbersome export permit method that might be available.

Business of Supply

On the other issue of national pharmacare, the hon. member suggests that the approach would have been better. Here is what we are trying to do with the national pharmaceutical strategy. The Prime Minister said this one day at Penticton, I believe, if I remember correctly, and I have said this several times. What we are trying to do is put in place building blocks that may over time lead us to a national pharmacare plan.

A national pharmaceutical strategy would include catastrophic drug coverage, speedier drug trials and common drug review. It would include perhaps a common formulary. It would include bulk purchasing. Once we have been able to put all of these things in place, we may not be far away from the idea of a national pharmacare plan even though it still may be run by the provinces in their own jurisdictions.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Chair, I am glad for the opportunity to congratulate the minister on the leadership he has shown in a very complex portfolio.

Much of the discussion this evening has been centred on our health care system and what our government will be doing to improve it. This is important, no doubt, as health care is the number one priority for all Canadians.

As a chiropractor who has owned multidisciplinary clinics, I had the chance firsthand to see the challenges we face in our health care system. I have also seen the benefits of various health care professionals working together in one team to provide patients with high quality care. More important, I have had the chance to experience the benefits of empowering patients with knowledge about their health.

I strongly believe that it is imperative that we as a government move forward on our health care file with an agenda that incorporates both prevention and promotion of a healthy lifestyle activity. Be it physical fitness, genetic factors or social and economic conditions, the health of our air, our water or the rest of our environment, these are all factors which are critical and crucial to the health of Canadians.

Some of these factors are well outside the mandate of our hon. minister. However they are areas in which our minister can play a significant role in promoting and educating Canadians that healthy choices do equal healthy lifestyles and good health. Much research has shown that people who exercise, eat right and live a healthy lifestyle are less likely to require health care services. In an era when resources are limited and the needs are many, we must look at effective strategies that encourage Canadians to lead these healthy lifestyles.

I am sure many members in this House have heard the saying, “An apple a day keeps the doctor away” or “An ounce of prevention is worth a pound of cure”. I am sure that these were not invented because they sound nice. These sayings are instrumental in promoting the mindset that we as a government must encourage.

We must look at healthy living in two different perspectives. We must first forecast and acknowledge the social implications of our aging demographic but we also must be proactive in articulating the importance of healthy living to our younger generation.

As an example, it is well-known that we as a nation are seeing an increase in obesity. The percentage of Canadian adults who would be defined as obese has more than doubled between 1985 and 1998. In 1985 the rate for obesity was 5.6%. and in 1998 the rate changed to 14.8%.

We also can talk about childhood obesity. In 1981 the rate was 2% and in 1996, 9% of young girls and 10% of young boys were overweight. Today, eight years later, in 2004, obesity in children has dramatically increased.

As a nation, I strongly believe that we must do more. We must take initiatives to promote healthy living. We must promote promotion and population health. We, as a nation, must make it our responsibility to reach out to children in schools and promote physical activity and exercise. It will be this increase in physical activity that will help the very cause that leads to obesity.

We, as a government, must reach out to Canadians and promote healthy eating habits. Encouraging better eating habits will produce a reduction in the rates of obesity in our country.

It is evident that prevention and promotion of healthy lifestyles will assist in the reduction of the \$1.8 billion per year that our health care system spends on the problem of obesity.

I am a firm believer that as we move forward into the next generation, our health care investments need to focus on population health, on prevention and on promotion.

In light of all of these factors, how do these estimates that the minister has provided today support effective action to encourage healthy living?

• (2050)

Hon. Carolyn Bennett (Minister of State (Public Health), Lib.): Mr. Chair, it has been a time of renaissance in terms of the kind of understanding the member shows on the importance of health promotion and disease prevention in terms of the ultimate sustainability of our health care system.

It was inspirational to see the Prime Minister and all first ministers make the kind of commitment they did in the first ministers' meeting to both disease prevention and health promotion. It was extraordinarily important for them to outline for all of us to do everything we can around choosing the health goals for Canadians as well as some targets, to be able to move, as the minister said, on these integrated disease strategies understanding how important the common risks to all of these diseases around cancer, heart disease and diabetes can be.

As the member so rightly pointed out, there was the importance of school health and the commitment that all governments made to a school health consortium and program that the Minister of Health was able to shepherd at the health ministers' meeting in September in Vancouver.

It is an exciting time but I probably would not have my job if it had not been for SARS. However, as we have had to deal with the threats of infectious diseases, we have been able to tuck in behind that the other epidemics of diabetes, cancer and heart disease.

Business of Supply

We have been able to move forward on setting up a public health agency with the kind of real money that was invested in the 2004 budget and the \$165 million that the finance minister was able to find for us. We are now able to do a much better job on disease surveillance, on health risk assessments and on the kinds of things we want to do around the determinants of health in the collaborating centre in Atlantic Canada and in the other collaborating centres.

The \$300 million commitment that was made to the provinces for immunization and the \$100 million commitment to enhance local public health was also important. As members know, officials are working hard every day with their local voluntary organizations to help do exactly as the member suggested in terms of disease prevention and health promotion.

As I think the member knows, we actually do need the data to support the surveillance that we need to do on both the health status of Canadians and particularly our aboriginal people. We were thrilled to give \$100 million to the Canada Health Infoway to begin incorporating the good work it is doing on the electronic health record into proper surveillance on public health.

We will need the support of members as we go into the next budget cycle to make sure we have the dollars we need to do the shared goal of keeping as many Canadians healthy for as long as possible.

• (2055)

Ms. Ruby Dhalla: Mr. Chair, I take the opportunity to congratulate the Minister of State for Public Health for doing a wonderful job in her role. She has reached out to a tremendous number of Canadians. I know, from my background in health care and in working in a multidisciplinary environment, that providing and promoting healthy lifestyles are definitely the keys to the success of the health care of Canadians.

I was wondering whether the Minister of State for Public Health could provide me with some insight into the role that our public health officer will be playing for the lifestyles of Canadians and how that fits into the estimates.

Hon. Carolyn Bennett: Mr. Chair, the chief public health officer is an important position. As the Minister of Health has said, the appointment of Dr. David Butler-Jones has provided his network with respect with regard to his relationship with the chief medical officers of health throughout the country in terms of their shared work.

We had a fabulous lunch with the Chief Medical Officer of Health and the chief medical officers for the provinces and the territories. They have an unbelievable understanding of the social determinants of health and the common risks. We need not only ministers of health across the country but we need ministers of all departments to put a health lens on healthy public policy. Whether it has to do with smog days or whether it has to do with the percentage of families spending more than 50% of their income on rent, it must be a response by this government and indeed the whole country.

I hope we arrive at the day when we will see that the sustainability of our health care system is actually the shared goal of keeping people well.

We look forward to the efforts of all members of Parliament who have become real champions in their areas with their various networks across the country. This is really a shared goal and vision of all parliamentarians. We thank them all for their help.

• (2100)

Ms. Ruby Dhalla: Mr. Chair, I thank the minister for her insight into the role that our public health officer will to play. I think all parliamentarians share a collective vision of wellness for all Canadians.

Could the Minister of Health perhaps elaborate on the significant and historic deal we signed in September 2004 with the federal government working in significant partnership with all the provinces and highlight or outline the direction the health of our nation will take for the next 10 years?

The substantial issue that was in the health care accord, which was signed at the first ministers meeting, was the reduction in waiting times that many Canadians experience across the country. It is nice to see that our federal government has finally taken a great initiative to reduce that waiting time.

Could the minister perhaps elaborate on the waiting time strategy contained in the health care accord that was signed in September 2004?

Hon. Ujjal Dosanjh: Mr. Chair, I believe that the wait times across the country in different areas of health care have become almost the litmus test for health care. Even though people may not have been in direct contact with health care recently, when they look at the waiting times they believe that health care may not be available for them when they need it.

There is a high degree of satisfaction with our health care system among Canadians, particularly among those who have been in touch with the system, because it was there for them.

However there is a real problem with wait times. The Prime Minister recognized that in the last election and made it a national issue. With the assistance and cooperation of the first ministers from across the country, we signed an agreement in mid-September of this year which will provide \$41 billion in additional money over the next 10 years for health care. It was agreed that all the provinces would establish evidence-based benchmarks and multi-year targets to achieve those benchmarks, and would have comparable indicators to arrive at those wait times and to reduce them.

The Prime Minister selected four areas on which all the first ministers agreed: sight restoration, joint replacement, cardiac and diagnostic. If some provinces felt that their priority lay in some other area or that they had wait times that were more problematic in other areas, there was flexibility in the four that they could choose. These four were not etched in stone.

It is important that all jurisdictions report by March 31, 2007 significant reductions in wait times across the country. It is important that we re-inject that sense of public confidence into our public health care system. Regardless of the difficulties we may be having now with our health care system we must remember that 40 years ago we rejected the private system where a person's wallet was checked before the person's pulse.

Business of Supply

It is important that we maintain, strengthen and enhance our public health care system, an institution that is cherished, loved and supported by Canada, so that health care is available for all of us. It defines our sense of shared values to look after each other as Canadians.

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Chair, I have some questions for the minister and I am pleased that he could join us tonight.

I want to correct what was said earlier. It is not on his initiative that he is here; it is on ours, the official opposition. We are the ones who asked him here because health care is a number one priority for us and we had some serious questions that we wanted to put to him with regard to it. Therefore, I thank him for giving us his time and opportunity.

The Auditor General is held with a tremendous amount of respect by all Canadians and all members of the House. In her report today it states:

—we found that the government is paying tens of millions of dollars more than necessary each year because it does not take advantage of some well-known cost-saving measures...This is the third time we have raised this with Health Canada. I am disappointed that these issues have not been resolved.

There are many issues that we deal with in the House, some on the liberty of Canadians, some on the actual dollars and how their money is spent, and some on actual life and death situations. This one happens to be on money and life and death.

I would like to ask the minister point blank, how come it has taken three times? This is the fourth time. What assurance can he give us that this is not going to happen the fifth time?

● (2105)

Hon. Ujjal Dosanjh: Mr. Chair, I said earlier on in the House and I also said it outside to the media, we fully accept the Auditor General's recommendations.

I met with her. We had a conversation about these issues. In fact, I will direct my department, as we make the changes to meet the recommendations that she has given and implement those recommendations, to consult her from time to time.

There are, as I said earlier, issues of consent and privacy. There are also issues as to whether or not we can bulk purchase these drugs for first nations people. The federal government delivers health care to 750,000 first nations individuals. There are thousands of pharmacies that actually provide those prescriptions to those 750,000 individuals. There are medical practitioners who deal with those issues.

Therefore, it is impossible for the federal government to bulk purchase those drugs that are given at the pharmacies by private practitioners, private pharmacists, and prescribed by private medical practitioners.

Mr. Rob Merrifield: Mr. Chair, I want to get this straight. Is the minister saying that it could not have been fixed when the Auditor General addressed it the first time? When she addressed it, it was pretty specific. She is saying that just one drug alone cost \$17 million, when it should have cost \$4 million in one year. That was just to change the buying practice of one drug. Is the minister telling us that she was wrong the first time she addressed this issue?

Hon. Ujjal Dosanjh: Mr. Chair, I am saying no such thing. I have said very clearly that we accept the recommendations of the Auditor General. We will implement them. I am simply trying to deal with some of the complexities and difficulties. The Department of Health has tried to deal with the drug abuse situation which is not the question that the hon. member is raising and I recognize that.

There is the question of privacy and consent. The aboriginal leadership just issued a press release today to highlight that issue of consent.

The issue of bulk purchasing and the federal government being able to purchase in bulk some of those drugs directly is just not feasible at this time. We may be able to do that, but we have over 1,000 pharmacies prescribing those drugs to individuals. We have medical practitioners giving them the prescriptions. If we were a province and actually owned the pharmacies, and had the doctors under our control, we would be able to do that.

I want Health Canada to sit with the Auditor General and perhaps she can advise us as to how she thinks we can do that.

Mr. Rob Merrifield: Mr. Chair, I think the minister is saying that the Auditor General was wrong the first time she addressed it because she said that with different buying practices alone this could be saved. This is the third time she said how disappointed she was that it was not addressed the last two times.

If that was the case, the minister is saying he respects the Auditor General's report. Does that mean you did not respect it the last—

The Chair: I remind the hon. member to address his comments through the Chair. The hon. Minister of Health.

● (2110)

Hon. Ujjal Dosanjh: Mr. Chair, there is no question, we respect the recommendations that were made. We will abide by them. We will implement them. In fact, I have directed my department to consult with her on an ongoing basis as it implements the recommendations.

I am simply telling the hon. member what the difficulties have been. If the hon. member is talking about the drugs that are purchased and used by the Department of National Defence, it can do bulk purchases because it is delivering to a population that is controlled by it within its pharmacies.

It may be difficult, if not impossible, to do the same with 750,000 first nations people across the country with 1,000 pharmacies and with medical practitioners unless we get into the business of actually providing pharmacies ourselves across the country.

Mr. Rob Merrifield: Mr. Chair, the minister is trying to fudge what the Auditor General has said with regard to this issue. That is just on the dollars and cents that could have been saved. If we were to multiply that over a number of years, it would be tens of millions of dollars a year. That is what she said. That is a lot of money.

Business of Supply

Then we go to what she said with regard to human life. She said that there are a number of these drugs. We have seven or more doctors prescribing to seven or more different pharmacists different drugs, and that becomes a health and safety issue. How many lives are at risk because of the lack of information from Health Canada, from the government, to those doctors and pharmacists? That becomes a much more serious issue than even the money and that is what she is addressing. I would like the minister's comments on that.

Hon. Ujjal Dosanjh: Mr. Chair, I would be less than candid if I did not tell the House that the Department of Health has been trying very hard to deal with a very thorny and difficult issue of consent and privacy with respect to overuse of drugs, abuse of drugs and multiple prescriptions. That is a complex issue. The Auditor General has a view on it. It is very clear to me. That is why I have told Health Canada that we will be following her instructions and from time to time will consult her as we implement her strategies.

Life is very important. I know that the Standing Committee on Health had raised these issues perhaps a year ago. I have looked at the transcript. I recognize the severity and the gravity of this issue. That is why, in an overall way, I can tell the hon. member that we respect the recommendations made by the Auditor General. We will abide by them. We will implement them at the earliest possible—

The Chair: The hon. member for Yellowhead.

Mr. Rob Merrifield: Mr. Chair, the minister is right. We did look at this over a year ago in the health committee. In fact, we had the actual consent forms that were being asked for. We said that there was no way that first nations were going to fill them out, they were so complex. We would not fill them out for ourselves and yet we were asking our first nations to do it, so there was no surprise about that.

That was over a year and a half ago. We recommended changing those forms so that the compliance would be there. That is another issue. I do not want to spend all 15 minutes on this issue, but I am rather upset. The Auditor General is bang on. The government and the minister had better do something about it.

However, let us get on to another issue that is related to it. The report came out this spring. Actually, it was in the middle of the election. There were 24,000 deaths because of adverse events in our acute care hospitals in the year 2000 and probably more since. That was what the report suggested. We have to believe it is true because it was reflected with another study in the United States saying exactly the same sort of numbers. That does not count for the ones in the nursing homes. That does not count for the ones who die outside of hospital because of adverse events from drug reaction.

I brought in a motion that was passed by the House, this spring, saying mandatory reporting had to take place. I would like to ask the minister, what are you doing with that and what are you doing to deal with the issues that are addressed in that report?

The Chair: I remind the member to address his comments through the Chair. The hon. Minister of Health.

Hon. Ujjal Dosanjh: Mr. Chair, I understand that there has been a Canadian Patient Safety Institute created. We are working on this issue.

When I appeared before the standing committee, this is one of the first issues that caught my eye when I became the Minister of Health. I have asked the Department of Health to take a look at whether or not we can actually begin to receive the results of a mandatory reporting system for adverse drug reactions and adverse incidents. I think that is important.

I am told that there are five or six centres at this time for voluntary reporting across the country. There is one in British Columbia, Saskatchewan, Ontario, Quebec, and there is one for the Atlantic. That is well and good, but the issue that the member raises, as I said to him in committee, is very important and we are looking at it. I am in favour of the mandatory reporting of adverse drug reactions. Even if it saves one life or two lives, that is one more life saved. It is important that we do that.

● (2115)

Mr. Rob Merrifield: Mr. Chair, I would suggest it will save not one or two lives, but thousands and maybe tens of thousands of lives if the numbers that I see are accurate, and the numbers that were reflected in that report.

However, I want to stay on the issue of drugs for one more quick question because it is very important. We talked about this in committee the other day with regard to the catastrophic drug coverage. According to the minister's report and his information to committee, the 2003 accord said that the catastrophic drug coverage would happen, that it would be in place by 2006.

That is what the provinces and the federal government were working toward, by the end of that year. Now we see that the accord that was struck here a couple of months ago is saying that we are first going to get a report near the end of 2006. So, the actual catastrophic drug coverage in essence is going to be put back one, two, or three years? How many years? Give us a date? What is the proposal?

Hon. Ujjal Dosanjh: Mr. Chair, I would be hazarding a guess if I said when, but let me answer the question with the best information that I have.

I understand there was an accord in 2003. All of us know there was. We also know that not much progress happened, whether in terms of home care or catastrophic drug coverage, both of which were to be done by the provinces. None of that happened and they had been given the money.

Now, in this accord, we have given an additional \$500 million a year for home care and for catastrophic drug coverage. We have placed deadlines that we have to come back as ministers of health to the first ministers and report on a national pharmaceutical strategy, including catastrophic drug coverage, by 2006. We must report at least the elements of the strategy and then begin to put it in place.

We also have home care and the two week period—

The Chair: The hon. member for Yellowhead.

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Mr. Rob Merrifield: Mr. Chair, that is not giving us a date. The minister is saying a report is going to happen. He has confirmed what I have just said. When can we expect catastrophic drug coverage for Canadians? That is really what the average guy on the street wants to know.

Hon. Ujjal Dosanjh: Mr. Chair, if and when we have the national pharmaceutical strategy report back to the first ministers, which would be hopefully early 2006 if I had my way. That report would then be available to the provinces and they could implement it overnight.

Mr. Rob Merrifield: Mr. Chair, that will be interesting to see. We will wait with bated breath for that one.

I would like to get on to hepatitis C because the announcement was just made. It was something that was worked on by the health committee. We brought forward a motion in committee. We got a unanimous decision and brought it to the House. This minister actually shut down debate in the House when his own members wanted to debate this issue.

He says it is a complex issue. It is a complex issue. It is not really complex as far as the issue goes. The issue is very clear. The government either compensates or it does not compensate. That is the issue. How we do it is a little complex, fair enough, but there was a debate that was supposed to take place in the House. It was asked for twice and the minister shut it down. There were 400 individuals who should have been compensated outside that window who are no longer alive today because the minister and the government decided that it would not compensate.

Would the minister explain why he shut down debate and when will these victims begin getting the cash? That is really what it means.

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Chair, I would like to indicate to the member that the minister was not in the House at the time of the debate. As parliamentary secretary, I was. We had a full debate. A lot of members from the government's side—

• (2120)

Mr. Rob Merrifield: Mr. Chair, on a point of order, this is committee of the whole and I addressed my question to the minister.

The Chair: Yes, but any minister or parliamentary secretary can answer a question. It is just like a question period. Any minister or parliamentary secretary can answer the question on behalf of the government.

Another point of order, the hon. member for Charleswood—St. James—Assiniboia.

Mr. Steven Fletcher: Mr. Chair, the minister was in the House.

The Chair: We do not normally comment on whether the minister was in the House or not. Perhaps it is a point of debate, but the parliamentary secretary has the floor and he is just going to finish up his answer.

Hon. Robert Thibault: Mr. Chair, the minister was in the House at the beginning of the debate. He did not stay throughout the debate because he had other duties. As parliamentary secretary, I stayed, as is quite regular. We debated with members of the opposition until the end of the allotted time, as is usual.

On the question of hepatitis C, if the opposition members were not blinded by their partisanship, they would congratulate the minister for what he has accomplished. The Prime Minister mentioned during the election campaign that he would look at this. The minister, in six short months, took it on.

The Chair: I am sorry, but the time for debate is over. We are all enjoying the spirited debate, and now we will go to the member for Dartmouth—Cole Harbour for some more.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Chair, it is always wonderful to join a debate when it is getting good. I will be splitting my time. I have two questions, which I figure will take 10 minutes maximum of my 15 minutes, and I will cede my last 5 minutes to my charming colleague from Thornhill.

My first question, although I will leave to the discretion of the minister, I would suggest is for the Minister of State for Public Health. It follows on a discussion that the member for Brampton—Springdale had asked on the issue of health promotion. I would not suggest that the Minister of State for Public Health does anything but provide concise answers, but I want to get to my second question as well.

I want to talk about chronic and preventable disease. We have a public health department and I think all Canadians have great confidence in the minister and that department. However, it is very important that we not forget, while we get consumed by SARS and West Nile and the issues that come up in public health, that chronic disease is the biggest killer by far in Canada, such as cardiovascular disease, cerebrovascular disease, arthritis, diabetes, which I think people would concede is virtually epidemic, emphysema. They all contribute to many of the cancers.

I want to talk about one specific idea that I have. I think the country is ready to move to action on chronic disease. We need a test market and I have the perfect test market in the province of Nova Scotia. Let me explain why.

We have a department of health promotion that involves Dr. Hamm, our premier, Dr. Tom Ward, our former deputy minister of health, who we unfortunately lost but who was a pioneer in many aspects of health, and Scott Logan, who heads the department in Nova Scotia. We have a very good team working on health promotion, and I believe we are the first health promotion specific department of government in Canada.

It would not be the first time either that Nova Scotia has been used as a test market. There is a famous study, called ICONS, which is improving cardiovascular outcomes in Nova Scotia. It used Nova Scotia as a test market for it about seven or eight years ago. We also have a high incidence of chronic disease. We have a nice round number of people, around a million. We have a nice mix of urban and rural. We have a university presence. We have strong research.

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We also have strong stakeholders in the community. We have the Heart and Stroke Foundation, the Canadian Cancer Society and a number of other organizations that are very involved in the promotion of healthy living in Nova Scotia. As well, being part of Atlantic Canada, we have among the highest incidence of chronic disease in Canada.

On April 15 of this year I had the opportunity to invite the Prime Minister to a round table meeting in my constituency, held at Cole Harbour Place. Stakeholders from across the breadth of the health promotion community were present, such as the Heart and Stroke Foundation, the Cancer Society, the Canadian Diabetes Association, the Lung Association, the provincial department of health promotion, the regional health board, the community officer from the local health board, Recreation Nova Scotia, Sport Nova Scotia, representatives from a number of physical activity organizations like the Sportsplex and Cole Harbour Place and consultants in health promotion.

After the meeting, the Prime Minister indicated to me how much he thought the meeting was useful. He also indicated it was the first time he had been in a specific meeting in a community that talked only about health promotion. He said that he had found it refreshing as well as enlightening. Nova Scotia would be the perfect place to do a pilot project on health promotion.

I know my hon. colleague from West Nova, who is a perfect example of community health in action, would support me in this. We need to get the schools involved. We need to get child care facilities, hospitals, sports organizations, recreation groups, coaching associations, non-profit health charities, universities and researchers involved. Some great work is being done through CIHR in Nova Scotia on rural health and on all aspects of population health. We need to get public health nurses involved.

People in Nova Scotia know this minister very well and have great faith in her. She has been down on a number of occasions.

Federal, provincial and municipal governments, with non-profit charitable organizations and stakeholder groups, need to set some standards and achieve some outcomes on nutrition, physical activity in school, smoking, alcohol abuse and stress management. We could do it through education, programs, incentives and regulations. We could set some timeframes. We could set some checkpoints.

• (2125)

I have had the opportunity to talk directly with Scott Logan of the department of health promotion in Nova Scotia. I am sure that he would be very interested in being involved in this type of project.

We have great community leaders in health promotion in Nova Scotia; Jane Farquharson, Bill VanGorder, Dawn Stegen of Recreation Nova Scotia, Mike Lagarde, Anne Cogdon. I think we need a test market for a real attempt to measure and set targets to improve the health of Canadians. I believe we can start it in Nova Scotia. That is my short preamble.

Would the Minister of State for Public Health consider this a reasonable idea? Specifically and more generally could she talk a little about the benchmarks or targets that she thinks are important to consider in the promotion of healthy living?

Hon. Carolyn Bennett: Mr. Chair, I look forward to having further conversations with him about his idea. I remember hearing about the Prime Minister attending the round table in Cole Harbour and how inspired he was with what happened when a group of people from all walks of life with various approaches to keeping Canadians healthy, or a well-being initiatives, got together. I also think the member knows that some of the best work on indicators was done by Ron Coleman's group, GPI. I think there are all kinds of good things.

I had round tables both at Dalhousie and Acadia before the launching of the agency, and there was such a huge interest. I think the people of Nova Scotia and in Atlantic Canada, more generally, know that the health status of their citizens is of the worst in the country, and it is extraordinarily important. As we were building the case for each of the six collaborating centres across the country, it was not surprising that Atlantic Canada was asked to deal with the collaborating centre on determinants of health.

It will be extremely interesting, as we develop the collaborating centres, that each of the collaborating centres will be the glue in the region. They will begin to get together with local and provincial public health officials, federal agency officials, the stakeholders, as have been described, and academia. Citizens will be an extraordinarily important part of how we do the next step of identifying best practices, using community laboratories to find out what works and what does not work in the joint project of keeping people well.

The whole longitudinal approach, as the member described, from maternal child and infant to child care, to schools, to youth and sports, to families and healthy places for families to seniors is very exciting. In the whole life cycle approach, as we move forward, we will have to work with great people like Ron Coleman and with people in all aspects of health and health care.

We also have to work with all departments on how we choose health goals for Canada and how we pick some realistic and meaningful targets that people will buy into in the real approach of a strong common purpose, keeping as many Canadians healthy for as long as possible while at the same time respecting local wisdom and local knowledge to get it done.

I am look forward to working with the member and all members of Parliament and with all governments. The first ministers have asked us to work with them in picking these goals and targets. At the same time we have to understand, as the member has described, that there has to be goals around the health determinants, poverty, violence, the environment, shelter and equity as well as the goals around the kinds of choices people make, such as exercise, eating, drugs, alcohol and sexual health. We also have to look at specific outcomes in other epidemics of heart disease, diabetes, cancer, mental illness and lung disease. How do we move forward in picking those targets and how do we—

• (2130)

The Deputy Chair: Resuming debate.

Mr. Michael Savage: Mr. Chair—

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The Deputy Chair: The member's time has expired. You told us that you would use the first ten minutes and that you would share the last five minutes with the hon. member for Thornhill. We are now at the five minutes.

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Chair, I stand here tonight very fortunate, as an 11 year breast cancer survivor, unlike many in my own riding and many other people's ridings and elsewhere. I think of a young 28 year old woman, just newly married, who recently and tragically passed away from breast cancer. Unfortunately, she was the second generation as well in her family. This is a cycle that I am very determined that we are breaking through research. That is the topic that I want to speak briefly about today.

We know Canada's future success depends on the health and well-being of its people. Health care is the number one priority of Canadians. We have always taken great pride in our health care system. We expect it to be there when we need it, in a timely way. Often we cannot afford the luxury of time.

Our health care system, our largest knowledge based system, with expenditures in excess of \$120 billion annually, has been transformed into an evidence based approach, a research driven enterprise. It is essential, if we are to capture the health and economic benefits of the current revolution in health research, a revolution that holds out the potential to save lives and to transform the Canadian health system in the 21st century.

I was very pleased to note that earlier this month the member from Vancouver announced \$187 billion to support our 400 national health research projects. This funding was announced on behalf of the Canadian Institutes of Health Research, our premier funder of health research. I am sure the minister will agree, as will everyone else, that it is the combination of prevention and cure that are the basis for a successful health care system. We have made great strides in this area of research.

I recently read an interview with Dr. Lawrence Rosenberg. He stated that he anticipated there would be a treatment for diabetes in the next five years. Since the discovery of insulin, we know that Canada research has led the way in juvenile diabetes research. We must ensure that the resources needed are available to ensure this comes to fruition.

We can be very proud of Canada's researchers, who are among the best in the world. They generate ideas at an unprecedented rate. In fact, in terms of publicly funded research, I am proud to say that Canada is now one of the top five research nations in the world. I note that projects funded through the Canadian Institutes of Health Research are addressing the full spectrum of health study, from genetics to access to health services.

Diseases, such as cancer and diabetes, for example, continue to take an incalculable toll on Canadians. Just as we have declared zero tolerance on violence in schools and many other important areas, we must send a message and declare zero tolerance to these devastating diseases.

We have heard we are close to a cure for diabetes. The federal government must play a front line role in fulfilling these achievable goals by continuing to put emphasis on potentially groundbreaking

research through additional substantive funding. Simply put, we must continue to lead the way, significantly reducing the number of Canadians still suffering and dying as a result of catastrophic diseases.

Initiatives as Genome Canada must continue to be supported.

There are multiple benefits generated by our research efforts. Very important Canadians have had the opportunity to gain and utilize top-notch research skills along the way, keeping our young, talented, dedicated Canadian researchers here at home. In addition, we have been able to increasingly attract top international talented individuals to our country as well. If we want this trend to continue, we must do everything possible to continue to support our researchers.

The bottom line is that strengthening public health care in Canada for the long term is a top priority. To achieve this, we must continue to foster our capacity. For a leading edge health research, this is critical. We cannot afford not to continue on this path.

Canadians are relying on us to succeed: children with juvenile diabetes, women diagnosed with breast cancer, men diagnosed with prostate cancer, those with a debilitating effects of heart disease only to name a few. The health of Canadians is paramount and integral to our quality of life. Our government has taken significant steps to this end. We must not stop. There is so much at stake.

At this point I would like to ask the minister this. Will he make a strong commitment to Canada's health researchers and those who are suffering, that the momentum that has been built—

● (2135)

The Deputy Chair: I am sorry, your four minutes ran out so quickly.

[*Translation*]

The hon. member for Laval. Could you tell us how you intend to use your time?

Ms. Nicole Demers (Laval, BQ): Certainly, Mr. Chair. I will use my time by reading a text and by asking the minister a few questions. I will use the full 15 minutes at my disposal.

The Deputy Chair: Excuse me. I want to know how many minutes you are going to use to deliver your speech and how many minutes you are going to use for questions and answers.

Ms. Nicole Demers: Mr. Chair, I will use ten minutes of my time to deliver my speech and five minutes for questions and comments.

First, I want to tell the hon. member who just spoke that I really understand her concerns. I too am a breast cancer survivor. I can understand why she is concerned about health, prevention and curative treatments.

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I want to be as concise as possible. I will put my questions to the minister on the Report on plans and priorities in relation to the estimates for 2004-05 at the same time that I will make my speech. I would therefore ask the three persons who are accompanying the minister to take notes, so that I can get answers to my questions. The answers that I will ask for will also be short.

Supporting persons with disabilities is a priority mentioned on page 21 of the document and, more specifically, better tax recognition of disability support expenses.

Does the minister intend to deal seriously with laryngectomees, who are treated unfairly as regards the tax deductions introduced last year? It is mentioned that if a person can have a conversation despite his handicap, he is not entitled to the tax deduction. Will the minister correct this nonsense by recognizing that laryngectomees are persons with a disability, and will he allow them to get this tax deduction?

Another priority of the government, which is mentioned on page 23 and again on page 32, is to impose, through the legislation and to regulate consumer and health products, in order to provide safer products to Canadians.

Will the minister take action, following the submission on a quick and profitable solution to save lives, on Bill C-260, an act to amend the Hazardous Products Act (fire-safe cigarettes)?

The minister has with him all the studies which prove that such fire-safe cigarettes can be produced and that they are functional and safe. Will the minister quickly reactivate the regulations tabled in April at the Standing Committee on Health, so as to allow these regulations to be tabled in the House and be adopted as quickly as possible to save lives?

The minister is signalling that I can slow down. Good. It is because I do not want to miss a question. Mr. Chair, what you asked me earlier made me nervous.

● (2140)

The Deputy Chair: I must be careful to be more exact, Madam. I have been told that tonight's rules are a bit different from last week's. That means there is no problem in you using your time any way you wish.

The only limit is that the minister or his representative will have the same amount of time to answer your question as you took in asking it. You need not be bound by 10 minutes for a speech and 5 minutes for questions. The rules agreed to by all parties are different from last week's. Please excuse me for causing stress. You may continue.

Ms. Nicole Demers: Mr. Chair, in that case, with your leave, I will ask the minister to answer the questions I have already begun to ask.

My first question is about people who have had laryngectomies and are disadvantaged by the tax deductions introduced last year.

[*English*]

Hon. Ujjal Dosanjh: Mr. Chair, the question with respect to laryngectomy obviously is a fiscal one. I would be happy to take note of what the member has said and I would be happy to speak to the Minister of Finance and convey that concern.

The other question the hon. member was asking was with respect to, if I understood it correctly because the member was speaking very fast and the interpreter was speaking very fast and I did not catch all of the words, the ignition propensity of cigarettes.

I understand that our department, Health Canada, is working on regulations and will be proposing those regulations to the House very shortly. I think the department is ready with the regulation on cigarettes with ignition propensity.

[*Translation*]

Ms. Nicole Demers: Mr. Chair, another of the government's priorities—still in terms of regulating consumer products, including cosmetics—is that it is imperative for the minister to table the draft regulations amending the cosmetics regulations. The process began on March 27, 2004, and is still not complete. It is important to act on this issue because many cases have been reported in the regulatory impact analysis statement by Health Canada on page 853 of the Canada Gazette Part 1. On that page we read that 50 cases per year of undesirable reactions to cosmetics are reported to Health Canada and that the cosmetics industry receives even more.

Does the minister intend to take every measure possible to protect Canadians from these risks and begin labelling ingredients in cosmetic products right away?

[*English*]

Hon. Ujjal Dosanjh: Mr. Chair, I read it somewhere that we are looking at regulating cosmetics so that there is labelling with respect to the ingredients, if I remember correctly. I remember having read that somewhere in the last four months, having read mounds of paper.

I understand that those amendments to the regulations are coming. I understand that the regulations are to be published some time before March 31, 2005. They are to be gazetted and then they will go through the process.

● (2145)

[*Translation*]

Ms. Nicole Demers: Mr. Chair, I would like to raise one other point. On page 23 of the document it is stated that Health Canada will be applying smart regulations, while page 56 refers to supporting innovation.

In light of what I have read, will the minister be allowing his department to approve two products for laryngectomies, the Provox HME System from Atos Medical, and the Cyranose from Ceredas, particularly since there are studies that prove the safety and efficacy of these products that have already been submitted? Does the minister plan to make these products available and accessible through the federal or provincial health program?

[*English*]

Hon. Ujjal Dosanjh: Mr. Chair, it would be difficult for me to answer questions about approval of drugs, two different substances, without really talking to those who actually approve the drugs, or devices, if that is what the hon. member is talking about.

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I would suggest to the hon. member that she remain in touch with my office. I would be happy to talk to her and tell her when we can expect to have that done.

[*Translation*]

Ms. Nicole Demers: Mr. Speaker, as my colleague from Hochelaga has said, we can see that the department is going to invest \$30 million to renew the Canadian diabetes strategy for 2004-05.

But at the moment there is nothing allocated for 2005-06 and 2006-07. The minister is aware that diabetes costs \$10 billion a year, and that juvenile diabetes has a huge impact on the health system, as it has to bear the astronomical costs of kidney and heart problems caused by this type of diabetes.

Juvenile diabetes is a serious problem, and one that will continue to worsen. Canada already had the highest number of people with type 1 diabetes. Numerous experts, I might point out, feel that juvenile diabetes is one of the chronic diseases most likely to find a cure.

The Juvenile Diabetes Research Foundation tells us that an investment of \$25 million a year for five years would help find a cure. That said, will the minister provide stable funding, at least \$25 million, for the next five years to beat juvenile diabetes?

[*English*]

Hon. Ujjal Dosanjh: Mr. Chair, as I answered questions from another hon. member with respect to the fiscal issues in the coming year, the budget is not with us. Any Minister of Health hopes that money is always there and we will see when the budget comes what actually happens.

I do want to tell the hon. member that I agree with all of her comments with respect to the causes and the consequences of diabetes, both juvenile diabetes and the other diabetes. I was at an event just last weekend in Vancouver. The Juvenile Diabetes Association had a huge fundraiser. I have not been to my family doctor for a long time and my blood was tested in full view of the cameras and luckily my sugar level was just fine.

The hon. member makes a very good point. We all have to make sure that we deal with the issues appropriately. Health care is a priority. As the member knows, in the investments we make in the aboriginal communities as well, out of the \$700 million agreed to between the first ministers and the aboriginal leaders, there is a significant amount that would be part of the upstream investments in issues such as suicide prevention and diabetes.

• (2150)

[*Translation*]

Ms. Nicole Demers: Mr. Chair, at this time I would like to ask the minister a question, because we also see on page 91 that there is no expenditure allotted for the Canadian biotechnology strategy, genomics based research for the year 2004-05, and only \$4 million in 2005-06 and 2006-07.

Why does the minister not intend to invest in biotechnology this year in order to allow stem-cell research to continue its progress toward rapidly finding a therapeutic treatment for diabetes?

[*English*]

Hon. Ujjal Dosanjh: Mr. Chair, with respect to diabetes, if I omitted telling the hon. member, there is \$28 million for research in diabetes in terms of funding from the CIHR, if that was the question the hon. member was asking.

[*Translation*]

Ms. Nicole Demers: Mr. Chair, I would like to point out to the minister that my question was actually about stem cell research, genomics and genomics R and D, as well as biotechnology.

[*English*]

Hon. Ujjal Dosanjh: Mr. Chair, obviously I am no scientist and I cannot distinguish at this time between what particular part of the research money is going to what particular area.

I can say that there is \$28 million from CIHR this year that is going into research on diabetes. I believe \$5 million or \$6 million of that is going into juvenile diabetes. Whether or not it is going to the specific issue raised by the hon. member, I am unable to say at this point.

Ms. Bonnie Brown (Oakville, Lib.): Mr. Chair, over the past few years the government has responded to calls for action on health through a series of important program commitments, and with the dollars to back them up.

With that in mind, I would like to check on one of those commitments from the 2002 Speech from the Throne: to speed up the regulatory approval of drugs. The reality is that there is a range of new pharmaceuticals and other therapeutic products being produced by researchers and companies in many countries. If we talk to people in the health sector, we learn that they are now using drugs to treat conditions that once required surgery or conditions for which there were no adequate treatments at all. That makes access to these new medications very important.

At the same time, common sense tells us that we need to take a good look at drugs before they come to market and afterwards too. We need to ensure that a new drug not only does what it purports to do but that it has no unexpected side effects or impacts, either on the people who take them in general or on specific groups.

On the issue of speedier review of these pharmaceuticals, may I ask the minister how this project is coming along?

Hon. Ujjal Dosanjh: Mr. Chair, we did invest I believe over \$190 million some time ago in this process of attempting to deal with the backlog. I understand that 80% of the backlog has been dealt with. I also understand that this money was invested in 2003 for the next five years in the amount of \$190 million.

We are hoping that the drug approval process is shortened, that it is as robust as before if not more so, but shortened so that drugs can be accessed more quickly by Canadians who need them. It is very important that we balance the issue of access with the issue of safety. That is why, if we cannot do it any faster than 300 days for a particular drug, I would seek to be forgiven, because we need to make sure that there is also the balance of safety on the other hand in terms of use by Canadians.

• (2155)

Ms. Bonnie Brown: Mr. Chair, I think most would agree that the progress Health Canada is making on improving the performance times in reviewing new drugs is laudatory. However, as the minister himself has pointed out, this is only one part of a safe pharmaceutical strategy.

As the minister knows, the Standing Committee on Health completed a report on prescription drugs. It recommended, for one thing, a public database to provide information on clinical trials in progress, trials abandoned and trials completed. We wanted to know about trials abandoned because that would give us an indication of which new drugs were having negative effects, so much so that the company cancels the trials.

Is Health Canada moving to set up a public database or registry of clinical trials which include these components of in progress, abandoned, and completed?

Hon. Ujjal Dosanjh: Mr. Chair, I understand that CIHR, which is our premier research institute that does funding of about \$752 million per year for all kinds of research across the country, has announced that it would have a registry of all the clinical trials in the country that it funds or for anybody else that might want to register with it.

I said some time ago shortly after I became the Minister of Health that I believe in full disclosure by all drug companies with respect to the clinical trials they engage in. I want to know the good, the bad and the ugly of the clinical trials before and as those drugs are approved for use in Canada, because it is important that with the exception of commercial interests and some other confidentiality interests we provide full disclosure to Canadians. It is in the interests of Canadians that they know the good, the bad and the ugly of all the clinical trials in Canada. I am in favour of toughening up on this issue.

Ms. Bonnie Brown: Mr. Chair, I am glad the minister is committed to this.

I have some concerns about CIHR managing a database of projects it funds. It would seem to me that it might be loath to report that certain trials had been abandoned when in fact this would indicate that the public money it put into that project might not have been such a good idea. I would really rather have Health Canada carry on from an initial database started by CIHR to monitor the clinical trials in progress or abandoned or completed. I feel that would put an outside source other than the funder in charge of an analysis of the material.

The second thing that the Standing Committee on Health wanted to have included was increased post-market surveillance activities in responding to and making public reports of adverse drug reactions from consumers and health professionals. We have heard a certain

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amount of evidence about the lack of reporting on adverse drug reactions. It had been suggested in our committee that we might try to get this kind of activity online with a simpler form for health professionals to fill out and then we might get more action.

But today in the health committee we heard from the Canadian Medical Association that only 50% of physicians, its members in Canada, are online and have the facilities to communicate with Health Canada online, or with anybody else for that matter. That of course makes this goal a bit more difficult. However, there might be other ways to accomplish it. I wonder if the minister is planning any changes to the post-market surveillance area with respect to prescription drugs.

Hon. Ujjal Dosanjh: Mr. Chair, with respect to the earlier point the hon. member raised with respect to the registry of drugs, I will take her suggestion under advisement. I think it is an excellent suggestion. We will consider it. We do need an independent institution looking at some of these serious issues.

With respect to adverse drug reactions, I recognize that manufacturers and suppliers have an obligation and are mandated to report once they know of adverse drug reactions post-approval of the drugs. However, reporting by medical practitioners and consumers is of course voluntary. As I said a couple of times earlier, I am in favour of mandatory adverse drug reaction reporting.

I do recognize that there is the issue of online reporting and the lack of equipment or the appropriate mechanisms by at least 50% of the medical practitioners to report. I think that is an issue Health Canada needs to look at. I will also be taking a look at that issue because I believe we need stronger and better reporting of adverse drug reactions.

• (2200)

Ms. Bonnie Brown: Mr. Chair, another thing that the Standing Committee on Health concluded was needed is this: specific resources dedicated to the Health Products and Food Branch of Health Canada for vigorous enforcement of direct to consumer advertising of prescription drugs.

We heard much testimony in our cross-country hearings that direct to consumer advertising definitely increases the use of prescription drugs, as citizens are inclined to identify conditions from these ads and ask their doctor for those particular drugs. We found out from studies done in the United States, which has direct to consumer advertising, that physicians, in order to keep their patients happy, are inclined to prescribe one of the new advertised drugs, which is probably more expensive than the generic drug they might have otherwise prescribed, thus driving up the cost of drugs in the country.

I wonder if Health Canada has begun to plan to enforce regulations that control direct to consumer advertising.

Mr. Ujjal Dosanjh: Mr. Chair, I understand that Health Canada vigorously and rigorously enforces compliance on these issues. However, I think the hon. member is aware that we live next to a great big country that in fact allows direct to consumer marketing. When we watch television that is beamed into our homes from across the border, we are then obviously influenced by that advertising.

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Direct to consumer advertising is not allowed within Canada. It is in fact highly regulated. We are looking at that and we are trying to address the issue but it may be difficult if not impossible to address in the short run.

Ms. Bonnie Brown: Mr. Chair, certainly I would beg to differ with the minister on this point of strong enforcement on this. It is voluntary. It is weak.

One of the committee members had a suggestion about the phone number people might use to complain. This is based upon complaints, and I would ask Canadians who are watching, how many of them know that direct to consumer advertising for pharmaceuticals is illegal? How many Canadians know that if they complain something might be done about it? How many Canadians know the phone number? There was a joke at our committee about this phone number, that because it was so well hidden it was a state secret. Nobody knew whom to phone, so how can Health Canada enforce something that people do not even know how to complain about? It is a very passive approach.

While the American advertising does come over the border into our living rooms, I think this is a perfect example where we do not want to lower ourselves to a lower standard that is happening somewhere else. Instead, we want to set the standard and have these rules, which we to have, and enforce them vigorously.

On these three things, I do not expect the minister to manage to do all of this in a couple of months. I do not want it to appear that I have foolish expectations; however, we are now in the process of preparing the next budget and the Department of Health has had the committee's report for several months now.

The report is based upon the premise that it is our responsibility to keep Canadians safe. I put that as a high priority item, so my question is, does the minister have his officials costing out our recommendations and is the minister planning on including those additional resources in his budget requests for the next fiscal year?

We understand that it will require more people even to answer the phone for the complaints on direct to consumer advertising and more money to advertise the telephone number. There is a variety of ways and we are going to need more people hired at Health Canada to do this work. My question is about how much it is going to cost. Do we know yet? Is anybody working on it? Are you planning to ask for that money?

● (2205)

Hon. Ujjal Dosanjh: Mr. Chair, obviously the member knows, having been here much longer than I have been, in the House and in the government, that it is very difficult to talk about budgetary issues as we go into the budget cycle for the coming fiscal year, but the department is looking at all of these issues.

I do know that the legislation is antiquated. I know that it is difficult to enforce. I know that we are looking at the renewal legislation. As part of that, this may be amended. I know it is being worked on.

I take the member's advice. I accept it very carefully and I will obviously be speaking to the department. We have the deputy minister sitting here with me and he will take note of that.

The Deputy Chair: May I remind the member to ask her questions through the Chair, please.

Ms. Bonnie Brown: I am sorry, Mr. Chair.

Mr. Chair, I would like to ask the minister about patent protection. Most people know that the 20 year patent protection given to companies for new pharmaceuticals was given in exchange for a commitment from drug companies that they would indeed invest 10% of their profits in research and development.

A report just last week showed that this is the second if not the third year that the companies as a group have failed to meet their commitment. The group of companies has been averaging about 8% of their profits into R and D.

I want to ask the minister what if any sanctions he is planning for companies which consistently fail to live up to their bargain with the Government of Canada.

An hon. member: Good question.

Hon. Ujjal Dosanjh: Mr. Chair, obviously the hon. member is raising an interesting issue. I must admit that in my short time here I have not looked at the issue of the extension of the patent at all. I have focused on the evergreening issue and I have focused on the data protection issue. Those are issues I am working on.

I will in fact look at the issue the hon. member is raising. I have heard about it, but I have not been able to pay much attention to it, I must confess. I will look into it.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Chair, I will be splitting my time with the member for New Brunswick Southwest.

I would like to ask the minister about what may be the number one concern of Canadians, certainly a very high concern of Canadians, with respect to the health care system and that is the shortage of doctors and nurses.

The minister will know that about 3,800 physicians are expected to retire in the next two years. In fact in his own province of British Columbia, 200,000 British Columbians cannot find a family doctor.

Also, Canadian accreditation of internationally trained doctors is often very difficult for these individuals to obtain. With respect to nurses, over one-quarter will retire by 2006 and over half in the next 10 years. Also, only half of nurses work full time and about half work only part time.

Since Canada needs to increase the number of medical school placements and find more efficient ways to work internationally trained doctors into the system, why was this goal not explicitly targeted by federal funding that was recently offered to the provinces?

● (2210)

Hon. Ujjal Dosanjh: Mr. Chair, I believe that implicit in the wait times reduction fund is an element which will go toward training of health human resources across the country. Beginning with 2010-11 there is \$250 million ongoing for training of health human resources.

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There was also money in the budget last year, if I remember correctly, with respect to the international medical graduates and streamlining of those medical graduates into the mainstream of medical practice here.

I think those two issues are being dealt with. There is work being done across government, not just on medical practitioners and health professionals but all kinds of professionals, so that when people come to this country bringing talents and skills, we utilize their skills. Otherwise it is a loss to them and it is a loss to Canada. Medical graduates, whether they be nurses or doctors, are no different and there is work being done across government on this issue.

As part of the health accord the—

Mr. Steven Fletcher: A point of order, Mr. Chair. I am concerned about the time the minister is taking to answer.

The Deputy Chair: The point of order has been heard. I had just indicated to the minister that he had a few seconds left. We are checking the time. The Minister of Health.

Hon. Ujjal Dosanjh: Mr. Chair, I just wanted to say the fact is that the first ministers specifically addressed this issue. The federal government has said that we are willing to coordinate—

The Deputy Chair: The hon. member for Calgary—Nose Hill.

Mrs. Diane Ablonczy: Mr. Chair, in spite of what the minister says, there is still a great lag between the number of doctors going into training, the number of doctors that are going to be retiring and the number that will be needed in our society.

Why does the federal government not get busy and perhaps build a couple more medical schools? We simply do not have enough places, equipment and trainers to do the job right now.

Hon. Ujjal Dosanjh: Mr. Chair, I think that we all fell victim over the last several years, I believe some 10 to 15 years ago, to some experts who said we have an over supply of doctors, nurses and the like. Schools right across the country reduced the number of spaces for health care professionals.

There is a time lag. Money has been provided. There is a time lag with respect to these issues. I agree with the hon. member that if there is a need, we should all work together. We are prepared to work together with the governments across the country.

Mrs. Diane Ablonczy: Mr. Chair, the Canadian Nurses Association has asked that the government lead the development of a pan-Canadian framework within which provincial and territorial governments can develop and coordinate their plans for recruiting and retaining human capital in the health sector.

Why has the government not introduced this kind of a pan-Canadian initiative?

Hon. Ujjal Dosanjh: Mr. Chair, that is exactly what we talked about at the last health ministers conference. We said very clearly that the federal government is interested in coordinating and assisting jurisdictions across the country to train more quickly medical health professionals and bring on stream medical professionals from foreign countries who are now Canadians. We have in fact \$85 million in the budget with respect to the IMGs, international medical graduates, and coordinating that strategy across the country.

Mrs. Diane Ablonczy: Mr. Chair, the Canadian Nurses Association also cites research showing that coordinated school health programs and services can influence risk and proactive factors in physical activity, nutrition, tobacco use, alcohol and drug use, and mental and sexual health.

Why does the government not provide financial resources specifically to stimulate such work? The CNA estimates that this would cost about \$75,000 per school board.

Hon. Carolyn Bennett: Mr. Chair, we were very optimistic when all first ministers agreed in the September meeting to work together on school health and the formation of a school health consortium. The Minister of Health was able to organize that at the meeting.

We are very keen to move forward and do our part in this in terms of sharing best practices and defining what school health would mean, just as the member has said, in terms of all of the common risks, from vending machines to physical education in the schools but also some of the—

● (2215)

The Deputy Chair: The hon. member for Calgary—Nose Hill.

Mrs. Diane Ablonczy: Mr. Chair, the question was about underwriting some of the cost of these programs, not just discussing them. I would like to move on to a question on accountability.

I believe the federal government has a positive duty to ensure accountability and results based benefit from the new spending that it has offered. Why did the minister not attend definitively to this important issue when he met with the provinces? It is very important that there be a firm accountability regime in place and at this point it is still under discussion.

Hon. Ujjal Dosanjh: Mr. Chair, the agreement that we made in September has an unprecedented degree of accountability imbedded in it.

There is a clause that says that the funding arrangements in the agreement require compliance with the reporting provisions by all participating jurisdictions, bar none. We talked about this at the health ministers conference. We have agreed to develop comparable indicators. We are working on the establishment of benchmarks across the country. We also agreed on the aboriginal issues that we will be working on creating a blueprint with the aboriginal health ministers and co-chairs of the aboriginal health ministers—

The Deputy Chair: I remind the hon. member for Calgary—Nose Hill that she indicated she would be sharing her time with her colleague from New Brunswick Southwest.

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Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Chair, I noted that earlier this month the Canadian Institutes of Health Research announced its funding. I think it totalled around \$187.5 million this year. Of that \$187.5 million, Atlantic Canada only received \$4.8 million and the province of New Brunswick, my home province, received only \$243,000. If we do the percentages, that is less than one-tenth of one per cent. Why the dismal amount for the province of New Brunswick?

Hon. Ujjal Dosanjh: Mr. Chair, CIHR of course in making decisions about funding is an arm's length body. It is not influenced by politicians, nor should it be.

There are peer reviews for applications. This is not the only funding that comes from CIHR. There is a total of \$752 million for the year. I would be happy to take a look at other research grants that have been provided by CIHR across the country and provide the hon. member with a breakdown.

I was in St. John's, Newfoundland. I was in Halifax. I visited medical faculties in both of those towns. There are some impressive—

The Deputy Chair: The hon. member for New Brunswick Southwest.

Mr. Greg Thompson: Mr. Chair, the government of the day appoints that council. The minister should look at some of those political appointments that were made, because truly they do not reflect the wishes of Atlantic Canada. There is a level of unfairness in that funding, aside from what the minister has pointed out.

There is one other point I want to bring up tonight. It was spelled out in today's *Ottawa Citizen*. Our health critic, the member for Charleswood—St. James—Assiniboia, really went after the minister a couple of days ago on the hep C payment issue. The government has been very negligent on that, in fixing those dates where many of the victims were obviously left outside of the original package, the only package that we know. When the minister responded he basically suggested that our health critic lacked compassion and was trying to use the victims of hepatitis C to score political points. That is way over the line.

I believe that the House and the member, particularly this side of the House, is entitled to an apology from the minister for making those kinds of callous remarks, especially to an individual and a party that have worked so hard for some fairness and sensibility on that whole funding issue.

If members recall, I was the first member of Parliament in the House in 1998 who suggested full compensation, followed by the critic for the Reform Party at that time, Grant Hill. We have a record of standing in the House and demanding fair and compassionate treatment. Why would the minister use that kind of language when referring to our health critic yesterday in this place?

• (2220)

Hon. Ujjal Dosanjh: Mr. Chair, the hon. member is a member of Parliament and so am I. We deal with each other on an equal basis. The hon. member misled the House yesterday with respect to the state of those funds. That is why I said he should stop politicizing the issue. It is a very sensitive issue.

Mr. Greg Thompson: Mr. Chair, that is absolutely unfair and untrue. The minister should be completely ashamed of himself for making remarks like that. We know what the government has done on this issue. It has stonewalled the House. Compassion is simply not part of the equation. The Liberals made a calculation. They miscalculated. They were told from 1998 forward, even by Justice Krever, that they were making a mistake not to compensate all victims. For the minister to suggest otherwise is not even reasonable. It is completely unfair.

The onus, the responsibility for this fund is clearly at the doorstep of the government. In my opinion, the minister should divorce himself from those kinds of partisan remarks. It is the responsibility of the opposition in the House to keep the government responsible, make it responsible and force it to do the right thing.

Why will the minister not stand in his place and simply do the right thing, admit his mistake, and admit the mistake that the government made in 1998 with the original package in compensating only some victims and not all the victims, completely ignoring Justice Krever?

Hon. Ujjal Dosanjh: Mr. Chair, it is absolutely correct that we are doing the right and responsible thing by extending the possibility of hep C compensation to all of the victims pre-1986 and post-1990. We have said all of the options are available. We have said there is a mandate. We have said this is the right and responsible thing to do.

All I am saying is let us not politicize it. We all know what happened. These were very difficult issues. Lots of tears were shed by the victims and by people in the House on all sides of the House. This is a very important issue. Let us not politicize it. That is all I am saying.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Chair, by way of background, Brant is the fourth largest riding in the province of Ontario with respect to population. Some 115,000 individuals reside in my riding.

We have a large aboriginal population in the riding, some 22,000 individuals are of aboriginal background, and some 11,000 reside on the very proud Six Nations of the Grand. It is an area that some months ago the Minister of State for Public Health visited and impressed the good, proud residents of Six Nations of the Grand.

I am privileged to represent those persons. How heartening then it was to hear in the Speech from the Throne the commitment on the part of the government and the Prime Minister to advance the cause of aboriginal issues, including the health conditions under which many aboriginals live.

Within Brant riding on the Six Nations of the Grand, the population lives in a relatively affluent fashion and it is relatively upscale. The sad reality is that their conditions are quite substandard compared to what the rest of us enjoy. Their health conditions are substandard. How heartening it was as well to read about the Prime Minister's first post-election trip to Canada's north to re-acquaint himself firsthand with the plight of the first nations communities in this country.

Business of Supply

During this session, we are covering a range of important health issues facing all Canadians. I wish to ask the Minister of Health about aboriginal health. I will eventually get to my question. By way of background, the reasons are obvious to anyone who can read the statistics, why this is an important health issue.

On the one hand, the state of health for aboriginal people in Canada has been improving over the past 20 years in certain important areas or respects. For example, life expectancy is increasing even if it is still between five and seven years less than is the case for other Canadian men and women. Infant mortality rates, thankfully, are going down. Even so, no one who has any knowledge of the area could or would claim that the health of aboriginal people is nearly as good as the health of the rest of the Canadian population.

The record of substandard health conditions is clear, especially when it comes to some high profile health problems. I was not surprised to learn, for instance, that type 2 diabetes affects first nations and Metis people more than the general Canadian population. I was not surprised to hear or read about that, but I was very surprised to learn that it affects first nations and Metis people at a rate three to five times higher than the rest of us.

Rates continue to increase among the Inuit. I know rates for infectious diseases are often higher, 10 times higher in the case of tuberculosis. Perhaps most unhappily, there is the scourge of suicide especially among aboriginal young persons. The suicide rate of first nations youth is five to six times higher than the national average. For Inuit youth, it is 11 times higher. This makes suicide the single greatest cause of injury related deaths for aboriginal people.

When I look at the estimates, it is very clear how quickly and efficiently the minister's department is putting abundant money and a lot of people into improving aboriginal health right across Canada.

• (2225)

For instance, we see that the forecasted expenditures for the first nations and Inuit health branch of the minister's department are just over \$1.7 billion for this fiscal year according to the adjusted main estimates. The largest chunk of that \$1.7 billion is going to community health programs. The second largest portion is allocated to the non-insured health benefits program, which covers pharmaceuticals, vision care, dental care, transportation services, and a lot more for about 750,000 status Indians and eligible Inuit.

All of that background leads me to my question. When the first ministers met to discuss health care in September 2004, there was also a meeting with aboriginal leaders. At that meeting the Prime Minister announced a series of commitments, namely, \$700 million in new funding to address aboriginal needs across Canada. I would ask the minister, what exactly will happen as a result of the agreement reached in September?

• (2230)

Hon. Ujjal Dosanjh: Mr. Chair, first of all let me reiterate what the hon. member has just said and what the Prime Minister said. There is no question that we have, as a society and as government, not done a very good job of aboriginal health. We have not done a very good job on aboriginal issues generally.

It is important. That is why the Prime Minister held a round table summit with aboriginal leaders in April this year and then tasked us, different ministers of education, health and other sectors, to hold sectoral table discussions on these issues. I am pleased to say that the discussion on health has already taken place in Ottawa with about a hundred experts and aboriginal leaders coming together to discuss these issues.

The \$700 million is in addition to the \$1.6 billion the hon. member just referred to. This is over the next five years. Out of that, \$200 million would enable governments and aboriginal communities to better integrate and adapt health services with other systems. It is important that we do that.

The next \$100 million would assist in the training of aboriginal human health resources to improve recruitment of aboriginal health care workers, adapt health curricula, and improve retention of health workers.

The remaining \$400 million is for upstream investments with respect to diseases such as diabetes, issues such as suicide, and the promotion of health among the aboriginal people of Canada.

It is important that we do this right. That is why the health ministers of Canada got together three or four weeks ago and tasked George Smitherman, the minister of health from Ontario, and myself to co-chair the health ministers and work with the co-chairs of the aboriginal ministers, and develop a blueprint as to how we can more effectively utilize the resources that are available within that \$700 million.

Mr. Lloyd St. Amand: Mr. Chair, I can say anecdotally that I attend the Six Nations of the Grand River Band on a regular basis, at least weekly. The residents there are very heartened and encouraged by what this Minister of Health and this Minister of State for Public Health are doing to eradicate health problems which those good people face.

I would like, by way of a follow up, to ask the minister about vaccines. With the commencement of flu season, we are reminded of the importance of being vaccinated against influenza. However, in a policy and operational sense, the issue seems somewhat larger than that this year. For instance, we are hearing some concerns about insufficient supplies of flu vaccine in the United States. The corollary question is, will we have enough here in Canada?

I am confident the minister can give us the latest information on the state of influenza vaccines. I would appreciate hearing about that. I would also like the minister to address a couple of other vaccine related topics. Over the past few years, we have heard stories or rumours now and again about the threat of a worldwide flu pandemic. This is obviously a serious concern to health experts.

I recall reading somewhere not long ago that more people died during the famous Spanish flu epidemic in 1918 and 1919 than died in the entire first world war that raged for more than four years. Obviously and thankfully, a lot has changed in the world of health since 1919. Our society has better ways to track the spread of a virus and to protect ourselves accordingly.

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Even so, with travel being much faster these days, a global influenza pandemic could spread faster than ever, thanks to airline travel, instead of taking many days to spread when people customarily travelled the world by ship. I would like to know, how prepared is Canada for an influenza pandemic?

I would also like to ask the minister about smallpox and smallpox vaccine. I appreciate that smallpox has been eradicated around the world, but I understand there are concerns that it could come back, perhaps spread by terrorists, for example. Could the minister comment on these questions within questions?

● (2235)

Hon. Ujjal Dosanjh: Mr. Chair, with respect to the vaccine issue, I am happy to say that this year we bought the largest number of doses of any year in Canada. We have vaccinated the largest percentage of Canadians ever to be immunized. We have immunized a larger percentage of our population than any other country in the world this year.

I understand that Dr. David Butler-Jones has been talking to his colleagues across the country. We believe that the vaccine supply in the public system may be sufficient. If there are any difficulties, obviously, they will work on those issues and they will deal with it.

With respect to whether or not we are prepared for a pandemic, we have preparations underway to deal with the kind of issue the hon. member talked about. Those preparations are underway under the leadership of the Public Health Agency of Canada under the leadership of Dr. David Butler-Jones. We are more prepared than we were at the time of SARS. I think all of us felt that we were not well prepared, but as a result of SARS, we are now better prepared than ever before and we continue to enhance our ability to deal with those issues.

With respect to smallpox, we have the number of doses required. In fact, we have the first generation vaccine that was tested during the smallpox epidemic and that vaccine is still good. It is in the possession of the manufacturer. It is going to be in our possession in the Public Health Agency of Canada shortly as we prepare to take charge. In terms of the smallpox issue, Canada is well prepared, perhaps even better prepared than most countries in the world.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Chair, I would like the minister to respond to a number of questions. I will be sharing my time with my colleague from Winnipeg North at some point.

Could the minister tell me how much the third party administrative costs are for the First Nations and Inuit Health Branch drug program? While the troops in front are looking for the answer, could he also explain to me why the First Nations and Inuit Health Branch would give money to a private agency for a nurse but would not give the first nation additional dollars to hire a nurse to be in the community full time?

Hon. Ujjal Dosanjh: Mr. Chair, I would ask the hon. member to specify what particular situation she is talking about and where. I will be happy to get the information so that I can answer her with the specifics rather than in a general sense.

In a general sense, the hon. member is making the right point. If aboriginal organizations on the ground are prepared to deliver health

care, then we should be assisting them in becoming self-sufficient. There is no question in my mind about that.

The hon. member raised a very specific question. I would be happy to have an answer available for her. I would be happy to talk to her. In fact, if she wants me to table the answers—

● (2240)

The Deputy Chair: The hon. member for Churchill.

Mrs. Bev Desjarlais: How fair the Chair is tonight, Mr. Chair. It is just excellent.

I will make the specifics available, but it is a situation that does not happen in just one first nation community. It is a situation that happens overall. Private agencies are paid at top dollar for nurses to go into communities. I know specifically that those first nation communities have asked for additional dollars to hire full time people to work in those communities and are not able to do so.

Hon. Ujjal Dosanjh: Since the member has brought it to my attention, Mr. Chair, I will be happy to look into that situation and provide a wholesome answer to the hon. member.

Mrs. Bev Desjarlais: Mr. Chair, is the minister aware as to whether or not the medical services branch or the First Nations and Inuit Health Branch has ever bulk purchased in their history?

Hon. Ujjal Dosanjh: My history is only four months long, Mr. Chair, but I understand there has been some bulk purchasing. I will be happy to get the details for the hon. member.

Mrs. Bev Desjarlais: Mr. Chair, the minister was pretty adamant earlier on when he was being questioned that it was not something that was feasible. I have to admit, having known that medical services had bulk purchased in earlier years, I was quite surprised that his comment would be there.

It has been acknowledged that there may be instances when they cannot bulk purchase, but we all know that our reserve communities are pretty centralized. Although there are first nations persons who have the right to drugs through the plan, there are a lot on reserve communities where bulk purchasing could be done. It is my understanding that certainly the nursing stations would be able to bulk purchase.

Hon. Ujjal Dosanjh: Mr. Chair, I understand that this is exactly where the bulk purchasing happened and it made sense.

Mrs. Bev Desjarlais: Mr. Chair, that used to happen in nursing stations.

Hon. Ujjal Dosanjh: Mr. Chair, that used to happen because it was obviously feasible and doable.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Chair, I appreciate the opportunity to ask the Minister of Health a few questions.

Business of Supply

I want to begin with a question that I have been raising for three and half years now. It has to do with a labelling issue. The minister will know what I speak about and that of course is the motion passed by this House requiring labels on all alcohol beverage containers, liquor bottles, wine bottles and beer bottles, to warn women of the dangers of drinking while pregnant. This is important because of the need to help prevent fetal alcohol syndrome, which is such a debilitating condition, so costly for the individual in human terms and costly to all of us because of the supports that are required over the lifetime of that person.

I know that in the past his predecessors have said, "We are studying it". That is one answer I have received. Another answer is, "We are not sure if it is going to work, so let us put our efforts into things that we think are going to work".

This motion was passed so resoundingly by the House because it was felt to be one tool in our arsenal kit, one way to help prevent fetal alcohol syndrome. It was felt that even if we prevented one FAS situation, it would be worth it.

My question for the minister is, now that he has a fresh start and he is new to this whole area, would he give serious consideration to this idea and consider implementing this initiative and respecting the will of Parliament?

• (2245)

Hon. Ujjal Dosanjh: Mr. Chair, this in fact is an issue that caught my eye when I got here as the Minister of Health. More particularly, when I was the attorney general in British Columbia, the chief justice of British Columbia took me aside one day and said to me, "Look, there are dozens of people appearing in the criminal courts of this province every day that probably were FAS affected and we should do something about it".

When I got here I felt that I should take a look at it. I have been very interested in it. I am very supportive of the approach taken by the hon. member. In fact, I support the efforts of our own member for Mississauga South, who has introduced a private member's bill this sitting.

We are looking at this issue. I have been given all the arguments that have been made, as the member has just said. I will err on the side of making a mistake with respect to the charter but proceeding with this issue if I could, so there is a constant battle that is being waged on this issue in terms of the possible charter challenge that might exist.

But I want to make sure that we overcome it and that we overcome it with evidence if we can. I am working very hard on this issue.

I am sharing this with the member because this is an issue of public interest. It is not a partisan issue. When I tell the member what the real difficulties are, I want to make sure that we are able to work together across the aisle in reaching the destination that we want to reach, that is, to reduce the—

The Deputy Chair: The hon. member for Winnipeg North.

Ms. Judy Wasylycia-Leis: Mr. Chair, I am pleased. I appreciate the answer of the minister. I will look forward to reports on this

issue. I would be happy to have a briefing from the minister on the charter implications involved in this issue.

I would like to ask about an issue that is important to women. There was a study out very recently showing a direct relationship between health problems, both physical and mental, and women who are juggling work and family responsibilities, particularly those women who are in the sandwich generation, still looking after kids at home and elderly parents or people with disabilities at home.

It really begs the question about a national home care program, something that was on the table when I first was elected in 1997. In fact, at that point following the 1997 election, the minister's predecessor, Mr. Rock, held a national conference to talk about this.

It seemed to hold great promise, but I think the whole idea has been nitpicked away. I am not sure if a national home care program is on the agenda anymore. I am wondering if there is a way we could put it back on the agenda.

Also, what else is there that the minister might tell us in terms of trying to deal with the health problems facing women as a result of these demands?

Hon. Ujjal Dosanjh: Hon. Mr. Chair—and I keep saying hon. Mr. Chair because that is what I used to say when I was in the provincial legislature, and you are honourable nonetheless, Mr. Chair—home care is on the national agenda. There is absolutely no question about it. That is why in fact in the most recent accord we made some progress in coming to a consensus about what we should have at least in three different areas: in the end of life care we should have by 2006 in place with some palliative specific drugs available to people; post-acute care, two-week period at least, by 2006; and mental issues, mental health in terms of a two-week period. That is a beginning.

I must admit that it is not as large a beginning as I would have liked it to be, but the difficulty is that we have to arrive at a consensus with provinces across the country.

Some money for home care and catastrophic coverage was included in the 2003 accord. More money has now been included in the current accord for home care and catastrophic coverage. I believe that has to happen, but it has to happen in working with the provinces and the territories. It is very important that we do that. When we set those kinds of standards that we have set in the current accord, then we are working toward home care that is nationally available in a similar fashion across the country. It may be slow, but we will get there.

• (2250)

Ms. Judy Wasylycia-Leis: I look forward to seeing developments that take us on a path to a national home care plan in this country, Mr. Chair.

I want to ask one more set of questions around drug safety. It relates to the question my colleague, our health critic, asked about Depo-Provera.

Business of Supply

One of the other developments that happened when the minister's predecessor Allan Rock became minister in 1997 was the closure of the drug safety lab in the department. That was an important bureau for testing for problems with drugs on the market in terms of interactions with other drugs or interactions with food or natural health products.

When we lost that, we lost an important mechanism for generally ensuring that drugs on the market were safe beyond a reasonable doubt and that the "do no harm" principle was followed. The example of Depo-Provera shows that there are slippages, that in fact rather than a tough, proactive model we have a risk management model which means that we lose at certain times.

Are there any plans on the minister's part to put in place a mechanism that will allow for the government and his department to be proactively involved in the ensuring that drugs are safe beyond a reasonable doubt?

Hon. Ujjal Dosanjh: Mr. Chair, I think the member raises a very important question. I will not continue to say that I am new here, but I am relatively new and I have not looked at that issue. The member raises a very important issue. I am prepared to take a look at it and see how far we can go.

Ms. Judy Wasylycia-Leis: Mr. Chair, there is one more question that my colleague from Churchill and I have been talking about. It again has to do with prevention and health promotion and relates to the area of tobacco. It is our understanding that there were some cuts to the tobacco education program to the tune of \$70,000.

I am wondering if that is the case. If so, why were those cuts made and what other programs are taking the place of this important initiative in terms of preventing people from getting addicted to tobacco products?

Hon. Ujjal Dosanjh: Mr. Chair, the information that I have been just given by the officials is that the tobacco funding is in fact going up, but if there is a specific example of \$70,000 being cut from a specific project, I would be happy to hear from my colleagues across the aisle and take a look at it.

Ms. Judy Wasylycia-Leis: Mr. Chair, I would like to raise one more question that my colleague from Elmwood—Transcona raised. It is an issue in which I have been involved for a long time, and that is the situation vis-à-vis the Virginia Fontaine Centre. I know he made a commitment tonight to pursue the matter once the court process is completed and that he did not rule out a public inquiry.

I would suggest to the minister that the government look at the idea of a public inquiry as soon as possible from the point of view of not looking at guilt or innocence, vis-à-vis the charges, but looking at how in the world we could see millions of dollars disappear out from under the government, with a volcano basically erupting in the department, and the deputy minister and the minister not knowing about it.

I think the idea of a public inquiry is to find out what checks and balances were not being followed, what kind of surveillance of departmental spending was inadequately being pursued to end up with the situation of millions of dollars being signed off and then frittered away in terms of trips, condominiums, hockey tickets, cars and cruises.

● (2255)

Hon. Ujjal Dosanjh: Mr. Chair, this, obviously, is a very serious issue and criminal proceedings are underway and civil litigation is also underway as I understand it. I did say that I would be happy to take a look at the situation once all those issues have gone by and determine whether we can do more without an inquiry.

I will look at the issue of an inquiry because I do not believe one should rule out anything, but the hon. member should know that Health Canada has made some fundamental changes and by the time the criminal proceedings and civil proceedings come to a conclusion we may have learned more. We may not need an inquiry to tell us what we already know but I would be happy to keep an mind open on the issue.

Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Chair, I want to make some opening remarks on health care in the north and our appreciation for our treatment. If I have any time left at the end I will ask some questions.

First I want to thank the Minister of Health for the tremendous job he has done since he has come in. Almost the first day I got here I approached him with a problem and he responded very openly and agreed to work on the problem right away. I am delighted, as a constituency MP, to have that kind of treatment.

I would also like to congratulate the Minister of State for Public Health who has done an equally great job. She came to my riding, had a long consultation with all the people and all the stakeholders and then, at the end of a long day, she had a long meeting with the nurses who are so important to our health care system.

I also want to thank the Prime Minister and the Government of Canada for the tremendous emphasis they put on the north recently. We have had a complete northern strategy that included \$90 million for economic development programs, sustainability proposals, a huge northern environmental cleanup, northern sovereignty and, of course, northern health care. I thank the Prime Minister and the Minister of Finance for understanding the uniqueness of the health care problems in the north and the extra costs those add.

For instance, if people in a big city have a serious accident they can go in their family car or in an ambulance a few blocks or a kilometre to a hospital at relatively low cost. In the northern territories it costs \$5,000, \$10,000 or \$20,000 just to get to the hospital through Medivac. We have a very small tax base and obviously we cannot cover all that. We have a very harsh northern climate and it increases the cost of everything, transportation of materials, et cetera.

Another issue is the lack of guaranteed access to specialists and hospitals. Our hospitals, of course, do not tend to all the major surgeries. There is one major hospital in each of the territories. We also do not have the numbers to warrant having all the specialists there permanently. A problem that is a challenge for the future is how to have guaranteed access to those systems in various provinces so that our doctors could be guaranteed they will get their patients in at the time they need?

Business of Supply

The last challenge I want to mention right now is the fact that there is only one hospital in each of the territories. We should think back to the SARS crisis. When there was a problem with one hospital in Toronto it was closed and the patients went to another hospital. In the north there is only one hospital in each of the territories. The others are hundreds, if not thousands, of kilometres away, so if we close a hospital for a similar infectious disease, people would die. There is no other place for them to go, not for SARS, but for all the other accidents and life-threatening conditions that people might have.

My thanks go out for the understanding of that and the tremendous amount of transfers the north has had for health care in recent years. In the transfer payment for the territorial budgets were very significant moneys for health. On top of that, as we know, we came to that historic agreement in 2003 that added \$20 million to the territories. I was very excited about the money for prevention and health promotion because I think everyone in the House would agree that if we can prevent disease and promote health, it certainly reduces the costs in the long run.

Over and above those funds, we also have the first nations and Inuit programs. The figures I will be using are as of March 31, 2004. We have the Canadian prenatal nutrition program, \$26,000; home and community care, more than \$2,159,000; the environmental health program, \$20,000; and the tobacco control strategy, over \$117,000.

I appreciate that all the parties support reduction of tobacco and the minister's work in that area. In fact I talked to both ministers only yesterday about how we might reduce investment in the tobacco industry.

The next figures are: the aboriginal diabetes strategy, \$155,000; the national native alcohol and drug addictions program, \$18,000; the fetal alcohol spectrum disorder, \$62,000; the AIDS office, \$105,000; health services program management, \$45,000; consultation Indian and Inuit, \$16,000; health careers, \$47,000.

I want to talk about health careers for a moment. We need to get more aboriginal people into health careers. I support the Canadian Medical Association's effort in partnering with the government in that goal.

The next figures are: the health programs transfer, \$894,000; integrated community services, \$1,656,000. Then we go on to the Canada Health Agency and the funds it provides to the north: community action program for children, \$760,000; the Canada prenatal nutrition program, \$632,000. That is a tremendous program. When I was president of the Skookum Jim First Nation Friendship Centre it was a wonderful program to reduce illness in babies.

• (2300)

The aboriginal head start program was given \$529,000. I would like to tell the minister that is a tremendous program. It is absolutely remarkable how popular and successful it is. I implore the minister, any way he can in future budgets, to try to find more money for that program, whether it comes from human resources development, early childhood learning or wherever. It is very successful and we would like to expand it. Communities like Carmacks, Ross River

and Pelly Crossing would like to expand it. The ones we have already are successful but we need funds for new centres.

We have more money for the AIDS program ACAP, \$125,000; the population health fund, \$75,000; diabetes, \$104,000; FASD, another \$65,000; hepatitis C, \$70,000.

In Yukon the 10 self-governing first nations have assumed responsibility for all eligible community based first nations and Inuit health programming. The other four first nations communities have entered into integrated agreements with Health Canada. Health Canada also supports the work of the health and social development department, which is part of the Council of Yukon First Nations, to promote health promotion and illness prevention in first nations.

Those were not all the funds provided because, as everyone will remember, after the first ministers' conference from September 13 to 15 the Prime Minister, the finance minister and the health minister provided \$41.3 billion over the next 10 years. My riding's portion of that was another \$3 million for the Canadian health transfer, \$34 million for the Canada health transfer base and \$0.5 million for medical equipment. That is more than \$37 million. On top of that there will be Yukon's share of the wait times reduction fund because that has not been calculated yet. Of course, the other two territories, if the people from the Northwest Territories and Nunavut are listening, we have been treated equally generously.

However, that is not all because in this new deal there is money for aboriginal people, which I certainly appreciate as being about 23% of my population. If all the programs I mentioned so far cannot cover it, then starting next year for the next five years there is \$200 million for the aboriginal health transition fund and \$100 million for the aboriginal health human resources initiative. Of course, those are very important human resources in health care. I think everyone agrees with that.

I certainly agree with the Canadian Medical Association that we have to increase residency spaces not only for our new doctors but so they can have better choices, so that aboriginal doctors can come through the system and overseas doctors will have spaces.

Finally, for aboriginal people there will be \$400 million over the next five years for health promotion and disease prevention, which I talked about earlier.

Business of Supply

However that is not all. Out of the new deal from last September, over and above the \$37 million my riding received, as all ridings in Canada will get a share, the Prime Minister, finance minister and health minister recognized all the things I said at the beginning of my speech of the extra costs in the north. For that they provided \$150 million over five years for the territories, \$65 million for the territorial health access fund, \$10 million for the federal-territorial working group and \$75 million for medical transportation. Those funds can be used for things like recruitment and retention, which are so important in the north, and for advanced technology, such as Telehealth, where I hope we can be leaders in the world. We have already saved lives with equipment that has been provided with some of the funds I have talked about.

Of course everything is not perfect so I have some questions and challenges. First, I would like to ask a question that a number of my constituents have asked me. What is the minister doing about the labelling of genetically modified foods?

● (2305)

Hon. Ujjal Dosanjh: Mr. Chair, I understand the current process is that Health Canada looks at any genetically modified foods that come on the market and if there are any risks associated with them, then there is obviously special labelling.

Of course, these are very important safety issues. I do not believe we have moved to a mandatory labelling regime, which is an issue some people are raising, but the current regime has been satisfactory and I believe we should continue to work within it.

Hon. Larry Bagnell: Mr. Chair, a number of my constituents feel very strongly about labelling genetically modified foods.

I mentioned to the minister that we have been having some problems with the approval of certain dental procedures through the uninsured health benefits program. These problems on occasion mean that first nations people either had to pay in advance for procedures or make a lengthy trip home and back to the dentist again.

I understand this problem is being worked on, but I would like assurances from the minister that it is being dealt with.

Hon. Ujjal Dosanjh: Mr. Chair, I understand that there is a working group made up of representatives of the Government of Yukon, the Council of Yukon First Nations and the dental association. We want to make sure that this problem is dealt with so that no one goes without dental service in that part of our country.

Hon. Larry Bagnell: Mr. Chair, that would be very much appreciated. It has been a serious issue for some time.

Addictions are a very serious health issue in the north. Could the minister mention some of the steps that the department is taking to help us? These accentuate the health care costs dramatically. If that could be prevented through some of the prevention and promotion funds from the 2003 agreement or from the aboriginal prevention and promotion funds in this agreement, that would be very helpful.

I would like to know what we are doing about addictions in the north.

Hon. Ujjal Dosanjh: Mr. Chair, the member probably knows about all of the existing programs. There is a national native alcohol

and drug abuse program. There is a national youth solvent abuse program. Then there is a first nations and Inuit component of Canada's drug strategy. There is also \$20 million in the estimates for FAE and FAS prevention that is currently being dealt with.

There is \$400 million out of the \$700 million that is going to go for promotion and prevention on several aspects of aboriginal health. In addition to that there are of course the national programs that I talked about.

This is a very serious issue and we are taking it very seriously.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Chair, I am sharing my time with the member for Port Moody—Westwood—Port Coquitlam.

My question for the Minister of Health is with regard to smallpox vaccine stocks. The health committee was advised by Health Canada officials on October 21, 2003 that Canada would have 35 million doses stockpiled by March 31, 2004. Several weeks ago our new chief public health officer told the committee that we only have 6.5 million doses on hand.

What is the minister doing to ensure this gap is closed?

● (2310)

Hon. Ujjal Dosanjh: Mr. Chair, I believe that the hon. member is talking about a possible plan to purchase a new generation of vaccine, a second generation of vaccine.

After looking at the second generation of vaccine a decision was made to stick with the existing and time tested first generation vaccine, of which we have over six million doses available which I understand can be diluted perhaps even 10 times to deal with the issue.

I am told by our public health officer, Dr. David Butler-Jones, that the six million vaccines that we have are currently available. Some of them were manufactured back in the 1970s.

Mrs. Carol Skelton: Mr. Chair, why are we not using second generation smallpox vaccine in this country? It has been recommended by the World Health Organization. Why are we not using it here?

Hon. Ujjal Dosanjh: Mr. Chair, off the top of my head I do not remember the number of years but I am told that the second generation vaccine is only good for a very short time. It has a very short shelf life and is very expensive. It would be over \$30 million to \$40 million.

Mrs. Carol Skelton: Mr. Chair, why is the smallpox vaccine used by the Department of National Defence different from what we have on stock for Canadians?

Business of Supply

Hon. Ujjal Dosanjh: Mr. Chair, I am unable to answer that question because I do not know what kind of vaccine DND has purchased. I would be happy to learn that and answer that question.

The reason we stuck with the time tested vaccine, a first generation vaccine, is it was tested in an actual outbreak. Also it is available to us. It can remain useful for a long, long time. It can also be diluted.

Mrs. Carol Skelton: Mr. Chair, is it true that our nation's smallpox vaccine still requires 18 months of clinical trials?

Hon. Ujjal Dosanjh: Mr. Chair, that is true. We are going to be doing clinical trials on it. It is very important that we do that. However, the second generation vaccine is not even licensed to be used at this time.

Mrs. Carol Skelton: Mr. Chair, are clinical trials on Canadian subjects planned using vaccine from the stockpile?

Hon. Ujjal Dosanjh: Mr. Chair, I think those are issues that Dr. David Butler-Jones would be able to address. I suggest that we put those questions to him through the committee, or if the hon. member wishes, I would be happy to ask that question of him and forward the answer.

Mrs. Carol Skelton: Mr. Chair, will these trials be publicly funded and if so, how much money will be spent on these trials?

Hon. Ujjal Dosanjh: Mr. Chair, I am unable to answer the question about the expenditures on the trials. That would be available before the trials begin and I would be happy to share that with the hon. member.

Mrs. Carol Skelton: Mr. Chair, I would like to tell the Minister of Health that I am very disturbed about this because if something does happen and we need smallpox vaccine, I want Canadians to have the very best.

The 11 vaccine producing companies, including ID Biomedical Corp., have made it clear that they cannot proceed to make trial batches unless someone pays for them. Officials from Canada's new Public Health Agency stated that they will be applying for funding to order production and testing of HFN1 vaccine.

Has or will the funding be approved or even considered? If so, how much and when?

Hon. Ujjal Dosanjh: Mr. Chair, if I remember correctly, the hon. member is talking about avian flu. Dr. David Butler-Jones is seized of these issues. He will talk to his counterparts across the country and even throughout the world. If and when we need to take action on that, he will advise us. Politics will not guide us. It will be public safety that guides all of us in these issues.

• (2315)

Mrs. Carol Skelton: Mr. Chair, when the SARS outbreak hit Toronto, it cost this country a great amount. It cost some Canadians their lives.

The minister must act on this immediately. When will the minister get the procedure for the avian flu vaccine started?

Hon. Ujjal Dosanjh: Mr. Chair, I am no medical expert but I understand that this kind of vaccine can only be produced once there is a strain available and we know what strain it is going to be. These are very difficult issues. They are science based issues. That is why

we have the chief public health officer. That is why we have the Public Health Agency. It is absolutely independent in making those kinds of decisions. They are the right people to make those decisions. Politicians as government will pay whatever cost there is to make the right decisions and execute them.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Chair, I will not be using up all of my time. Whatever remaining time I have I would like to split with my colleague from Central Nova.

This is one of these interesting cases. It is very interesting seeing the member sitting in the Liberal cabinet. As a British Columbian I remember the many years when he was the premier of British Columbia and a cabinet minister in British Columbia and the scathing criticisms that he had for the Prime Minister and his actions as the finance minister. In fact, I remember him using some words about how he helped destroy British Columbia's health care system, how he left us in the dust and all these sorts of things.

Perhaps we could have an opportunity here for some revisionism. Would the health minister actually give his assessment of the health care system over the last 10 years? Virtually every indicator in terms of public health is it is getting worse. Private delivery has gone up. People are paying more with credit cards. Health care waiting lists are longer. The time for diagnosis is taking longer and longer. It is getting worse and worse.

When the minister was the premier of British Columbia he had scathing criticisms for the Prime Minister about health care. Now he is singing a different tune. As a British Columbian I want to know what happened and why he changed his mind.

Hon. Ujjal Dosanjh: Mr. Chair, it is actually astounding how wrong the hon. member is on all counts, not just one of the counts.

First, I as a politician have never used rude words about other politicians. I have absolutely never used rude words about other politicians.

Second, if the hon. member produces the quotations he is talking about, I would be happy to talk to him about them.

Third, with respect to the issue that he raises about the state of our health care, all privatizers want to say that our health care is going down the drain. People on that side of the House are privatizers who want to see health care privatized in this country.

There is no question that our health care system can withstand reforms, innovations, enhancements and improvements. However, there is one thing that Canadians will fight for and it is the public health care system that they cherish so much.

Mr. James Moore: Mr. Chair, the minister perhaps has selective amnesia about the past. I would invite him to check the *Hansard* for what he said in the B.C. legislature when he was premier and when he was attorney general.

Business of Supply

If the Liberal Party is so committed to public health care, I am curious about a document, "A Platform for British Columbia" which the minister ran on when he was a candidate in the past campaign.

Also, there is a member of the Privy Council of the government sitting in cabinet and his constituency is Esquimalt—Juan de Fuca. As a Liberal member of Parliament and as a Liberal member of the cabinet he has written that all five pillars of the Canada Health Act are a joke, that the government should walk away from it, that there should be a private parallel public system. He is in the Liberal government.

I think people on this side, physicians and all Canadians across this country are getting sick and tired of the sanctimonious hypocrisy that comes from the Liberal Party that campaigns with people like Keith Martin who believes in destroying our public health insurance system and this—

• (2320)

The Deputy Chair: May I remind the hon. member not to use names, but rather riding names and titles.

Mr. James Moore: Mr. Chair, that party has the member for Esquimalt—Juan de Fuca who says that the Canada Health Act should be torn up, that we should have private parallel public systems. Will the minister disavow the views of the member for Esquimalt—Juan de Fuca with whom he sits in cabinet, who says that we should destroy Canada's health care system? Will he disavow those views right here right now?

Hon. Ujjal Dosanjh: Mr. Chair, the Canada Health Act embodies the values of sharing and caring for each other that Canadians cherish so much.

We will defend the Canada Health Act and we will enforce the Canada Health Act vigorously. It is very important that we do that because the Canada Health Act is about our values as Canadians, our values about looking after each other, our values about not checking someone's credit card before checking someone's pulse. It is important that we do that. This side of the House will defend the Canada Health Act and enforce it.

Mr. Peter MacKay (Central Nova, CPC): Mr. Chair, if only that were true. We know the Prime Minister himself engages in private health care by attending a clinic. That is true and completely factual.

I have a specific question for the minister and it deals specifically with the reinstatement of funding for prostate cancer research. I wrote to him back on August 5, shortly after his appointment.

On Monday a gathering was held in Ottawa, which was put together by the prostate cancer research initiative. As the minister will know, money was taken away from this, the rationale being that there was no specific funding for specific types of cancer. The minister will also know that prostate cancer has the largest mortality rate for males in Canada. Over 19,000 men were diagnosed with prostate cancer in the past year. One in eight men in Canada over the age of 50 will suffer from this terrible affliction.

Stan Hagen, the children and family health minister from the minister's province of British Columbia, announced today that he is suffering from prostate cancer. The minister may know this individual personally. Preston Manning and Allan Rock, his predecessor, are both prostate cancer survivors.

This is a huge problem in the country. Much can be done through proper diet and through proper testing in particular. The most common type of testing is one which is very intrusive and intimidating for many men. However, there is now a test available through blood, the PSA test. I am sure the minister is aware of it.

Will the minister, on behalf of his department, revisit the issue of funding for prostate cancer research and public education on the issue? As with all forms of cancer, early detection is the best way to attack the mortality rate. I would appreciate the minister's response on that issue.

Hon. Ujjal Dosanjh: Mr. Chair, as I said earlier, there was some money for research on prostate cancer. I believe this is a serious issue. I also believe the integrated disease strategy is also a serious issue. We need to work together, collaboratively, across the country on all these issues, be it diabetes or cancer. I understand the importance of the issue.

I cannot obviously speak for the Minister of Finance in terms of the budget. It is coming for next year. I will keep in mind the serious nature of the comments made by the hon. member in this regard.

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Chair, it is a great pleasure for me to participate in the session this evening. I congratulate the opposition for making this the issue of debate tonight, of bringing the minister's estimates forward. We all recognize health care as being the number one concern of Canadians. I presume that is the case with all parties in the House.

A few minutes ago the member from Port Moody referred to the past career of the Minister of Health, indicating that he had been a noted politician in British Columbia, attorney general and premier among others. He was a very successful politician. He spent three years out of politics. We saw him, he was a free agent and we invited him to the big leagues, where he is doing very well. I have great respect for the member from Port Moody and I encourage him to work hard, keep at it, and maybe some day we will invite him to the big leagues, but his chances would be greatly improved if he did not swing at every pitch.

On a more serious note, if we look at what is happening in health care since the minister's arrival, we see nothing but very good news. We see a lot of good news from the government elected in June, with the promise that health care would be the number one priority, that we would have a new era in discussions and negotiations with the provinces and that we would have a fix for health care. We talked about health care for a generation. We have a deal for a decade, which I believe will set the tone for not only this generation but for generations to come.

Business of Supply

We are adding a lot of money: \$41 billion is being transferred to the province to look at health care over this period. We do that without raising taxes. That is amazing if we look at the last 10 years of the government. We have reduced the debt to such a level that service charges on the national debt alone covers these costs. That is great and I am proud of that because it is sustainable. The greatest concern we have seen from Canadians is the sustainability of health care.

The minister alluded earlier to the confidence that Canadians have in the health care system and in certain instances the lack of confidence they have in it. He pointed to the fact that those who have come in contact with the health care system have had a very favourable impression. Others who have not come in contact necessarily have great apprehension. They have anxiety whether it will be there when they need it and will it be sustainable. We are showing sustainability.

We are looking at five key areas. We agreed with the provinces that in these five key areas everybody would have to show improvement, like eye surgery for our aging population. I remember a time when it was a relative rarity. I could name the people in my community who had cataract surgery. Now it is difficult to name a family that does not have someone who has received cataract surgery and whose lifestyle and quality of life has greatly improved.

Across the street from my mother's house, where I grew up, was a little general store. The elders of the community used to hang around it. I thought they were very old men, but when I think back, they were only 55 or 65. They were fishermen or loggers who had been hurt or who had arthritis. They could not work anymore. Now we fix their eyes or their hips and they play golf until they are 80 and 85. They have a great lifestyle, but that costs money. That creates additional demand on the health care system.

We have said that we have to look at the waiting lists. Everybody expects these services and we have to ensure that we give them in a reasonable time. We said that we would work with the provinces in areas such as eye surgery and cardiac, like bypasses. A generation ago, if one had a heart attack, one did not work again. Now within a very short time, a person who has had a quadruple, triple or double bypass is back at work in a very short period. Again, it creates a lot of demand and costs. However, we have to work on those lists.

Regarding cancer treatment, the member for Central Nova pointed out one type of cancer that is very easily preventable and is quite often curable. It is a question people being diagnosed quickly enough, and we encourage that of course. However, people are waiting for cancer treatments. The anxiety level can be very high for people who have been diagnosed with cancer but who have to wait before they can get their treatments or before they can get their next visit to a specialist, especially in rural areas where I live. We have to bring down those wait times.

Regarding orthopedics, again with the aging population everybody expects and understands that they can have hip replacements or ear implants. I know a lot of people in my community who have been waiting one and two years. The member from Dartmouth pointed out what Nova Scotia has done public health, and it is admirable. I should also point out that what it has done with waiting

lists is admirable also, especially in cardiac care. It was a relatively small investment and it reduced the wait lists for cardiac care.

As the minister has agreed, in negotiating with the provinces, if a province like Nova Scotia or any other province has made achievements in one area, it can transfer the money to other priority areas. If they have had achievements in five areas, they still get the money. The money becomes permanent.

● (2325)

We have agreed that we would not just give them the money for short periods. I remember the arguments made by the premiers at the first ministers meeting that we could not have a short term fix, that we could not create a dependency and then pull out, because we cannot send those doctors and nurses back home and we cannot shut down the MRI machines. We have agreed that it would be sustainable funding and that it would continue. We have also agreed that it must be measurable. Progress must be measurable. People must report. The provinces must report.

● (2330)

[*Translation*]

We have agreed that these are areas of provincial jurisdiction and that the provinces were fully capable of managing their own system, because they were familiar with their needs, and knew how to manage, who to put in charge and how to invest in their hospitals.

We said that we agreed that they could report to their constituents, their voters. These are the same Canadians who elect us, the same Canadians who are the taxpayers at the provincial and federal levels.

I am therefore totally in favour of this asymmetrical federalism, as long as it is not bipolar. All the provinces and all the regions must be included.

[*English*]

It cannot be a bipolar federalism. It must be a federalism that respects the specificities of the Atlantic, of the north, of the west, of Ontario, of Quebec, of other areas. We must be able to negotiate and work so that health care services are improved in accordance with their understanding and their capabilities.

We have also looked at pharmaceuticals.

An hon. member: Look only for Quebec.

Hon. Robert Thibault: Not only for Quebec.

Business of Supply

We have also looked at the cost of drugs going up for all provinces, for the territories. How do we handle that? Is it with a national drug strategy, a national drug program, as some have suggested? We did not believe so. I did not believe so. Many people did not believe so. But we saw that there were some areas of improvement and that we could cooperate with the provinces to build toward a national strategy where we would reduce the cost and improve the availability.

We looked at home care and we looked at catastrophic drug costs and we said the same thing. We have some different systems here and there across the country that can be improved on.

We have a great home care system in Nova Scotia. It does not mean that it is perfect. We can continue to work on it. New Brunswick has a model home care system. We continue to work on it at the national level. How do we improve that?

We recognized a long time ago that certain illnesses can create huge demands on families because of the drug costs which can drive a family into poverty. That is what we call catastrophic drug costs. Even if we cannot have a national pharmacare program, we have to repair it. It is our responsibility and our duty. We must work with the provinces to come up with a system that protects families from financial failure due to health concerns.

It has been pointed out very well in this House this evening the necessity for replacing medical practitioners. We are talking about doctors and nurses. In the medical world of today and tomorrow, practitioners can mean other things. We have to have the systems in place to train them. We have to train them in both official languages. We have to use the skills of the immigrants who come with those skill sets. We have to more quickly recognize their credentials so that we can use their skills and bring them into the country and encourage more to come. For those who are already here we can improve our system in that way.

We have agreed that we would put a lot of money into training. We are working with the provinces toward that. In British Columbia and Ontario we are opening two new medical schools, if I am not mistaken, which will certainly assist. In Sudbury a medical school is opening.

We are training nurses and practitioners in isolated communities, nearer to home. If we bring them to the south or if we bring them to the large centres, it is tough to get them back on the farm. It is the problem we have in West Nova. We do not have a lot of farms but we send a lot of doctors to be trained and they do not necessarily come back home. We need them. We need those nurses. We have to look at how we do that.

[*Translation*]

Services to official language communities is a very important issue. I remember as a 10-year old going to hospital, unable to speak English and being there for ten days. Today, the surgery is done in a day, and we leave. But in those days, I had to spend ten days in our small hospital in Yarmouth without being able to communicate. It was a very traumatic experience.

In rural communities in southwest Nova Scotia, in Cape Breton, elderly people approaching the end of their lives end up in hospital and have to communicate in their second language at a time when

they are at their most vulnerable and in greatest need. It becomes very uncomfortable. That is why I am pleased that it was recognized as part of this agreement that official language training for professionals in a minority situation is a priority and that funding is provided for that purpose. I am pleased that all the provinces have agreed and are participating.

I am pleased that we are carrying on. I urge the minister to increase funding and I hope that the work on primary care with community volunteers will continue. This is a Canada-wide network of volunteers working with communities with a view to improve, in communities in a minority situation, the delivery of primary care in French in the provinces outside Quebec and in English in Quebec. These are often remote communities, located far from major urban centers.

I am also very pleased with what we have accomplished with the aboriginal people.

• (2335)

[*English*]

The additional \$700 million, that we have been able to provide native and northern communities, will assist in the areas of critical importance. These are the fastest growing communities and populations in our country, and often the only sectors that have actual growth within our communities. Here we have problems like fetal alcohol syndrome, childhood diabetes, and childhood obesity. If we do not make the proper investments, rather than being full contributors, those are populations that are at risk for the future.

I am very pleased with what was accomplished and very proud of the minister.

[*Translation*]

Mr. Réal Ménard: Mr. Chair, could I seek the consent of the House to ask a question or two of the kind parliamentary secretary?

The Deputy Chair: There is one 15 minute slot remaining. Three of our colleagues have been waiting since early this evening to speak. I know that the hon. members of the government party have been anxious to hear what these three hon. members have to say. With your leave, we will take an extra five minutes and that will give the three hon. members a chance to speak in the House. The three hon. members are from the same opposition party.

[*English*]

Mr. Gary Goodyear (Cambridge, CPC): Mr. Chair, I would like to thank the hon. member from Nova Scotia. It was a heartwarming conversation and it brought tears to my eyes. I must say that as long as this side or that side of the House is going to tell those kinds of stories, they are never going to appreciate the reality on the ground. For every story that members tell about how good the health care system is, I have been in practice for 20 years and I have 100 stories to every one of theirs.

Business of Supply

Let me set the mood tonight with the latest story of a constituent of mine from Cambridge. I am speaking for the thousands and thousands of residents in my community of Cambridge who do not have doctors. The latest story that is far more touching than the one we just heard is about a 19-year-old who went to a walk-in clinic because he does not have a family doctor. He was misdiagnosed and, as a result, prescribed the wrong medication. When he became addicted to the medication, and it was a problem for the health care people, they fired him. He attempted suicide on Friday. Frankly, the reality is that we do not have enough doctors. Members can tell all the stories they want. There are people dying without doctors.

The other point I want to make is that after 10 years of a majority government, the Liberals are still talking about the problems. Not only do we lack doctors which is risking lives, but the Chamber of Commerce in my riding used to be asked when companies wanted to move into the riding, "Do you have the land and the skilled workers?" Today it is being asked if it has the medical doctors.

I would like to ask the minister, is he feeling pressure from the medical community to not bring more doctors on board and keep the numbers low so Canadians do not have the choice—

An hon. member: That is a silly question.

Mr. Gary Goodyear: It is not a silly question. I think the attitude of this side of the House is reflective of our health care problems.

Is the medical community pressuring the minister and if not, why do we not have processes in place?

• (2340)

Hon. Ujjal Dosanjh: Mr. Chair, I was able to attend the CMA annual general meeting several months ago shortly after I became the minister. In fact, one of the things it said to me was that many doctors were tired and were going to retire. We need more doctors. We need more international medical graduates, who are already here, to be integrated into the system. That is absolutely opposite to what the hon. member thinks.

Mr. Gary Goodyear: Mr. Chair, if in fact the medical profession is not trying to monopolize the situation, is the Minister of Health willing to accept the qualifications of professionals like physiotherapists, nurse practitioners and chiropractors to help fill this void immediately?

Hon. Ujjal Dosanjh: Mr. Chair, those are issues, as the member well knows, that are dealt with by the provincial jurisdictions. I am happy to coordinate these issues with them, but the real debate and dialogue has to happen with those jurisdictions.

The hon. member is raising an issue that was raised by his colleagues in the standing committee with respect to chiropractors. I have an open mind. I think we should be carrying on this dialogue across the country rather than in a partisan kind of fashion.

Mr. Gary Goodyear: Mr. Chair, one of the first questions I asked in the House was whether the minister was willing to start an accreditation process for the foreign trained doctors that are in our country. The answer I received from his representative was they were meeting with his colleagues in a few weeks. I would like to know, did he meet with those people and what was the outcome of that meeting?

Hon. Ujjal Dosanjh: Mr. Chair, I do not know what particular timeframe the hon. member is talking about. I had a meeting with the health ministers about three weeks ago and we talked about this issue. We are actually making progress on this issue.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Chair, I want to respond to some of the comments that the parliamentary secretary just made about the glowing account of how great health care is in this country.

In my home province of Manitoba, we have had a problem with hallway medicine, extended waiting times and not being able to get in through emergency systems. Under the current system, because of a lack of funding from the federal government and lack of administration in the provincial government, we have had a problem now that has turned from hallway medicine into highway medicine, where people in the rural areas cannot get any service and have to come into the city of Winnipeg to get any service at all. People in the city of Brandon have to go to Winnipeg to get any service from specialists.

What is the minister doing from his standpoint to ensure that the provinces are holding up their end of the bargain and implementing better health care for all rural residents?

Hon. Ujjal Dosanjh: Mr. Chair, I would like the support of the members opposite in ensuring that the provinces report according to the agreements that they made with the federal government. There is an unprecedented degree of accountability embedded in the agreement. All funding arrangements require compliance with the reporting provisions. If they have to report, then they will perform. If they have to go to elections every three or four years, they will perform.

The ultimate penalty or the ultimate choice that the people of the provinces will have is to ensure that they either elect or not elect the governments that do not do appropriate things in health care.

Mr. James Bezan: Mr. Chair, many people in my riding are suffering from type 1 and type 2 diabetes. In Manitoba, over 36,000 people are suffering from diabetes. Over 2 million Canadians are suffering from diabetes. In the aboriginal communities, diabetes is two to three times higher. Clearly, we have a severe problem on our hands with this disease.

Back in 1999 the health minister of the day mentioned that increased funding should be provided for a cure for juvenile diabetes or type 1. No specific new funding has been announced for research into juvenile diabetes since the Liberals made this promise.

Instead, virtually all the funding has been directed toward prevention of type 2. What is important is that a cure for juvenile diabetes would benefit both these conditions and eventually save taxpayers over \$9 billion currently being spent on treating diabetes of all types in our health care system.

Business of Supply

Why have the Liberals chosen to increase funding only for prevention programs for type 2 diabetes while ignoring the plight of young children with juvenile diabetes who face a lifelong independence of insulin shots, potential blindness, disabilities and early death?

• (2345)

Hon. Ujjal Dosanjh: Mr. Chair, I know that some of us have the propensity to make outlandish statements. However, the fact is that there has been funding for the Canadian diabetes strategy. There is no question that there is going to be more funding. There is some funding in place for juvenile diabetes research at this time. I was actually at an event where people were raising funds for this issue as well. As I said earlier on, my blood was tested and I was happy to know that my sugar level was within limits.

Mr. James Bezan: Mr. Chair, that is great for the minister. However, the Liberals have said that they would increase funding for overall juvenile diabetes. Yet they have maintained the status quo and everyone knows that status quo is Latin for do nothing.

When will the minister follow through on the 1999 Liberal promise and actually increase funding for juvenile diabetes research?

Hon. Ujjal Dosanjh: Mr. Chair, there is no question these are difficult issues. Whether it is diabetes, cancer, or cardiac care, these are difficult issues.

The federal government provides large sums of taxpayers' money to the provinces to deal with health care. In addition to that, we provide \$752 million to CIHR for research. We have a Canadian diabetes strategy and we have some funding in place for juvenile diabetes research.

These are difficult issues. I recognize that the hon. member has some passion on this issue and I would be happy to talk to him in detail—

The Deputy Chair: Resuming debate, the hon. member for Nanaimo—Alberni.

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Chair, it has been a long night for everybody. I am glad to be able to participate in this debate.

I want to bring up an issue that we started the day with today. It is a very important issue for quite a segment of our population. It has to do with the subject of autism.

This morning we had the Autism Society of Canada here. We had alarming statistics being brought forward. We have seen at least a tenfold increase in the last 10 years and in some areas the numbers are even a hundredfold and more. We know that autism used to be so rare and now in many classes there are two or three children with autism, at least in British Columbia where my wife is a counsellor in the elementary system. It is a huge problem.

The families of autistic children have of course suffered a great disappointment with the Supreme Court decision on treatment that has just come down. That particular treatment option deals with behavioural modification, a very intensive behavioural analysis. It costs about \$50,000 to \$60,000 per child.

More needs to be done to head this off early and intervene early so that we can prevent this catastrophe for families and for these

children. That being said, I wanted to highlight that and ask the minister where the health ministry is going with this.

Just recently in the last weeks the New York senate commended and honoured Dr. Joan Fallon for a new study. It was the patenting of a process for early identification of these children and it involves a simple stool test. It has to do with pancreatic enzyme deficiency. This is very promising in the treatment of these children, with enzyme treatment improving their function.

What is the ministry doing to help head off this problem of autism? Are we doing something? Is there a strategy? Are we putting money through the CIHR or some other agency into identifying the cause of autism for these children and the appropriate treatment? By the way, Dr. Joan Fallon is a chiropractor. Along with the enzymatic treatment she does use manipulation of these kids as well. Is there a strategy and is something being planned?

• (2350)

Hon. Ujjal Dosanjh: Mr. Chair, this is obviously again a very difficult issue. In health care we deal with difficult issues from time to time. I was in fact part of the government in British Columbia when the case that recently came before the Supreme Court was decided. The case originated in British Columbia. I believe I was the attorney general. I had to deal with that difficult issue then.

I have said that I am happy, prepared and willing to meet with the parliamentarians who are trying to argue for a national strategy on this issue, with Senator Munson and others from all political parties. I will be meeting with them. I will be listening to them. I am happy to actually listen to the provinces from across the country.

I spoke to a constituent of mine several weeks ago during one of my constituency days. He has a 12 year old or 13 year old autistic child. The man was in tears. There was not much I could do as a federal politician. These are provincial jurisdictions and the provinces and territories make difficult decisions and difficult choices.

But I am prepared to take a leadership role at least in terms of coordinating our response across the country and discussing what we collectively as leaders in different levels of government can do.

Mr. James Lunney: Mr. Chair, a lot of serious concerns have been raised about what is causing this escalating epidemic, really, of autism; that is probably not the right terminology, but the numbers are escalating unbelievably.

There are concerns about the repeated use of antibiotics for childhood ear infections. That may be a root cause. There are concerns about the vaccines that are administered, about the thimerosal or the mercury that is used in the vaccines. Some states in the U.S. have demanded that they start producing vaccines without mercury derivatives, which are highly neurotoxic.

I hope that there is someone, and why should it not be Canada, leading the world in actually addressing these issues, finding out if there is a root issue, doing some proper studies and making sure we get appropriate intervention for these children. Why should it not be Canada?

That being said, I want to go on to another issue that I believe is very important. We had a little talk today about health promotion and prevention by the member for Brampton—Springdale and the member for Dartmouth—Cole Harbour.

I want to say on the Food and Drugs Act, subsections 3(1) and 3(2) and schedule A, which continue to obstruct delivery of natural health products, that we understand the justice department has indicated that these sections are not constitutional, that they will not stand a constitutional challenge. There is a private member's bill that would change this.

The transition team asked for changes to this law. Is the minister prepared to acknowledge these sections are not constitutional and adopt the provisions of Bill C-420 to change the way we regulate natural health products?

Hon. Ujjal Dosanjh: Mr. Chair, I want to say I appreciate the member's concern about autism. He shared some of the statistics that he had with me on the plane ride here to Ottawa early this week.

Business of Supply

On the issue that the member raises, I am not aware of the details and the constitutionality or not of the provisions that he speaks of. I will be happy to take a look at them and speak to him in the fullest possible way I can.

[*Translation*]

The Deputy Chair: It being 11:53 p.m., all the votes are deemed to have been reported, pursuant to Standing Order 81(4).

The Committee will rise, and I will now leave the chair.

(All the votes under Health are deemed to have been reported)

● (2355)

The Acting Speaker (Mr. Marcel Proulx): The House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 11:54 p.m.)

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