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(HANSARD)

Thursday, September 21, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, September 21, 2000

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

COMMITTEES OF THE HOUSE

BILL C-3

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

Pursuant to the order of reference of Tuesday, November 23, 1999, your committee has considered Bill C-3, an act in respect of criminal justice for young persons and to amend and repeal other acts, and your committee has agreed to report it without amendments.

BILL C-244

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

Pursuant to the order of reference of Tuesday, March 21, your committee has begun consideration of Bill C-244, an act to provide for the taking of samples of blood for the benefit of persons administering and enforcing the law and good Samaritans, and to amend the criminal code.

Because of the workload generated by other matters pending before the committee, it has not yet been able to complete its study of Bill C-244. Therefore, in accordance with Standing Order 97(1) the committee requests an extension of 30 sitting days to allow it to complete its consideration of Bill C-244.

* * *

ALL-NUMERIC DATES ACT

Mr. Peter Adams (Peterborough, Lib.) moved for leave to introduce Bill C-495, an act to establish a national standard for the representation of dates in all-numeric form.

He said: This is a simple, sensible bill to avoid confusion of dates in the computer age. Its purpose is to promote the use of a national standard for all numeric dates. It proposes the use of the date form developed by the International Organization for Standardization; that is to say year, month, day, going from the general to the specific, so that today the date is 2000 09 21.

• (1005)

A standard approach to dates will avoid the confusion that commonly arises today from the use of different conventions, especially in computer-generated material.

I thank Duncan Bath of Peterborough and others who have worked on this important matter for many years. I urge all members of the House to support this progressive legislation. I urge government departments to take note of it immediately.

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. There is a private member's bill already on the order paper in my name in exactly this form. It would probably be out of order to accept another one.

The Speaker: I will respond directly to the member from Elk Island. We have had precedents where we have had two and three bills on the same topic, the same effect virtually. If one were to be adopted then the other two would be withdrawn at that time. I rule that it is in order to have these two bills on the order paper.

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

* * *

PETITIONS

HIGHWAYS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, it is an honour for me to have the

Speaker's Ruling

opportunity to present a petition pursuant to Standing Order 36 on behalf of, they say, 700,000 British Columbians. This is a sample of the 700,000 who point out that insufficient funding for the national highway system has resulted in hundreds of lives lost and thousands more injuries because of structural deficiencies in the highway system. They point out a whole number of reasons why national highway system funding as a priority would be a good idea for Canada.

CRIMINAL CODE

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, in the second petition the petitioners point out a number of concerns with the Criminal Code of Canada. They are asking the Government of Canada to amend the code to prevent persons convicted of serious crimes from being released from custody pending the hearing of their appeal except in very exceptional circumstances.

HOMELESSNESS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present another petition from people in the Peterborough area concerned with homelessness. They point out that homelessness includes those who are visible on the streets or staying in shelters, those living in overcrowded, illegal, temporary or transient accommodation and those in imminent risk of losing their housing.

They point out that the Government of Canada has the ability and responsibility to affirm its national role in ensuring that all Canadians have access to decent housing.

These petitioners call upon parliament to make affordable housing and an end to homelessness an immediate priority by declaring that safe, affordable housing shall be a fundamental human right. This is a very appropriate petition this week as the ministers of housing across Canada will be meeting on this very topic.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from many citizens in Peterborough and the greater region who are concerned about the development of the bio-artificial kidney as an alternative to dialysis and kidney transplantation for those suffering from terminal kidney disease.

These petitioners call upon parliament to work and support the bio-artificial kidney which will eventually eliminate the need for both dialysis and transplantation. This petition was developed by Ken Sharp of Peterborough.

* * *

• (1010)

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[English]

REQUEST FOR EMERGENCY DEBATE

FISHERIES

The Speaker: I have received notice of an application for an emergency debate from the hon. member for South Shore. I will hear a very succinct analysis of what he proposes for an emergency debate.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, as fisheries critic for the Progressive Conservative Party, I am proposing this motion for an emergency debate, seconded by the hon. member for Beauséjour—Petitcodiac.

Tensions are heightening across the country as transportation is threatened and the potential for civil unrest is extremely real. I have a report this morning that as many as 850 boats in Nova Scotia are prepared to steam to Burnt Church, New Brunswick, and there is more talk of native roadblocks going up across the country.

A search for a solution appears to have collapsed. The Minister of Fisheries and Oceans appears to be in conflict with the Minister of Indian Affairs and Northern Development. The Government of Canada is not speaking with one voice on this issue and the House needs to hear from the government.

Again, there is a real danger of civil unrest if the people affected do not see that there is a possibility for future discussions. A House debate would offer another opportunity for dialogue and movement on this issue.

The House and the Speaker should give the government another opportunity to talk to the communities affected by ordering a special debate. We have no other chance to raise this issue and a full airing must be presented to the House to avoid confrontation.

We, the Parliament of Canada, must be the voice to raise this issue and, through our debate, get people talking again. If we fail in this duty, it is my great fear that the people around Miramichi Bay, representing both natives and non-natives, will see this as an abdication of our duty and take matters into their own hands.

SPEAKER'S RULING

The Speaker: Of course the hon. member for South Shore raises a very important matter, not only for his area but for other areas of the country. He was good enough to give me notice as early as last night at 10.30 p.m.

I have had my officials monitor the matter throughout the night and early this morning and it is my opinion at this time that this request does not meet the criteria for an emergency debate.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—FUEL TAXES

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance) moved:

That given the record increases in the price of gasoline and home and diesel fuel, severely hurting Canadian consumers, truck drivers and businesses, and given the recent promise by the Minister of Finance to reduce taxes, this House call upon the government to give relief on fuel taxes, including repealing the increase in gasoline excise tax introduced as a temporary deficit elimination measure in 1995 and implementing the 1998 recommendation of the Liberal Caucus committee on gasoline pricing in Canada to remove the double taxation of the GST.

He said: Mr. Speaker, I will be splitting my time this morning with the hon. member for Calgary Southeast.

I am pleased to rise today to kick off this important debate in my new role as official opposition transportation critic.

• (1015)

I look forward to working with Canadians to address their needs in this important sector. In my brief tenure I have already met with several groups and individuals whose businesses and livelihoods are either hampered or threatened by the government's policies.

Today I will focus my remarks on the financial and transportation priorities of the Liberal government, the effect of these priorities on Canadians, the effect of these priorities on Canada's competitiveness and, as always, what the Canadian Alliance would do to rectify the situation.

The Canadian taxpayer is being taken advantage of. Canadians on the whole are law-abiding people who accept the fact that taxes must be paid to sustain a quality of life and to support the less fortunate. However the amount of taxes paid and the expenditure of tax dollars is where I would like to focus my remarks.

Yesterday the finance minister announced that the federal surplus for fiscal year 1999-2000 was \$12 billion. That means that the federal government overcollected \$12,000 million from Canadians, or approximately \$400 from every man, woman and child in Canada.

We just spent the summer in our ridings. Many of us like our constituents took vacations with our families. For the average Canadian it is a struggle to save up to take a break from work and

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spend some quality time together. This year many Canadians had to cut back on their plans to compensate for the high cost of gasoline. I am fully aware that gasoline is a commodity and is subject to variances in the marketplace. We cannot control market prices, but we can control the level of taxation.

According to the Canadian Taxpayers Federation, the federal government collected over \$4.7 billion in gas taxes in fiscal 1998-99 and returned a paltry 4.1%, or approximately \$194 million back to provincial transfers for road and highway development. On average, Canadian motorists are paying between 36% and 45% in taxes with each fill up at the pumps depending on the province. For the current fiscal year 2000-01 the federal and provincial governments will collect over \$13 billion in gas taxes from Canadians.

In 1995 the finance minister increased the fuel excise tax by 1.5 cents a litre to help eliminate the deficit. The deficit is gone. Canadians are experiencing record high gas prices and the federal government is experiencing record high surpluses. One would think it is time the finance minister relaxed his stranglehold on Canadian wallets and reversed the tax hike. The Liberals have made choices and set priorities, namely raising taxes to reduce the deficit and spending only on those projects that will garner political rewards.

How do these policies affect Canadian families? This winter many will have to scramble to decide whether to cut from their food budget or kids clothing budget to pay for the increase in heating fuel and gasoline. What we are calling for today is a first step, a small step, in liberating Canadians from overtaxation. We are looking for a little fairness.

World commodity markets have caused the price of petroleum products to skyrocket while the government is collecting record surpluses. Removing the GST and a reduction of 1.5 cents per litre is the least the government can do. It would be the most practical social spending endeavour of its mandate. In fact the Liberal caucus endorsed it in its own report.

With an election looming the only reason members of the cabinet are not interested in pursuing this responsible action is that the reward is not high enough. It is not enough to loosen the burden on cash strapped households and small businesses. It is not good enough to keep truckers on the roads and farmers in the fields. They want a big political reward.

In question period yesterday the finance minister said:

—the government has made it very clear that the impact of any tax cut must be one that is significant and felt.

If he is about to commit the mortal Liberal sin and cut a tax, he wants the most political bang for it. The finance minister prides himself as a shrewd businessman. Maybe it is time he used some of his corporate smarts for the benefit of Canadians. On the farm we realized long ago that we have to spend a dollar to make a dollar.

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• (1020)

I ask the government to make a break from raking in the cash and shovelling out the patronage dollars and listen to some common sense. It is imperative to invest in our infrastructure, not only for the safety and well-being of our citizens but to strengthen and augment our ability to move goods and services both inside and outside our borders.

The government has made a priority of investing billions of dollars in the information highway while all but ignoring our national highways. The two are not mutually exclusive. I ask the House not to take my word for it. Terence Matthews, founder of Newbridge and Mitel, recently stated that Canada's "economic boom could be jeopardized if it does not invest in infrastructure". The Liberal government's priority has been to maintain high taxes and spend only on projects contingent on political reward. These short-sighted priorities are threatening Canada's competitiveness.

This realization has not been lost on our chief competitor and largest trading partner. In 1998 the United States passed the transportation and equity act for the 21st century. That bill invests \$217.9 billion over six years into infrastructure, a large portion of which is roads connecting its borders to Canada and Mexico. Legislatively the bill guarantees that a minimum of 90.5% of the federal fuel tax receipts from each state is returned to that state.

The Coalition to Renew Canada's Infrastructure has been advocating a national highway program and is calling on the government to dedicate one cent per litre of federal fuel tax, the equivalent of about \$500 million annually, to highway renewal. This is not a lot of money when we consider that after the water fountains, canoe museums, hotels and the rest of the shovelgate the Liberals still had \$12 billion left over last year. If viewers would like more information on the national highway initiative, they can go to www.highway1canada.com.

The Canadian Alliance and its predecessor, the Reform Party of Canada, have had a longstanding policy on dedicated revenues from fuel taxes. They believe that the way to effectively maintain Canada's infrastructure is to reinvest the proceeds of fuel taxes back into the sector from which it is collected.

This is contrary to the Liberal government's record. As I stated earlier, the federal government only invests about 4.1% of gas revenues back into the roads. What is even more appalling is when we look at its record in the other transportation sectors. In 1995, under the leadership of then transport minister Doug Young, the federal government began a divestiture program of its ports and airports. One by one the department handed over control and expense of these facilities to municipal boards across the country.

These authorities work on skeleton budgets to try to maintain their infrastructure to provide essential economic lifelines to their

rural communities. In some cases, like the airport in my home town of Fort St. John, the authority is collecting an airport improvement fee from all travellers departing from Fort St. John. These user pay initiatives are fair in that only those who use the service are required to pay for it. However the revenues collected by the federal government for aviation fuel go into general revenues, with a pittance being returned to the airports through capital assistance programs. The port authorities are experiencing much the same. Where is the fairness in this taxation? Where is the return on our tax dollars?

In conclusion, I will reiterate a few points. The federal government increased fuel taxes by 1.5 cents a litre in 1995, five years ago, to fight the deficit. The deficit is gone. So should the tax hike be gone. The federal government is collecting a tax on a tax by collecting GST on top of fuel excise taxes. World fuel prices are at record highs and so too are government surpluses. The only ethical thing to do is to lower taxes on fuel.

The government's choices and priorities are clear and so too are the consequences. The Liberals mount huge surpluses by overtaxing cash strapped Canadian families. The Liberals collect billions of dollars in fuel tax revenues annually with little or no reinvestment in our infrastructure.

What are the consequences? Canadians are put under undue financial strain so the government can turn around and try to buy their votes with their money. Liberals have made a priority out of buying goodies for the Prime Minister's riding while ignoring our roads, ports and airports, thus jeopardizing road integrity, traveller safety and economic viability.

• (1025)

I call on members opposite, in particular those in cabinet, to support this motion, thereby reducing the financial burden on Canadians. I also call on the government to make a genuine reinvestment in the future competitiveness of Canada by improving our transportation infrastructure.

[*Translation*]

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): I have listened carefully to the words of the hon. member but I would like to know, having also carefully read the opposition motion, why he is attacking only the government. I do not understand why he is not attacking the fuel companies.

I would like the hon. member to tell us what, as of today's date, the breakdown of the price of a litre of gas is in his riding of Peace River, excluding the tax. That is what we want to know: the price of a litre without the taxes, in his riding.

*Supply**[English]*

Mr. Jay Hill: Mr. Speaker, approximately 40% of a litre of gasoline is made up of taxes. That is pretty general. It varies a bit from province to province across the country.

The hon. member asks why we should not blame the oil companies. That is the government's way of handling situations. It has been that way for the seven years it has been in power since 1993. Canadians are getting fed up with it.

It is easy for a government to stand up and point the finger elsewhere. Either it is the fault of the provinces because they are not willing to sign some joint declaration of tax reduction, or it is the fault of oil companies or maybe the way the sun came up this morning, instead of taking responsibility for what it can control.

That is what the motion is all about. Why do we not look at what we can do in the Chamber? What we can do is offer Canadians some real tax relief, Canadians who are hard pressed at the moment every time they stop at the pumps. Truckers are trying to do their jobs and make ends meet. Farmers are out in the field trying to get their crops off and face these high input costs.

We as a group, when the motion comes to a vote on Tuesday, can vote for it to bring down taxes just a bit. We are asking the federal government to give up just a bit. It does not have to slash and burn its tax base. Lord knows it would not be prepared to do that. All it has to do is give up a bit so that Canadians have a better day tomorrow.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I am puzzled by my colleague's grandstanding on an issue that is so important to consumers across the country.

What assurances could he give the House and Canadians, if any kind of a tax reduction is to take place on gasoline prices, that this money will go into the pockets of consumers rather than into the pockets of oil companies?

Mr. Jay Hill: Mr. Speaker, perhaps that is the attitude of the government. I think it is, by the way in which the finance minister has been addressing the questions many opposition parties and certainly our new leader have been putting to the government over the last few days. If that is its attitude, that only through some ironclad guarantee will it reduce taxes, obviously it does not ever intend to reduce taxes.

The government is so afraid if it gives up a bit of the money it has been raking in that perhaps somehow someone else will pick it up. The fact of the matter is that the hon. member is quite right. There are no ironclad assurances in life. The reality is that if the government reduces taxes I believe that we will have to monitor to make sure that oil companies do not simply tack it on the next day. That is the reality.

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I was part of the Liberal caucus investigating price gouging at the pumps. I am really surprised the hon. member for Prince George—Peace River is not blaming the companies but is just blaming the government. He is not blaming the companies for raising gas prices over long weekends, which has more of an effect on people with fixed incomes than anything else.

• (1030)

When the crude oil price was at \$9 per barrel, the price of gasoline was 50—

The Acting Speaker (Mr. McClelland): I am sorry but 30 seconds goes quickly when you are on a roll. The hon. member for Prince George—Peace River will have 30 seconds to respond.

Mr. Jay Hill: Mr. Speaker, 30 seconds is not adequate time obviously so I will simply say that I commend the hon. member who spoke for serving on that committee. I note that the Liberal committee that looked at this advised the government to reduce this tax. Therefore I am quite comfortable that the hon. member will be voting for our motion because that is in fact what the Liberals said they were going to do.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I commend my colleague for this thoughtful motion which draws on recommendations from government policy. I will read once again into the record the motion put by the member for Prince George—Peace River:

That given the record increases in the price of gasoline and home and diesel fuel, severely hurting Canadian consumers, truck drivers and businesses, and given the recent promise by the Minister of Finance to reduce taxes, this House call upon the government to give relief on fuel taxes, including repealing the increase in gasoline excise tax introduced as a temporary deficit elimination measure in 1995 and implementing the 1998 recommendation of the Liberal caucus committee on gasoline pricing in Canada to remove the double taxation of the GST.

That is the motion. We are asking the government to do two things that it has committed to doing.

The first is to eliminate a temporary deficit reduction measure. When I last checked, the deficit was history two years ago thanks to the hard work of Canadian taxpayers. Yesterday we booked a \$12.3 billion tax overpayment for the last fiscal year. That is not a deficit. Let me explain the matter to my Liberal colleagues. That is a surplus. When we are in surplus territory, taxpayers should no longer be forced to pay deficit elimination taxes. That is simply a dishonest government policy, an approach to gouging people. It is a policy set for a certain time which has now passed.

That is the first thing we are asking the government to do, namely to keep its word. I know that is a high standard for the

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government to achieve given its failure to keep its word in so many matters: the elimination of the GST; its promise not to cut health care transfers and its failure to do so; and its promise to not raise taxes on Canadians. All of the basic Liberal electoral commitments from 1993 have not been kept. It is not surprising to see that the government has failed to do so in this regard.

The second thing we are proposing in the motion is that the government stop the double taxation of GST on the excise tax. Essentially the government now applies the 7% goods and services tax on top of not just the price of gas but also the excise tax on gas. It is taxing tax. That is so manifestly unfair that even the Liberal government caucus task force on this matter recommended two years ago that the double taxation of GST on excise tax on fuels be eliminated.

The motion simply asks the government to act on its own recommendations. I cannot understand why we are already hearing the typical resistance for government to simply keep its commitments.

Canadians are facing some of the highest fuel prices in our history when about 41% of fuel costs at the pumps for consumers is now federal and provincial taxes, excise taxes and sales taxes. Forty cents on the dollar of what people pay for gas at the pump go into the public treasury. That is up from about 30% of taxes on fuel in the early 1980s.

It is interesting, and I will add parenthetically, to hear our colleagues from the Progressive Conservative Party. We welcome their support for the motion and we are glad to see that they are new converts to the idea of moderation on fuel taxes given that it was their leader who proposed the single largest increase in fuel taxes in Canadian history in this place in 1979. It was their previous government that actually raised the excise tax on fuels from 1.5 cents to 8.5 cents during its term of government from 1984 to 1993. Even though the Conservatives are the world champions in increasing gas taxes, we are pleased to see that they have seen the light of day in this regard.

● (1035)

I have just seen some recent polling results which said that 85% of Canadians would like to see immediate reductions in the level of fuel taxes. That is as close as it gets to unanimity on any issue. Those Canadians know that we need to collect revenues to pay for our infrastructure, particularly our transportation infrastructure. They also know intuitively that the government fails to direct even a reasonable fraction of the revenues it collects from fuel taxes to the necessary transportation infrastructure, as my colleague the transport critic has demonstrated. Instead, the government takes those revenues and rather than direct them back to the roads used by those fuel consumers, it takes that money and adds it into its

huge multibillion dollar taxpayer overpayment, an overpayment which in the first four months of this fiscal year already totals \$11.4 billion. That, if extrapolated out to the balance for the fiscal year, implies a surplus of over \$30 billion tax dollars.

The government at least so far has implied it cannot move on this because it needs the provinces to act first. The finance minister told us yesterday that he was willing to exercise leadership but he needed the provinces to go first. I took a first year logic course in college and that fails as a logical syllogism. That is not leadership, it is followership.

The federal government is the national government and the government always talks about national leadership. Maybe it should begin to exercise that because the very same finance minister certainly exercised leadership when it came to raising the excise tax on fuels in his 1995 budget by 1.5 cents a litre in his temporary deficit elimination tax. He did not consult the provinces. I rather suspect that none of the provincial finance ministers then had any shred of consultation about whether or not to raise the excise taxes yet he went ahead and did so. That is the same finance minister who failed to consult with the provinces before he cut their health care transfers by one-third in his 1995 budget. That is clearly a bogus argument.

Now we hear the Liberals trying to pass the buck to the oil companies and retailers. They shed crocodile tears in the fear that perhaps the corner gas station is not going to pass on the savings of a reduction in excise tax and GST to gas consumers.

This is the same Liberal attitude that says when we give working families broad based tax relief they will waste it on frivolous expenditures. Really what that says is the basic philosophy governing the Liberal Party—and I know as a recovering Liberal—is that government and politicians know better how to spend an extra buck or an extra 1.5 cents a litre than do the consumers. I have every confidence that given the profile on this issue, consumers would expect and demand of their retailers to see the full tax break delivered to them at the pump. There is no doubt in my mind whatsoever. The official opposition would certainly add its voice to those of other Canadians in insisting that happen. That is a bogus argument.

Provincial co-operation is a bogus argument. But lo and behold, today we see in the paper that the finance minister is considering a virage on this issue. He is considering an about-face on the question. Why? No doubt because he is receiving enormous pressure from his backbench. Those members know what the right thing is in this respect. They recommended the right approach in their 1998 caucus task force led by the member for Pickering—Ajax—Uxbridge, who continues to get credit from the finance minister for making recommendations the minister has failed to follow.

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I have no doubt that the vast majority of Liberal backbenchers know what their constituents want and know what the right policy is and so they are trying to find a way to extricate themselves. We have presented that option in this motion. Next Tuesday when the deferred vote on the motion is taken, they will have an opportunity to stand and vote to relieve their constituents and gas consumers of the huge, unreasonable burden of double taxation and deficit elimination tax as well as to give the trucking industry and the transportation industry generally a tax break by cutting in half the diesel fuel taxes as we recommend, for the excise tax thereon from four cents to two cents. That is the option they have.

• (1040)

The Prime Minister has already suggested that the motion to adopt ostensibly government policy is a confidence motion and government members must vote against. Let us put members of the government on notice today that the official opposition, which has put forward the motion, does not regard it as a confidence motion. That is completely bogus. The passage of the motion would not be regarded by us as an indication of loss of confidence in the government or a need to call an election, as much as we would like to see one as soon as possible.

On all counts the way is clear for members opposite to vote in favour of their own recommendations and of their own government's policy and to do so freely. The failure to do so will once again be a victory for the whip and a defeat for ordinary working Canadians who are paying outrageously high taxes under the Liberal government.

The Acting Speaker (Mr. McClelland): On questions and comments, we will go first to—

Mr. Jason Kenney: Point of order.

The Acting Speaker (Mr. McClelland): Excuse me, on a point of order, the hon. member for Calgary Southeast.

Mr. Jason Kenney: Mr. Speaker, I move:

That the motion be amended by inserting after the word "give" the word "immediate".

The Acting Speaker (Mr. McClelland): Just for certainty I want to point out that while the amendment cannot be moved on a point of order, it was moved on debate. I was already watching for other people to rise with questions. That is the way it is folks. The amendment is in order. Debate is on the amendment.

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the Chair will know I have the highest

respect for my hon. colleague from Calgary Southeast. I too took a course in logic but in second year university.

Will the member tell us why he does not see a valid distinction between lowering the tax rate for middle and low income Canadians in the tax forms and attempting to lower tax through the excise tax? An oil company might well simply put it in its pocket or a local retailer might not reduce the price by the amount of the reduction that the federal government made.

Mr. Jason Kenney: Mr. Speaker, that is the fallacy of changing the basis of division, the fact that there is no dichotomy between lowering taxes for lower and middle income taxpayers and cutting fuel taxes for all gas consumers.

It is possible to do both. We proposed that through our proposal for broad based tax relief for all Canadians which would take 1.5 million lower income Canadian off the tax rolls altogether and save the average middle income families some \$2,500 in taxes.

All of those things can be done within the fiscal room of the current surplus and at the same time furnish the sort of fuel tax relief recommended in the motion today. All of those things can be achieved. We do not need to make a choice.

Mr. Dan McTeague: Mr. Speaker, I rise on a point of order. I think you will find in keeping with the standing orders of the House that an amendment to a motion cannot be entertained on a point of order. I would ask the Chair to rule on that.

The Acting Speaker (Mr. McClelland): The member for Pickering—Ajax—Uxbridge is quite right. That is why I made it very clear when the amendment was presented that it was not being introduced on a point of order. The point of order was because I was already on my feet before the member sat down.

Mr. Dan McTeague: Mr. Speaker, with your indulgence, I believe that you did say "On a point of order, the hon. member for Calgary Southeast". On that basis I think that the record will also clearly show that that amendment is clearly out of order. I would propose an alternative amendment.

The Acting Speaker (Mr. McClelland): The hon. member for Calgary Southeast definitely said "point of order". Whether or not I recognized him on a point of order quite frankly I do not recall.

• (1045)

What I do recall very clearly was the intention of the member to move an amendment. Procedurally the member for Pickering—Ajax—Uxbridge is quite correct, it cannot be introduced on a point

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of order. The member caught my attention. How else could he catch my attention? I made a ruling a few minutes ago. In the absence of change by a higher authority, the ruling stands.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I will make a short comment and then ask my friend from Calgary to respond.

Some of the problems we have today in terms of the price of home heating fuel and the price of gasoline for automobiles and so on are the very high profits of the gas and oil companies and the tremendous rise in prices by the OPEC nations.

It seems to be that in addition to a tax decrease, which I certainly support, on the other side of the line we have to make sure we have some energy review commission that would keep an eye on the oil industry to make sure that these price decreases are passed on to the consumer at the pumps or passed on to people in terms of home heating fuel cuts, rather than have the oil companies once again increase their prices to fill the vacuum.

In fact, the current Leader of the Opposition made a comment similar to what he said when he was a cabinet minister in the government of Alberta. Premier Mike Harris was also concerned that with a tax cut the oil companies would increase the price and the consumers would receive no net benefit in terms of that tax cut.

Would my friend from Calgary agree with the establishment of an energy review commission or some other commission that would keep an eye on the oil industry? I realize that this would be keeping an eye on his friends, but whether or not he would agree with that is a very important part of this debate.

Mr. Jason Kenney: Mr. Speaker, first, on the procedural point, when I rose on a point of order it was simply to point out to the Chair that I still had the floor and I then proceeded to complete putting my amendment.

The pricing of the commodity of oil, which is done by the world markets, is entirely a function beyond the control of this parliament. The question of supply by the OPEC nations, which is the principle determining factor in the price of oil, is beyond our control. What we can control is the gas taxes, and that is what we propose to do through this motion.

We have no opposition to reasonable oversight on the part of government, the competition bureau and other regulatory agencies to ensure that oil firms are pricing the product fairly and that there are no monopoly type pricing practices. We believe there are measures in place to ensure that is the case. In principle I have no problem with the suggestion made by the hon. member.

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I intend to give notice, and it is my sincere hope, that I,

seconded by the member for Middlesex, would make the following amendment to the motion subject to further discussion with the Chair.

The current motion reads:

That given the record increases in the price of gasoline and home and diesel fuel, severely hurting Canadian consumers—

With my amendment, the motion would then read “—especially for those with lower incomes, this House calls upon the government to assist Canadians in coping with the rising financial burden, and that this House strongly urges provincial and territorial governments to consider providing similar assistance”.

Mr. Speaker, that is the amendment I wanted to provide to the House, and I may in fact have that opportunity. However, it is clear that the new boss and the tactics of the Alliance are the same as the old boss and the old Reform Party. On an issue so fundamental and important to the misfortune of Canadians, that party over there has decided to play politics, where this party, years in advance, decided to try to do something about it.

I can tell the hon. member for Calgary Southeast that the reason the price of gasoline is what it is today has absolutely nothing to do with taxes and everything to do with distortions in the marketplace.

• (1050)

The Alliance is very quick to point out a recommendation made by a Liberal committee on gasoline pricing two and a half years ago. I am really pleased that the hon. members across the way have finally discovered that fuel and high prices are an issue. It must be close to an election. Let me warn the hon. members that this is an issue on which this side of the House did its homework years ago, specifically with respect to this particular recommendation where it does indeed deal with a half recommendation of the Liberal committee on gasoline pricing.

For the purposes of enlightening the Chair, let me say what hon. members on the other side who proposed this motion are not prepared to say about the recommendations. The recommendation says that if the GST is removed from other taxes, the federal government should undertake measures to ensure that the resulting savings are passed on to consumers and not merely absorbed by the oil industry.

I know that some members of the Conservative Party would prefer to jump on this because they think it is a new issue. As I have already indicated, the report speaks for itself. It was published some two and a half years ago and the hon. members across the way have never bothered to look at its implications, even now.

I will begin my speech by saying that imitation is the greatest form of flattery but the way in which they have dissected this document and narrowly picked up on only one issue leads the consumers in Canada to conclude that they are very narrow in their

focus on the issue of fuel prices. The public is not bought off and does not find very amusing the idea of these johnnies-come-lately suddenly picking up this issue that the Liberal Party has known about for years and is acting upon.

The hon. member and his leader have for some time talked about the interests and concerns of truckers. Indeed, myself and the hon. member for Oshawa were the only government members who took the time to actually be there back in February when the crisis arose.

Unlike the hon. Leader of the Opposition and his cohorts beside him, trucking and the issue of fuel taxes is totally irrelevant to the problem. That may stun members of the Alliance because, of course, they do not understand that the excise tax of 1.5% was not raised on diesel. Moreover, the GST is remittable through the input tax credit. More importantly, and I think this will come as something as a shock to Alliance members, if the provincial governments, such as the government of Ontario which charges 14.7% on its side of the excise road allowance tax consumption, or the government of Alberta at 9%, were so interested in helping truckers, they would have acted.

It is clear that the opposition in proposing this motion will not allow the facts to get in the way of a political opinion. It is with that in mind that I would like to speak at some length about what this side of the House has done with respect to the issue of gasoline.

Mr. Jason Kenney: Raise taxes.

Mr. Dan McTeague: It would appear that the hon. member believes it is rather cute to deal with taxes. Let us talk about taxes. Let us talk about the fact that his friends in the oil industry keep taxes for 45 and up to 90 days that could otherwise be remitted to the government. Let us talk to this member about the devastation that taxes have wrought on independent mom and pop efficient retailers.

This is not just happening in my riding or the ridings of those members, it is even happening in the riding of the hon. Leader of the Opposition where he goes jet boating on a little water ski. Does he not understand that last year and the year before ARCO came in with predatory prices below the cost of wholesale and knocked out a number of independents? The people of British Columbia, many of them supporters of the Alliance Party I am sure, have now found out the real effect of predatory pricing. What happened? Prices went from 30 cents to 80 cents a litre to the great shock of the good people of British Columbia, and of course the hon. member is correct in pointing out the tax component.

We have addressed this and the province of British Columbia has addressed the reasons why this should be examined. Unfortunately those hon. members never thought this was a problem. Their single track, uni-minded view of always focusing on taxes allows them to look at something that is totally irrelevant to the actual problem.

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I and every member of the House knows about the record profits being made by oil companies. I have no difficulty with people making money. In the free market that is exactly how business works. However, if one is able to do it based on a vertical integration and a near monopoly, and one is able to take advantage of weaknesses in our laws, lack of oversight or apologists in the Alliance Party, is it any wonder that Canadians today from coast to coast are being hurt by high fuel prices that have nothing to do with taxes?

• (1055)

I believe we have an opportunity here. If the Alliance is serious about dealing with this issue it will join with the government in not only reading a little more than four sentences out of a 69 page document, which I believe colleagues on my side of the House will know is very well written, but it will look at the other aspects of taxation.

The Alliance has accused the finance minister of saying that there should not be any co-operation. I know why it does not like that. It is because the finance minister listens to backbenchers, unlike certain leaderships in other parties who ignore or perhaps chastise backbenchers.

The committee made recommendations on a couple of issues. We have already dealt with the question of tax on tax. Let me deal now with the six other recommendations with respect to taxes. Given the first speaker's view on this issue of transportation, he might be interested to read—although I have not heard him phrase this the right way—that provincial governments should refrain from using revenues generated by gasoline consumption taxes and vehicle fees for projects other than road repair and transportation infrastructure. I do not see that recommendation on the floor today.

The joint action between the federal and provincial governments aimed at restoring Canada's national highway system should be given a priority and an appropriate cost sharing formula in public-private partnerships should be established to undertake repairs at the earliest opportunity.

The federal government should remove the requirement for a tax bond to be posted by independents who have sales indicating reasonable financial stability and extend the same tax collection authority that is granted and enjoyed by refiner marketers. Alternatively, wholesalers can be required to pay taxes on balances until they are remitted.

Has it not dawned on the Alliance that if it wants to make inroads in Ontario it might follow the leadership of the Ontario provincial government which, ironically, last evening pretty well endorsed the very findings of the Liberal committee on gasoline pricing?

I have heard from Ontario's minister of transport, the finance minister and the premier who have gone out of their way to compliment the work that we have done and to establish the single

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most important issue of taxation with respect to decline, which is that a mechanism needs to be put in place to ensure that the consumer receives the benefit, not the oil companies.

Are the Alliance members talking through their hats? Obviously they have forgotten the maritimes. The motion does not say anything about rising home fuel, natural gas or the relevance of using diesel on which there is very little federal tax that cannot be remitted to the individual.

I know the Alliance Party has problems with people in the maritimes from time to time, certainly some of its members do, but let me read from the New Brunswick select committee on gasoline pricing. The committee noted that reducing taxes did not necessarily translate into lower prices at the pumps.

Members know that New Brunswick has the second lowest tax regime for gas in Canada next to Alberta but it probably has the highest prices in Canada. Why is this a phenomenon? It is not because of me. It is not because we are trying to play some kind of game over the question of taxation. It is because the New Brunswick government was the first government in 1992 to implement a 2 cent a litre tax reduction. According to it, as crude costs were comparable it was assumed that the refiner and retailer margins were also comparable to other Canadian cities.

The select committee found that during the first six months of the tax decrease refiner and retailer margins were 3.7% higher in Saint John than the national average of other major cities. This led the committee to conclude that over time the tax reduction was captured in large measure by the oil markets and that consumers had not received the full benefits. In the committee's opinion, lowering the gas tax in that province did not produce corresponding lower gasoline prices to consumers.

The motion proposed by the hon. member's party and the silly subamendment that prevents common sense to be put into this motion ignores the fact that consumers could be badly hurt and that the companies, unless we understand the market we are dealing with, will never see the benefit of a tax reduction.

I want to compliment the finance minister, the Prime Minister and our colleagues for having the wisdom and the foresight two years ago to say that when the country could afford these kinds of tax reductions they would be given directly to Canadians.

• (1100)

We know the market functions in a supply and demand free market system. Where it does not work there is danger, especially when governments simply co-operate with an industry that can arbitrarily pad the increase or the decrease to consumers to its bottom line.

On that point let me make something very clear. Right now we are dealing with an international situation, and particularly in the

United States of America there are inventory shortages. Almost any disruption is used as an excuse in the marketplace to drive prices up. The tragedy for Canadians is that we accept these things as inevitable.

No one here on this side is arguing for a world price. No one here is looking to revisit 1980 with the national energy program. Rather, we want to make sure that competition is free and abundant in this industry. To that end one has to ask the question, if there is a shortage in the United States and average refiner margins in that country posted in New York harbour are about six cents a litre in response to this tightening of supply, why is it that refiners in Canada in my area of Toronto can charge 11.5 cents a litre?

It is because that six, seven or eight mystery cents that are being tacked onto the price are the result of a lack of competition which the Alliance members have consistently and from a determined point of view decided to ignore. Not only have they ignored the wisdom of what is in this document, and they have thought enough of picking at least one of 29 recommendations, but they are ignoring the impact it is having on ordinary Canadians from coast to coast.

I plead with them to get off their hobby horses if they want to deal with this industry. I understand that the oil patch is in the background. There are refiners in Toronto; there is a nuclear reactor that leaks from time to time in my riding. That does not prevent me from speaking out on those issues.

This is a place where for generations we have enjoyed the freedom to speak out on things we know are true. We should not be confined to looking at only one issue that is totally irrelevant to the problem. That is exactly what this resolution is. It is irrelevant. It is dangerous. It is politically loaded. It will harm consumers because not only will consumers not see the benefit of the redistributive effect of governments being able to pay for the very things the provinces are calling for, it will also mean that consumers will never see any relief.

More important, if the Alliance members claim to be the great knowledgeable marketeers that they are, would it not make sense for them to at least consider that given the distortions in the marketplace they would have an opportunity to see the price, or any decrease that is contemplated, passed on through the tax system? I too would like to see taxes passed on.

I could go on at great length, but I want to move my motion. It is absolutely important that we put some balance in what is otherwise I am sure a well-intentioned idea to deal with high fuel prices, notwithstanding the fact that it does not deal with fuel prices but deals with taxation.

Mr. Speaker, with your indulgence I will read once again the motion I wish to put before this House today. The motion by the opposition initially reads "That given the record increases in the

price of gasoline and home and diesel fuel, severely hurting Canadian consumers". The amendment would be to replace the text after the word "consumers" with the following " , especially those with lower incomes, this House calls upon the government to assist Canadians in coping with the rising financial burden and that this House strongly urges provincial and territorial governments to consider providing similar assistance".

I want to ask a few simple questions of my colleagues across the way before they ask me some. I am sure they will know that after some four or five years I have not been a dilettante on this issue. I have done many interviews in their ridings and I think there is some common ground that we can deal with.

The motion the Alliance has provided does nothing to ameliorate or improve the condition or the misfortune of Canadians to deal with the underlying uncompetitiveness of an industry that is dominated by three or four players that control most of the 18 refineries in this country and which cannot, for whatever reason and like any other industry, operate at the retail level without being a vertically integrated supplier.

That is a fairly serious indictment about the state of oil and the cost of oil in this country. It explains why 10 cents or 12 cents a litre, not even dealing with the upstream, at the downstream, is consistently and routinely passed on to consumers without even the opportunity of oversight.

• (1105)

When hon. members quote they do so shamelessly by quoting from only one part of the document written by Liberal members. They should deal with the issues of temperature compensation; deal with the fact that independence has been wiped out of this industry; try to reconcile the idea of environmental standards that are necessary for some people who cannot exit the industry; deal with the Come By Chance refinery which has had a restrictive covenant placed upon it; do not battle us when we are in the industry committee trying to propose new changes; and come one, two, three against good bills that might otherwise prove that parliament and backbenchers have a role.

Finally I urge hon. members not only to consider the ideology which underpins their views on taxation. Think of the people who are going to have to put away what little money they have because of a marketplace somewhere else outside Canada, a country blessed with an abundance of energies, in which taxes have built the infrastructure to ensure that our oil companies are profitable and competitive, and now find themselves at mercy's end and may not be able to get sufficient fuel or sufficient resources to meet the basic necessities. This has nothing to do with taxes and everything to do with the price of this commodity.

I call upon all members of the House to not just accept the amendment to the motion which would make the motion relevant

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and appropriate, but to have some compassion and put aside their tax battle until the election. Let us fight for Canadians.

The Acting Speaker (Mr. McClelland): In the debate of the hon. member for Pickering—Ajax—Uxbridge, the amendment proposed by the hon. member is a subamendment to the amendment. As all hon. members know, a subamendment must relate specifically and directly to the amendment. The amendment was the word "immediate". Therefore the subamendment as it was presented is not receivable.

Mr. Preston Manning (Calgary Southwest, Canadian Alliance): Mr. Speaker, while the member's presentation had some interesting points, and I am sure he is sincere, from this side of the House the member ruined the whole effect of his speech by making a completely outlandish statement at both the beginning and the end. The statement was that the problem of high fuel prices had nothing to do with high taxes. In other words, the government assumes no responsibility for its role in high gas prices when up to 40% of the price consists of tax.

The member went on to blame the oil companies and the distributors, which is an old line from both the Liberals and the NDP. Suppose we accept the proposition that back in the old days the big oil companies dictated the price of oil, what is the highest they ever got crude oil prices up to? It was \$3 a barrel. When the governments got involved through the OPEC cartel and through the response of the western nations the price went up to \$30 a barrel. At least 40% of the problem is government intervention in that sector and government involvement through taxes.

Why does the hon. member not accept that 40% of the responsibility for the problem of high energy prices is the tax component and support the motion that is before the House?

Mr. Dan McTeague: Mr. Speaker, it is a double honour that the former leader of the Reform Party is asking the question. I am glad to see him in his place. One of the first times I had an opportunity to debate in the House was with him. We are coming full circle. I also hope it is a new beginning for both of us.

The hon. member knows full well that this was a big issue. He has had many days to argue this. He has had many opposition days to bring this issue forward. The reality is his party is only bringing it up today because of the high prices.

The context in which he is issuing the edict on the question of taxes confuses Canadians. Canadians are not fooled. Most of them know that taxes do not go up on long weekends but prices do. The hon. member is obviously and skilfully avoiding that. I can assure the hon. member I have had that question put to me many times on the national media. The hon. member knows my answer to that so I must wonder why the question was asked in the first place.

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• (1110)

I am going to take the hon. member at his word. I think he believes quite frankly that anyone who questions the oil industry must be categorized as an ideologue. I come from a hardworking community of consumers. The hon. member was in my riding several times before I won it back with an even bigger majority than last time on the issue of gasoline. In our neck of the woods in Toronto we are facing 78 cents a litre gasoline. That is higher than what we see across the country.

I might be able to enlighten the hon. member that all of this began in 1992 while he was on the campaign trail. In fact the now very famous document, Bloomberg Oil Buyer's Guide, pointed out that the independent gasoline sector was going to be the target of the oil companies and that there was going to be a disciplining by the major oil companies targeted at the profits of the independents which were too good for their own good.

I am asking for one thing. Let retail mom and pop efficient competitors compete against their own supplier and not be outdone by weak laws and irrelevant comments and questions like the one I just received from the hon. former leader.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the hon. member from Pickering for a very interesting speech. It is clear that he is very knowledgeable on the subject.

I think he will agree with me on one thing. The thing that really irritates Canadians and really gets their goat and makes them angry about the rising cost of fuel prices is the seemingly arbitrary fluctuation in prices which they just cannot understand. For instance on a long weekend as he mentioned the price will spike up and down. Day to day they really do not know what the price of that important commodity is going to be.

Would the hon. member agree with the concept raised by our party that there should be a national regulatory body that would oversee the pricing of gasoline? The oil companies would come to that body and argue that they should have an increase, perhaps twice a year, like that which is done in Prince Edward Island which has actually served that province very well. Twice a year the oil companies come to a panel saying that they deserve an increase. The rates are set and locked for that fixed period of time.

Would that not be some comfort to consumers? Would he see the value in the creation of such a regulatory body?

Mr. Dan McTeague: Mr. Speaker, I appreciate the comments of the hon. member from Winnipeg, my hometown. I was just there ironically about a week and a half ago with the public policy forum. It is undertaking comprehensive reviews, compliments of

the initiatives of the government along with the conference board, on the question of gasoline and other areas of competition.

The question of regulation is an interesting one. Many provinces have backed away from it because it always preserved the artificial prices that might otherwise be forced down. For many years Canadians have enjoyed gasoline prices that were far more competitive in the past. Regulation in my view is probably the end of the line. There may come a point where that is in fact what has to occur.

The hon. member knows that jurisdiction lies squarely within the ambit of the provincial governments. With that in mind the federal government and some provinces have obviously talked about it.

The member who asked that question has a number of representations in provinces. We can see it in this report. Provincial governments have looked at the idea of tackling predatory pricing, creating terminals which is exactly why I wrote a letter to the Competition Bureau chief two days ago to deal with the potential for closing these terminals.

Finally, we should not be relying on the oil industry's own people like M. J. Ervin and others to be the last word. We do not need the fox monitoring the chicken coop.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, just to recap a couple of facts, I simply want to point out again that it was the party across the way, the Liberal government, which raised taxes on gasoline in 1995 one and a half cents a litre, simply because in that case it said it wanted to get rid of the deficit. The deficit is now gone. Even in the wake of that somehow the government is saying it cannot cut excise taxes on gasoline. We need to recap that.

The hypocrisy of the government is incredible on this issue. Our friend across the way is saying that it is the oil companies that should somehow cut prices while his government raises prices. We have other Liberals who say that gas prices should be higher because it is good for the environment. The NDP says that constantly but now is trying to find a way to get out of that.

• (1115)

I am wondering how my friend across the way can justify calling for oil companies to do their job, over which he is not directly in control, when he is a part of the government that has raised the prices on fuel, something over which he does have control and yet refuses to do anything about it.

Could he square his ability as part of the government to lower the price of fuel and not do anything about it at the same time as calling for oil companies to do it voluntarily?

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Mr. Dan McTeague: Mr. Speaker, there is an old adage that says to see the truth you have written twisted by knaves to make a trap for consumers. Surely the hon. member is not suggesting that the debate on this issue before us today is about gasoline. If so, obviously the member has not even read his party's own motion.

If members opposite wanted to be sincere about their attempt to address the rising price of fuel they would have done so two or three years ago on the question of taxes when it was 50 and 60 cents a litre across the country. However we heard nothing from those individuals on that side until such time as they could find a very relevant thin edge of the wedge.

With respect to the recommendations in this document, and they are quite rightly consistent with the comments of the finance minister, there is no doubt the government will provide relief. The amendment which I was skilfully prevented from putting on the floor by the use of the same old tactics from previous years calls for that.

There will be relief, but I think the government is more interested in giving it to the people who count, not lining the pockets of big oil companies on whose behalf that member speaks.

The Acting Speaker (Mr. McClelland): The hon. member for Témiscamingue.

Mr. Dan McTeague: Mr. Speaker, I rise on a point of order. I have had a ruling from you with respect to the amendment which I would like to move. Given your ruling I would now seek unanimous consent under the same ruling to move an amendment to the main motion.

The Acting Speaker (Mr. McClelland): The hon. member for Pickering—Ajax—Uxbridge has asked for unanimous consent to move the amendment previously put forward in his name. Is that agreed?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Dan McTeague: Mr. Speaker, I rise on a point of order. I am positive I heard members of the Alliance say no. What are they afraid of?

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): I am very pleased that we have the opportunity today to debate, and eventually to express ourselves formally in a vote, on a matter of concern to many: the price of gasoline, which has reached a record high.

This is a crisis that has gone on for several months, and the federal government has still done nothing, hoping that time would be on its side and the crisis would eventually just evaporate. The

only action the federal government has taken so far, moreover, in connection with fuel prices, has been to commission a study from the Conference Board, the findings of which will be known early next year.

We know very well that when they want to do nothing, this is the best approach. They commission a study with findings to come out a long way into the future. Until such time, the answer can be given "We are looking into the matter".

I am going to read the text of the motion so that there will be a clear understanding of what we are discussing. It reads as follows:

That given the record increases in the price of gasoline and home and diesel fuel, severely hurting Canadian consumers, truck drivers and businesses, and given the recent promise by the Minister of Finance to reduce taxes, this House call upon the government to give relief on fuel taxes, including repealing the increase in gasoline excise tax introduced as a temporary deficit elimination measure in 1995 and implementing the 1998 recommendation of the Liberal Caucus committee on gasoline pricing in Canada to remove the double taxation of the GST.

• (1120)

I would like to say immediately that we in the Bloc Québécois will support this motion. We will vote in favour of it. It will give consumers a bit of a break. However, we would like more than that. I will indicate the action we want taken, but at least this is a step in the right direction. This is why we will support the motion.

We would have liked the government to suspend the excise tax of ten cents a litre entirely because of the exceptional nature of the current crisis.

The proposal on the table will permanently reduce the cost of gasoline by three or four cents, according to the cost of gasoline per barrel. This is one of its strong points. We would like the cost to be reduced immediately by ten cents a litre to make it substantial and to enable consumers to say the next morning "Listen, we are paying ten cents less".

I know that the Liberals will hide behind another approach saying "We are not sure the consumers will really benefit" and the like. If that is so, when they say they are not going to lower the tax by two or three cents because the consumer will not benefit, they are admitting that healthy competition does not exist in the industry. If there were healthy competition, it would be advantageous for one of the competitors to lower his price right away in order to get part of the market. If that player and all the players do not do it collectively, if there is no collusion in that industry, there are at least serious flaws from in terms of competition.

We are saying that this is perhaps a possibility and we are convinced that there are flaws in terms of competition. This is why we want a more substantial reduction than 3 cents per litre. But the motion is all about a permanent measure. The motion of the Canadian Alliance Party reads "including". That does not exclude

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other measures. We are still in favour of suspending the excise tax until the price of the barrel of oil gets back to a much more acceptable level, and until the price of gasoline gets back to a more affordable level.

Why are we talking about a temporary reduction? It is of course because there are all sorts of issues related to this question, including environmental issues and, also, our taxation level compared to levels elsewhere. We are not ignoring that, but we want to send a clear message to consumers that we will help them, that it is not true that all the tax reductions granted to them in the last budgets will all be absorbed by the increase in energy prices.

Gasoline is one thing. What is less obvious but even more dramatic is the situation of all those who use fuel to heat their homes. Last winter, heating bills doubled. This winter, things will not get any better. It is often low or middle income people who use such heating systems and they are hit hard. To have to pay twice as much in heating costs in January and February when one is already on a very tight budget is a real nightmare. It is definitely not easy. There should also be special measures to help these people out so that the present crisis does not hit them too hard.

We on this side have four proposals. Obviously, we want a temporary suspension of the 10 cent a litre excise tax immediately. That is very important.

Second, we want to talk about the industry's practices. I will elaborate on this—I will come back to it and develop it further—to show that there should be special measures to improve competitive practices in this industry.

We also want to see investment in alternative energies. We should not find ourselves with every successive crisis—this is not the first time there has been a fuel crisis, and at some point we will have to learn—back in the same situation.

We are very dependent on petroleum products. There are areas in which alternatives are emerging. But the power of the petroleum industry, which has no interest in seeing alternatives developed, makes funding research difficult in these sectors. Without public funding to develop alternative energies, the obstacles to their becoming a reality and benefiting consumers are obviously considerable.

• (1125)

I would like to come back to competition. The federal government is responsible for this issue. There is competition legislation. It is in the government's court. The government does not have to wait for Tom, Dick or Harry, the provinces, its neighbour or the international community. It has responsibility for the competition laws.

I have here a report produced in 1998 by a committee of the Liberal Party that looked at the gasoline issue. We are not talking prehistory.

This report pointed out repeatedly that there were many shortcomings in the competitive practices of this industry. It even said at one point that the Canadian market is a bonanza for petroleum producers. A very well done study also showed that our average gas price before taxes is 4 or 5 cents higher than in comparable markets in the United States.

Why is it that we always pay more here for our petroleum products, yet the federal government does nothing but sit on its hands? Competition issues were indeed looked at a little, but no measures with any clout have ever been forthcoming to remedy what is going on.

How, for example, can it be possible for three companies, which are refiners, distributors and retailers all at the same time, to control 75% of wholesale sales? The market is dominated by only a few players, who control the situation. They have a huge ability to influence prices. Successful operation is not easy when the station across the street buys its gas from the same supplier.

To take an example, and I do not want to name anyone in particular, we have an independent right across the street from an Esso, and they both buy from the same refinery. It is understandable that it is not easy to do business when you have the people who sell you your gas operating right across the street.

The Liberal's recommendations contained some very interesting points. For example, might it not be worthwhile to separate refining and retail sales, so that one company could not do both?

There is nothing socialistic about this. It is already in place in several of the American states. It is designed to ensure competition at both levels: refinery and sales. The best way to do so is to not allow companies to be so vertically integrated and to control virtually the entire market, including sales to their competitors, that such a situation can result.

This fascinates me. I have studied economics and if I go back to school, I will study the oil companies. Why is the price always the same at the retailers? Why is the price always the same at Esso, Ultramar and Petro Canada? Why does one of the businesses not take a little initiative and edge out the others by one or two cents for a few months as the result of discovering better technology or coming up with a better marketing strategy? Why does no company ever stand out from the others?

This is a mystery to me. Why, in a competitive market, does no company ever take the lead, other than temporarily? Why does no company make the necessary adjustments and finally lower its price? This indicates clearly that there is no healthy competition in the industry.

It is a good thing to lower taxes, but it is a temporary and exceptional measure. We must not, however, lose sight of the fact that there are problems in this industry.

I know that some members on the other side of the House agree with this. I am looking forward to seeing how they will vote when the time comes. I know that on the other side of the House, if they stick by their recommendations, there will have to be amendments so that a few players will no longer have such sway over the Canadian petroleum market. This is an element of competition the government can work on.

I wish we would act quickly, and not wait for the Conference Board study, but to have a very clear debate or have the minister refer the whole matter immediately to committee in order to consider the appropriateness of separating the activities of retailing and refining.

This does not mean that refiners could no longer retail their products, but they could have, for example, a limited percentage of shares.

If Imperial Oil wants to retail its products, it could perhaps hold a certain percentage of shares, up to a limit of, say, 15%, 20% or 25%. This is already done in other areas. It is done in the banking sector. It is done elsewhere to avoid having some people control the market. It could also be done in the gasoline industry.

• (1130)

A refiner marketer could be allowed to have a limited interest. It could also be prohibited from getting into the retail business. Other players would then take over, thus creating greater competition.

I want to be clear. We are not saying that people who own or manage a gas station in their community are not doing their best to be competitive. However, given the price they pay refiners for gasoline, they have little leeway. Very often, they are told what price to sell their gasoline; they get a call, saying "Starting this morning, this is what the price will be". This is how it works.

These people are not very vocal, because they are in business. But when we talk to people who used to be in business but no longer are, we realize that some very dubious practices exist in some cases. These practices do not comply with the spirit of the Competition Act, which seeks to protect consumers.

Some interesting possibilities were raised by the Liberals themselves—again, and I am not afraid to say so—in a good report that was released. The problem is not the quality of the report, but the will to implement it. A lot of good work has gone into it.

A large part of the study took place in Ontario. Not much time was spent in Quebec. It would have been nice if they had spent some time in Quebec, but the situation is very similar. The dynamics are the same. Now, the government's knee-jerk reaction is to say that this is an international issue.

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We are not interested in demagoguery. We know that the price of a barrel of oil dropped to \$10 or \$12 and has just soared to \$35 or \$37, or thereabouts, in recent days. We are all aware of this. We know that this accounts for much of the price hike.

But I would like someone to explain something to me. Normally, when you have a business and the price of whatever you sell keeps going up—as we have seen with gasoline—consumers try to cut back a bit, and the business is forced to lower its profits to protect its share of the market. This is not the right context in which to go after greater profits. How is it then that, at the same time as such a serious crisis, with consumers ultra-sensitive to prices, we see the oil companies making record profits? This is very disturbing.

I realize that some companies are involved in direct activities, meaning that they make more money if the price per barrel goes up, but I would like to know where this money comes from. What were the retail profits compared to the preceding quarter or the last one or two years?

These are comprehensive and very complex financial statements. It is not possible to determine how they made this money. Is it just the increase in a barrel of oil? Is it more than that? Are we not still paying a few cents a litre too many at the pump?

I support the Canadian Alliance motion, with one exception: it completely ignores the competition angle. I agree that there should be temporary tax relief, but sight should not be lost of the fact that there are ongoing problems in the industry.

The Canadian Alliance's proposal is to permanently lower prices, in a competitive market, by about three cents a litre. Comparing the American market, healthy competition could have the same effect, and permanently. A permanent combination of the two measures in a good competitive market could bring prices down by 7 or 8 cents a litre.

This raises some questions. Do we want to stimulate sales of a product we know has an environmental impact? This raises another issue relating to what I was saying earlier: we must invest in alternative energies, because our dependency on petroleum products must be reduced.

The omission, or what we would have liked to have seen from the Canadian Alliance as far as competition is concerned, is quite understandable. We know where the oil patch is located. It does not take much scrutiny of a map of Canada to realize that Alberta does not have much to complain about as far as the price of a barrel of oil is concerned. This is understandable, for it means money in the pockets of their fellow citizens. Human nature being what it is, we would probably have the same reflex, but a broader perspective is needed.

Some Liberals, but I will not name names, will have to stand and be counted when this motion is put to a vote. People cannot say

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they are going to vote it down because it is insufficient. We have to start somewhere, and this is a step in the right direction.

• (1135)

One great advantage of lowering taxes will be the very strong pressure that doing so will exert on the government to improve the situation and perhaps recover this money.

We wanted to give it a stronger and temporary character because the government would perhaps say “I suspended my ten cent excise tax. It brings in nearly \$400 billion a month. Perhaps if I were to make competition stronger it would be better to set profits at four or five cents a litre and for us to then take four or five cents in excise tax”. That might be a good thing. It would be to the government’s advantage in economic and financial terms if it considered this issue with a little greater urgency.

In European countries, there has been much unrest. We must not think the same thing will not happen here too. The price per barrel of oil is very high despite the recent decision by the OPEC countries. There is talk of a threatened traffic tie-up by the Ontario association of truckers tomorrow. The economy is relatively strong. The truckers were busy working this summer.

In the fall, the economy always slows down a bit. When they have a little more time available and they let off a little steam and they try to make their truck payment and so on, some people will, when they are not carrying merchandise, make themselves heard.

There are others too. I am thinking, for example, about farmers over the summer. This is not the best time for demonstrations. The government should not be surprised, though, if the situation gets worse. One simply has to talk to people to realize that the public is greatly concerned by the price of gasoline. People are asking the government to take action at two levels: by lowering the tax and by making the oil industry accountable.

Why is it—there are a lot of unanswered questions but I raise them nevertheless—that last spring we had days where—the figures here are only indicative of the situation, but the differences reflect the facts—gasoline sold at 65.9 cents in the morning, at 72.9 cents in the afternoon, and then at 68.9 cents the next morning? During that time, the price of the barrel of oil remained stable. Why is it that there were such strong fluctuations over such short periods? Why is it that, at a time when market conditions were stable, the price of gasoline sometimes fluctuated by as much as 10% in a single day?

Oil companies must be made accountable. I would like to see them come before us to explain in detail the profits they make at the retail level. They can tell us anything they want, because we cannot check the facts. That is the problem. We should pass a better Competition Act and set up a more effective competition bureau with a special mandate.

We also asked for such a mandate for the competition bureau, with regard to the oil industry. We should dangle a sword of Damocles over the head of the oil industry, we should make it feel some pressure and we should constantly monitor it to keep it in the straight and narrow. It takes exceptional measures to follow up on a regular basis, to examine the financial statements of oil companies, to make them accountable, to not always be the ones bearing the burden of proof but to make them accountable sometimes. I think such measures would help improve the situation.

In conclusion, because my time is running out, we will support this motion which, I hope, will be agreed to. It would be better to suspend collection of the full excise tax, and we continue to ask for such a measure. But the motion of the Canadian Alliance does not exclude that and we will support it.

We want the government to wake up and to assume its responsibilities. There are competition problems within the industry. There comes a time when the government must stop burying its head in the sand and must stop telling itself that all the decisions are made elsewhere, that the international situation is to be blamed or that it is the provinces’ fault. The federal government has responsibilities and it has the financial means and the legal authority. Let us see it use them.

[*English*]

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, I commend the member opposite. He certainly made some points with which I would agree. We need to make certain that we keep the oil companies more accountable.

However, I am a little perplexed. The member opposite insisted that we remove the federal excise tax totally but he failed to mention that in Quebec the excise tax on gasoline is 15.2%, the second highest of all provinces, and on diesel it is four times the federal excise tax. Additionally, there is a 7.5% sales tax in Quebec even on fuel oil.

The hon. member is demanding that the federal government reduce its excise tax but I did not hear any commitment that he would lobby his provincial government to do the same and reduce its much higher taxes and, as I pointed out, four times higher on diesel fuel.

• (1140)

[*Translation*]

Mr. Pierre Brien: Mr. Speaker, I thank the hon. member for her question. It will give me an opportunity to raise a point I did not cover in my speech.

It is true that the provincial governments, and I am going to talk about Quebec, with which I am more familiar, tax gasoline, but

they have responsibility for the roads. I would point out that, when we add up the revenues from the two taxes mentioned, compared to what the Department of Transport contributes, it works out to about the same.

Ottawa is collecting close to \$5 billion a year in excise tax alone. How much is Ottawa putting back into roads? Very little. Not even 20% of gasoline taxes is reinvested in transportation or in the environment, and I am talking about the entire Department of Transport budget.

We must keep things in perspective. Nor is it necessary to be a math wizard to see that the provincial coffers are not in the same shape as those of the federal government. Here, only four months into the year, there is a \$11.2 billion surplus, whereas a surplus of \$1.5 billion or \$2 billion would be exceptional for the government of Quebec.

Yes, there are provincial taxes on gasoline. If the hon. member is interested in more information, she should know that there are regional rebates. The 15 cents a litre she is referring to is not the figure everywhere; it is 15.2 cents, but in certain regions with less tax it can be as low as 10.9 cents. It is not 15 everywhere. Of course, if a person were to take the maximum and use it as a comparison, that does yield the figures we have just been given.

This does not mean that one day the provinces will not join in a movement, but it is not true to say that Ottawa is going to use the fact that the provinces do not initiate the offensive as an excuse not to do so itself. Ottawa should set the tone. If the provinces want to improve the process later, all the better. I am not excluding that possibility.

First of all, the federal government has the capacity to take action, and the responsibility to do so, particularly since I would very much like to see reference in this debate to the profit the government makes from gas taxes, from its shares in Petro Canada, from its partnership as well in the Hibernia drilling rig. The federal government rakes in a lot from all this but very little gets reinvested in transportation infrastructures, the road system or the environment.

There is material for a very worthwhile debate on this matter and I am ready any time to make a comparison with what Ottawa is doing.

[English]

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, I thank the hon. member for making several points on the issue but I want him to expand on the revenue that the federal government is receiving from this.

It is my understanding that the federal government does collect some \$5 billion in revenue from taxation and returns a paltry \$200

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million back to the provincial government in transfers for road and highway improvements.

Does the member not agree that the gas pump is actually being used as a cash cow for the finance minister and that consumers are being milked by a callous government with this overtaxation?

[Translation]

Mr. Pierre Brien: Mr. Speaker, I totally agree with what my colleague has said. The tax on gas is a cash cow for the government. It is extremely profitable, and the government reinvests little of it.

It is all very well to boast from time to time because there is an infrastructure program, even if the infrastructure megaprograms represent an investment of \$2 billion over three years, which represents about \$700 million a year for all of Canada. Every year, the government collects \$5 billion in taxes, excluding revenues from the GST. With the excise tax, it is nearly \$5 billion a year.

The total budget of the Department of Transport, including the rail, air, land and other sectors, amounts to no more than \$1 billion. The same is true of the Department of the Environment. In social terms, the government could say that gasoline taxes fund the highways network and are reinvested in the environment, because there are alternatives to gasoline, which affects the environment.

I would have no problem with closely examining the issue of dedicated taxes and having the excise tax go to funding them. The federal government would have to deal with the following problem: either it reinvests more in highways and the environment or it reduces its taxes, because they are not justified and it should not be taking this amount of taxes.

• (1145)

I totally agree with that and hope that the entire debate on the present matter will lead us to look at what is actually happening in the federal government, at how it profits hugely from the current situation and the high taxation, which is quite indecent, given how little of it is reinvested. The comments by the Alliance member in this regard are absolutely right.

[English]

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I observe that Quebec is the only province where the provincial tax on fuel exceeds the federal tax. All other provinces have a provincial tax which is less than the federal tax.

An hon. member: Check again. You are looking at diesel.

Mr. Ken Epp: I am not looking at diesel. I am looking at gasoline, which is what we are talking about.

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Would the member comment on the role the gasoline tax plays in the province of Quebec vis-à-vis the provincial tax?

[Translation]

Mr. Pierre Brien: Mr. Speaker, I do not have the exact figures with me, but I can assure the hon. member that it is not true that Quebec is the only place where the provincial tax is not lower than the excise tax. There are other provinces where that is also the case.

Mr. Mac Harb: In New Brunswick.

Mr. Pierre Brien: The hon. member mentioned New Brunswick. I believe there are other maritime provinces where the situation is similar.

That being said, as regards the fuel tax in Quebec, which is 15.2 cents per litre, there is a tax rebate in several regions and that rebate varies roughly between 10.5 and 15.2 cents per litre. So, in some cases, that tax is much closer to the level of the excise tax, while in other cases it is higher.

After this technical explanation I should add that, in my opinion, the justification is better when we consider what the government reinvested in the road network. In Quebec, the amounts collected in gas taxes and the amounts reinvested in the transportation budget are similar. The percentage is much closer than it is at the federal level. I believe that over 80% is reinvested.

So, this is much closer to the principle of a dedicated tax. In Quebec, if we add the environment, we are almost there. I do not know the situation for every province, but I know that this is the case for Quebec.

This is why I think it is justified to have gasoline taxes. It is normal to apply the user pay principle. It is normal that the users of the road network make a greater financial contribution. This does not mean that other members of the public should not contribute, because everyone uses transportation infrastructures in some way. But it is only normal that users should pay more.

Except that right now we have reached the limits of what is tolerable. Some help is needed on a number of fronts for consumers of gasoline and diesel fuel, for truckers and for those who are or will be using heating oil for their energy needs, especially this winter, because it is going to cost them quite a bit. Action is needed on all fronts.

This is where I feel the Canadian Alliance motion has something of a flaw, and it concerns the GST rebate for truckers. Fuel may be seen by many as input; they have tax refunds. For them, therefore, lowering the GST would not mean much of a change in their situation. That is why we are focusing more on the excise tax, because this can also help truckers, particularly the independents, facing tough situations.

I will therefore conclude by saying that we are going to support the motion. Other things can be done as well to improve the situation and take things even further. Let us not lose sight of the fact that what we have here is a Canadian industry with a competition problem and that that is what we must tackle, not just in 2001, after the Conference Board has pronounced, but sooner than that. We can do it and we do not need to look very far; if we look across the border, a number of American states have laws that could quite easily be adapted to our situation here.

[English]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I too am pleased to take part in this important but I would suggest relatively simplistic debate today. The motion before us talks about a portion of the oil profits.

Canadians have a difficult time digesting the oil situation, the cost of gasoline at the pumps and the cost of home heating fuel. They know that taxes form a small component in this regard. However if we were to ask Canadians their concerns with regard to the reality of the prices, we would be told that they are twofold. Well ahead of taxes is the oil cartel, the Organization of Petroleum Exporting Countries. The second concern would be the high, obscene profits enjoyed by Canadian oil companies about which we will talk a bit later.

• (1150)

Those numbers in any public domain polling are far higher than the component of gasoline but they are not mentioned. Gasoline profits are not mentioned in the resolution before us this morning. In fact the reform alliance party never mentions this topic, obviously because it does not want to offend its friends in the oil patch in Alberta when the newly crowned leader of the party is looking to sell tables at \$25,000 a pop or when he is meeting or has met with the Conseil du patronat and he identifies himself with the business community. I am splitting my time with the member for Kamloops, Thompson and Highland Valleys.

I was looking back this morning in preparation for this speech and I noted that there were 75 sitting days between February and June in the House of Commons. On any given day the reform alliance had an opportunity to ask about 19 questions. If my math is correct, and it may be suspect, that is about 1,425 opportunities.

How many questions were there on gasoline pricing? None, nada, zero, nothing, except to repeat the lines of the big oil companies. If we are not prepared to talk about oil profits and we are not prepared to talk about OPEC, we are not really dealing with the heart of the matter. I think Canadians understand that especially when they see that gas company profits for the last quarter have

jumped by an average of \$558 million or a percentage increase year over year for the second quarter of 2000 of over 500%.

Someone who has talked a lot about this topic in the House of Commons this year is my colleague, the member for Regina—Lumsden—Lake Centre. He has been indefatigable on the subject of fuel costs since arriving in the House some seven years ago. In fact 10 times in the past year he has had specific questions for the Minister of Natural Resources and other ministers on the subject of gasoline pricing.

He has warned the House that oil companies have driven down their inventories on home heating fuel by some 39% since last year and that the result inevitably will be sharply higher heating bills this fall. He has asked the Minister of Natural Resources to organize or arrange a summit with the oil companies and to put a plan into place. There is no hint of that in the motion before us today.

The member for Regina—Lumsden—Lake Centre has private member's Bill C-488 calling for an energy prices commission, something that the member for Regina—Qu'Appelle was asking about earlier in this debate. It is an energy summit to make the oil companies accountable for their actions. Because energy is the underpinning of our economy it is vital in a geographically dispersed country such as ours.

Energy price shocks have triggered rounds of inflation before that have ultimately put many Canadians out of work and have driven up the cost of living for everyone. Surely, if we accept the regulation of freight rates, drug pricing, stamps and cable TV, it is not out of line to consider regulating the price of a key commodity and economic input like energy that is used by virtually every Canadian family.

The member's private member's bill seeks to avoid unreasonable increases. On that topic, it was instructive for me, as my colleague from Winnipeg Centre mentioned earlier in the debate, that Prince Edward Island is one province that has some form of an energy review commission.

When I was there earlier this year I noticed that not only were prices lower in P.E.I. than they seemed to be in other parts of the country but what was even more interesting was that the spread between premium and regular gasoline was about 4 cents a litre as opposed to the 9 cents or 10 cents a litre that the rest of us pay. When I asked an official at Petro-Canada about it some time ago he just dismissed it and said "That is our profit margin and we are not going to touch it".

• (1155)

For those of us who are old enough to remember when it was sold in gallons rather than litres, the price spread was not anything like a 40 or 50 cents a gallon difference between premium and regular fuel.

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Something else is noteworthy and could be done. When the energy price shock first hit after the Arab-Israeli war in the early seventies many Canadian provinces, perhaps all of them, implemented a program whereby there was no price increase. If the cost of a barrel of oil went up, they determined that there was a 60 day supply in the line and that no price increase could therefore take place at the pumps prior to 60 days. It seems to me that would be useful and worth exploring by the government.

As an aside, I am sure I would have the support of the hon. member from Labrador opposite who I recall was most upset last year about a tanker on its way up to Labrador in September filled with home heating fuel. The price was jumped while the tanker was in transit. Even though they had paid one price, they were to reap a windfall profit from the good folks in Labrador when it got to port.

Bill C-488 would reduce the risk of collusion by involving the Competition Act. We feel that the government has refused to take appropriate action and obviously the reform alliance has moved this motion on pricing—

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. I decided to count them and after three times I would rise on a point of order. The hon. member has now misnamed our party three times. It is the Canadian Alliance. The Speaker has previously ruled that is the name to be used in the House. I would ask you to call him on it.

The Acting Speaker (Mr. McClelland): The hon. member for Elk Island has made the point.

Mr. Dick Proctor: Mr. Speaker, there is nothing here on the environment, something else that is very important to this party. We need to see something in energy on supporting expansion and use of public transit. As my colleague from Winnipeg Centre mentioned on countless occasions, we need to retrofit buildings to meet higher standards of energy efficiency and we need a green screen. We need to encourage green industries and technologies, but we do not get very much, if anything, from the government opposite.

Something potentially very interesting is happening on this front in the province of Saskatchewan. One company is looking at building an ethanol plant in the prairie provinces that would use straw and other biomass which could produce up to nine billion litres of gasoline. This holds some hope for the future but it is not clear to me what, if anything, the government is doing to assist that process.

We seem to be stumbling toward Kyoto without our ducks being lined up, without knowing what it is that we will actually achieve on that front.

We want to promote fair fuel prices through an energy price commission and approve fuel price increases in the future in a

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transparent way. We want to reduce gridlock. We want greenhouse gases to be controlled, none of which is happening because of the higher prices that Canadians are paying at the moment.

In conclusion, with the deficit eliminated finally there is certainly no rationale to keep the surtax on. As far as it goes the motion is supportable by us, but we do so with the recognition and realization that it could have been so much better by way of a resolution to the House which would have included an energy price commission, a green screen and a rational way to absorb price hikes in the future.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I listened carefully to the hon. member's speech and I appreciate his thoughtful presentation. He talked a couple of times about a bad thing, the high prices that the oil companies are charging, whereas in fact roughly 50% of the value of the product is charged in taxes. Taxes are a very large component of the price we pay at the pumps.

• (1200)

With respect to the profits the companies are making, it seems as if the prices have gone up primarily due to the change in the world supply as manipulated by the people in the near east. When the world supply goes down the price seems to go up. That seems to be one of the rules of economics.

Is the member proposing that we have a two price system, that we sell domestically a product that is comparable to what we are willing to pay and with exports we go with the world price? Would he then extend that to farm product prices so that Canadian farmers would have one price for their product if it was sold domestically and another price on the international market? I would like the member to expand on that.

Mr. Dick Proctor: Mr. Speaker, it is interesting that he said the taxes were approximately 50% of the total price at the pumps.

Mr. Ken Epp: No, I said of the product.

Mr. Dick Proctor: Oh, of the product. The former leader of the Reform Party, when he was speaking earlier, said that it accounted for 40%, give or take 10%.

The answer to the question on the two price system is, no, simply because under the North American Free Trade Agreement, as the member should know, it would be specifically prohibited to have a two price system for oil, natural gas or any farm commodity.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I thank my hon. colleague from Palliser for his presentation and his environmental concerns of fuel and taxes.

We all saw what happened in England when there was a truckers' blockage. We saw shortages in the stores. We saw hospitals open for emergencies only and selective surgery shut down.

We know that petroleum from the North Sea will be completely gone by the year 2020. With that in mind, knowing that time is catching up to us, can he recommend to Canada what we should be doing in terms of going beyond petroleum? Like the commercial, BP now says that we are beyond petroleum. If we could reduce taxes on petroleum that would be great, but the long term picture is what our grandchildren will do without petroleum products.

Can he elaborate a bit more on what Canada and governments should be doing to see that our children have renewable, sustainable energy for their products as well?

Mr. Dick Proctor: Madam Speaker, this is an extremely important question since the world supply of fossil fuel is finite. There are varying debates as to how many years it will last but we simply have to get on top of this issue in terms of new products like ethanol and other products. There has to be more use of battery operated vehicles. Perhaps we need to encourage that direction by looking at additional costs for the price of the fancy, gas guzzling SUVs, which some people prefer to purchase, that clog the highways and do nothing for the greenhouse gas emissions that Canadians are facing.

There is a range of answers that are available but what we need is a government that has the will to do the job.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, first, I want to say that the New Democratic Party will be supporting the motion when it is put later today in terms of what could be one small effort to deal with what has become a major issue, indeed a crisis in much of the country.

There is a lot of mystery, mythology and confusion surrounding this issue. For example, I was trying to think the other day, when the Canadian Alliance holds its fundraiser in Toronto in a few days, and it is charging \$25,000 a table—

An hon. member: Isn't it \$2,500?

Mr. Nelson Riis: No, it is \$25,000 a table. I just cannot imagine it.

• (1205)

When I raised this with some of my Canadian Alliance friends in Kamloops, they said "Mr. Riis, you are wrong. The Canadian Alliance would never have a fundraiser where the price is \$25,000 for a little table".

Hon. Lorne Nystrom: Are they not the grassroots party?

Mr. Nelson Riis: That is what they said, that they are the grassroots party.

I said "Listen, I will check". I came back and checked with some of my friends here and was told that it was \$25,000 a table. I

had to wonder who on earth had \$25,000 to go to that lunch to help out the Canadian Alliance. Well I noticed the other day that the hottest stocks on the market these days are the oil and gas stocks. They are rocking and rolling in the oil patch. This is looking very good.

I then began to wonder about the profits of the big oil companies. I will give a few examples. Imperial Oil's profits from last June to this June only went up 120%, Shell's profits went up 155%, PanCanadian's profits went up 271%, Petro-Canada's profits actually went up 314%, Canadian Occidental's profits went up 429%, Canadian Natural Resources' profits went up 518%, Alberta Energy's profits went up 616%, and Husky Energy's profits went up 2000%.

The oil companies are doing extremely well. I guess that is why the oil and gas stocks on the exchange these days are just booming. That is where people are putting their money these days to make some good income. I guess the first mystery as to who will be able to afford the \$25,000 tables has now been solved. I suspect a lot of the oil company reps will be there but we will have a look at that when we find out who is attending.

There is also another mystery. I think all of us know that just before a holiday weekend, such as Christmas, Thanksgiving or May 24, the prices go up all over the country. The price will go up 10 cents a litre overnight because they know that people are travelling and they have no choice but to buy gas. There is a little spike of super profit before every holiday weekend. The oil companies, when asked, say that is just the way the market is. Well, fair enough, that is the way the market is for them.

There are other mysteries. On one of the corners in Kamloops there are four gas stations. When we checked last week, the price was 71.9 cents at every single gas station. Where is the competition? When we go into a 7-11 to get milk, it is always priced differently from one store to another. Chocolate bars are different. Everything is different, but when it comes to gas it is always the same. That is a mystery of the marketplace that we hear of all the time.

As a matter of fact, among those four gas stations, three are self-serve and one is full serve. In other words, people are hired at the full serve station to clean our windows, check our oil and tires and yet it has the same price as the stations that have no people serving us, just a little machine. This is a mystery.

The biggest mystery is that we are having a debate today that was initiated by Canadian Alliance members. I am trying to think, as my friend from Palliser said, when they have asked questions in the House of Commons about gas prices. I think he said that out of the 1,400 questions asked recently there were virtually none asked by the Canadian Alliance members. All of a sudden there is a reborn gas prices type of person who has seen the light and knows

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that gas prices are of concern to Canadians. However, to be fair, at least we are having this discussion today.

Forty-two per cent of the price of gas at the pumps is a result of taxation. We agree that the 1.5 cents a litre surtax put on to combat the deficit ought to be taken off. We have also said that now that the deficit is under control there are all sorts of things we should be doing. What about health care, education and all sorts of useful programs that have been cut over the last number of years?

The other issue I have is double taxation. I think anyone in the country who is honest and fair with themselves, as the Liberal task force actually was, would say that double taxation, taxes on taxes, is kind of nutty, inappropriate and just not right. I think it was the Liberal task force that said it is a dumb thing to do.

Later today we will find out if the Liberals will actually follow their own advice and do what Liberals tell them to do.

• (1210)

What are some of the other solutions? Let us face it, this is an interesting initiative put forward by the Canadian Alliance, but will it really solve the energy crisis in our country? The answer is, no, much more is required.

My colleague already mentioned Bill C-384, an energy price commission, and said that we regulate all sorts of things. Canada is the second largest country in the world geographically where the price of fuels is factored into the cost of every single good and commodity in our country, everything from pantyhose to grain. One would think that if there was ever a country in the world that would be concerned that whatever the increases were that they would be reasonable, it would be Canada.

My colleague from Regina—Lumsden—Lake Centre is suggesting that we put together an energy price commission as they do in P.E.I. It works reasonably well in P.E.I. It could even be doing more. If we regulate stamps and all sorts of other things, why would we not regulate the one commodity that touches the cost of living of every single person? It just makes nothing but sense. That is one good idea we will put on the table for consideration.

Another good idea is the one suggested by my friend from Elk Island, which is the fact that oil companies pay world price for oil. That is only partly true. Who does the drilling? Let us talk about Imperial Oil. Imperial Oil explores for oil, drills for oil, transports oil, refines oil, trucks oil, wholesales oil and retails oil. In other words, vertical integration. It has the whole thing sewed up. When we talk about the world price that the OPEC nations are influencing, Imperial Oil does the whole thing, from finding it, digging it out and pumping it into our tanks.

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Another thing we could do is what some of the states do in the United States, which is to break up that retail sector so that we would actually have real independent retailers and the oil companies would actually have some competition in the marketplace.

Right now I think it is fair to say that we have four big oil companies virtually controlling the entire market. Is it collusion? Is it price-fixing? Is it a cartel operating? Is it a monopoly or an oligopoly? It probably is but it is hard to prove, as my friend from Pickering knows. However, we all know that is what takes place, a sort of informal form of price-fixing, which is why we need a regulator. We need to break up the oil companies so that the retail sector is an independent sector with some real competition in the marketplace as we see even in that bastion of capitalism, the United States of America.

More important, if we are looking at the future, all of us will have to acknowledge that fossil fuel is not and cannot be the future because one day it will simply cost too much to develop, it will be too remote, too difficult and too environmentally unsound.

My friend mentioned Kyoto and what we have to do about that. We have to start putting more of an effort into the development of alternate forms of energy. Alberta is doing that now and is leading the way in wind technology. It is looking at geothermal technology and the big cell development like Ballard's fuel cells and so on. Canada is actually leading the way in terms of developing those technologies.

We could be doing all sorts of things but we seem to be fixated on the oil companies, who, I hate to say, will probably be buying most of the seats at the Canadian Alliance fundraiser at \$25,000 a table, where they may have undue influence in terms of public policy development.

We have to acknowledge that we have to develop alternative forms of energy at a much greater rate than we are doing today.

There are some other alternatives on the table. This is a very small step toward a resolution but the New Democratic Party will be supporting this initiative when it comes up for a vote later today.

[*Translation*]

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Madam Speaker, I am greatly encouraged by the comments made by my colleague from Kamloops, Thompson and Highland Valleys.

[*English*]

I want to point out to the hon. member, who has looked at the the Liberal caucus committee report on gasoline pricing, that he should not fall into the trap of the Alliance and only read the first

recommendation. He should also read the next recommendation which is contingent on the first occurring. I will read it for him:

The committee further recommends that if the GST is removed from other taxes, the federal government should undertake measures to ensure the resulting savings are passed on to consumers, and not merely absorbed by the oil industry.

• (1215)

Since there has been sudden newfound wisdom by some in the House on this very question, I ask the hon. member a question. Considering what ARCO did in terms of its activities over the past year by driving the price of retail below the cost of even taxation let alone wholesale, and the resulting damage of higher prices in British Columbia, would he not see wisdom that it can also be found on page 34 of this report with respect to the concerns that the British Columbia government has already brought forth in its inquiry and more important, ensure that he does not vote in favour of this motion?

Mr. Nelson Riis: Madam Speaker, I will agree with half of the point my hon. friend from Pickering makes. That is, I will follow the suggestion of the present leader of the Canadian Alliance. When he was treasurer of Alberta he was concerned about the same thing, that having a small tax reduction without any controls on it would likely result in the oil companies making even greater profits. They would take advantage of the confusion in the marketplace and do that.

Also, if my recollection is clear, Premier Harris was also warning us of this possibility, that removing a point or two of taxation simply means that the oil companies would probably make even more profits than they are today. That is not the point of this.

The point on page 34 is well taken, that simply to take this initiative and result in greater oil company profits is obviously not what is intended. To be fair, I do not think that is what is intended by the motion before us. It is a concern that we would have to find some way to monitor it.

I do not think it would warrant voting against the motion simply because the follow-up is yet to be determined or arranged or some policy put into place to ensure the benefit is passed along to the Canadian consumer.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Madam Speaker, it is often difficult to sit here and have one's position twisted and made to appear very different than it is. I was listening to the NDP members talk about how many questions we have asked in the House of Commons. They did not do their math right. Somebody in their research department really could not count. I would ask them to go back and maybe withdraw the numbers they have there.

They try to indicate that we have not raised this issue in the House of Commons previously, but nothing could be further from

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the truth. In fact, the member for Palliser, who said that we have not done anything in this regard, and the member who just spoke have not done their research. I personally have been raising this issue for more than three years. I have talked about it in speeches. In agriculture I have called upon the federal government to reduce the tax burden on fuel. I have said that this is an unfair burden that cannot be passed along. We have talked about the price of fuel for a long time. For them to indicate otherwise is totally false. I think the public ought to know that.

Mr. Nelson Riis: Madam Speaker, my friend from the Canadian Alliance indicates that somehow we were attempting to distort the situation. To be fair, he has done exactly that.

The point made by my friend from Palliser and reiterated by me was that when we looked at the record for question period, the number of questions asked by the Canadian Alliance over the last number of months, there were no questions we could identify which related to oil prices or gasoline prices. We stand to be corrected. My challenge would be to correct that, but that is what our research indicated.

I looked at it. My friend looked at it. Our researchers looked at it. During question period, which is the time when we focus the concern of a political party as opposed to speeches generally and so on, there did not seem to be any record of that.

I stand corrected, but looking at the results, of the hundreds and hundreds of questions posed by the Canadian Alliance in question period, to our knowledge not a single one was calling for the government to take action on gasoline prices.

Mr. Garry Breitkreuz: Madam Speaker, I rise on a point of order. The hon. member asked that I correct that and I would like to correct it. I personally have included it in the questions. It may not have that title in question period and also, that is not the only time.

The Acting Speaker (Ms. Thibeault): The hon. member has gone into debate.

[*Translation*]

Right Hon. Joe Clark (Kings—Hants, PC): Madam Speaker, I intend to share my speaking time with the hon. member for Brandon—Souris.

• (1220)

[*English*]

The debate today is not really about tax policy; it is about the response of the government to a growing crisis that is facing many Canadians and which is going without response right now. In fact,

this crisis could affect the very lives of men and women across our country. It is not something to be casually put aside.

On Monday my colleagues and I took the initiative to raise this issue. We are pleased that there has been a follow through by the party formerly known as Reform. It is our intention to support the motion when it comes forward to a vote.

My colleagues and I had the opportunity through the last several weeks to meet with representatives of trucking associations, among others. Last night we met with the Greater Ottawa Trucking Association. I want to express my appreciation to that association for its decision not to resort to any kind of public protest. That is the appropriate way to deal with these issues at this time and is in stark contrast to some of the threats that were raised by the new gunslinger who hides out in the basement of the House of Commons.

There are two realities we have to face in this debate. The first is that Canadian citizens are facing fuel price increases which many of them simply cannot afford to pay and which are a very real risk to the health and to the lives of Canadians who are older or who are on low incomes. That is one reality. The second reality is that we have a federal government today that has billions of dollars of surplus money which is earning money from this crisis through the taxes that it collects. It refuses to take any leadership on behalf of the citizens of Canada.

Let us deal with the first reality. Let us deal with the question of the Canadians who are at risk right now. We need only go anywhere in the country and look at the gas prices at the pumps. They are rising regularly. More seriously, look at the person who is a trucker in an industry upon which the country counts. We see increases in diesel prices at the pumps from Corner Brook to Halifax to Yarmouth to Saint John to Quebec to Montreal to London to Red Deer to Vancouver to Whitehorse to every community in the country. The trucking industry is being driven steadily toward bankruptcy by these increases.

The Canadian Trucking Alliance has said that fuel prices rose about 40% over the summer. In Ontario alone the average price of diesel fuel this year is 75% above what it was a year ago.

I had the opportunity on Saturday to meet Paul Easson of Easson's Transport of Berwick, Nova Scotia and a former president of the Atlantic Provinces Trucking Association. He confirmed that increase causes as much difficulty for truckers in Atlantic Canada as it does anywhere else in the country. The reality is clear. No business can operate with increases like that as its biggest single expense. That is the crisis the Canadian trucking industry is facing today.

The cruelest impact of these changes falls upon senior citizens, children and people on low incomes. The Consumers' Association

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of Canada has said "Low income families and the elderly could face winter without heating and car fuel as our oil prices skyrocket".

Steve McIntosh, speaking on behalf of the Canadian Oil Heat Association said "We have already in Canada exceeded the price hikes that were experienced during the gulf war".

The National Pensioners' and Senior Citizens' Federation said yesterday "Many pensioners cannot afford to heat their homes properly". Obviously, living in the cold has very serious health implications. Senior citizens are being put at risk by the government's indifference to this issue.

[Translation]

The ones hardest hit by the far higher fuel oil and gasoline prices are older and low-income Canadians. They are getting ready for a long hard winter. Given their fixed incomes, these are the people least able to absorb sudden dramatic price jumps.

According to Statistics Canada figures for 1998, there were an estimated 752,000 low-income families here in Canada, that is households with an income below the poverty line for a family of their size in their community.

• (1225)

Households headed by seniors have not seen any increase in their net incomes.

The government must take steps to assist these people. Canada's northern climate requires people to heat their homes. On the average, heating and hot water costs are going to be \$1,450. This is \$950 more than last year.

The federal government must show some leadership and not leave people to struggle on their own.

[English]

General tax cuts do not help people who do not pay income tax. Yet these people pay the GST. With respect to home heating fuels, the most direct way to help them is to take the GST off home heating fuels.

The second reality has been the surprising but consistent refusal of the federal government to lead on this issue. It is an old story. The Liberals' habit is to duck tough issues. They ducked on free trade. They ducked on the Marshall decision. They ducked on the question of health care until the provinces forced them into an agreement. They ducked on the question of refugees. Their answer on the issue of refugees was to wait for the weather to change.

We cannot have a government that leads by waiting in this country. The Liberals' first excuse was that we have to wait for the world. The Minister of Finance said "Canada cannot act until Belgium does. Canada cannot act until Luxembourg does. Canada

is waiting for Gabon". That is entirely inconsistent with the traditions of this country. We are not some other country. We are a geographic giant. We are a strong economy. We are a winter country. We are a country with a huge surplus. We are a country with an obligation to our citizens who are facing a crisis right now.

I make the point that on other major issues that involved international co-operation Canada did not wait. We did not wait on acid rain. We did not wait on free trade. It is possible for this country to show leadership both to move the country forward and to help individuals who are struck now and are caught now in deep and serious personal difficulties.

The government's excuse is that we have to wait for the provinces. That is not leadership in a country like Canada. What the Government of Canada should be doing is causing the provinces to act. Give them reason to act. If the government will not give them reason, at least give them a telephone call.

Yesterday in question period the Minister of Finance had not even begun the consultations that might lead to a concerted action on taxes by the provinces and territories. This country has a health accord only because the provinces forced the Government of Canada to act. There is a clear duty of this parliament to force the government to act on this issue and there will be an opportunity in the vote on today's motion.

I want to refer briefly to the final excuse, that it is all the energy companies' fault. If the Liberals are concerned that the benefits of a tax cut would not be passed on, let them deal with that question. Let them act on this issue but do not hide behind it.

The present Prime Minister, in an earlier capacity as long ago as 1978 said to the *Windsor Star*, one of the bastions of the Liberal Party "We will be in touch with the oil companies and tell them we want the money passed on". He was prepared to do that in 1976. What has happened to his resolve now?

Why is the Prime Minister hiding out behind the energy companies instead of calling them in, using all of the power of the office of the Prime Minister and saying that lives are at risk in Canada because of these high prices and it would not be acceptable for tax cuts not to be passed on to consumers? Why is he not using the moral suasion that sits in the office of the Prime Minister of Canada to get some action? Canadians are at risk. Truckers risk bankruptcy. Senior citizens and people on low incomes risk having a winter that will not only be cold, but could be fatal. This is the place from which action must come. Now is the time for action. Voting for this motion is a way in which the Parliament of Canada can force the Government of Canada to serve the people of Canada.

• (1230)

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, there is no doubt that the Right hon. Leader of the

Conservative Party speaks from his heart on a question which this side of the House has for many times decided that this was to be an important issue. It is only today with higher prices that the very things we were warned of in this document, which was very well written by my colleagues, have now come to bear fruition.

I do not doubt the party's concern. Yesterday, in most of the papers in their provinces another dimension of concentration in their neck of the woods is about to unfold with respect to the disruption of supply. The right hon. member will also know about my recent letter with respect to the Energy Supplies Emergency Act.

Given the New Brunswick select committee's background and knowledge about what happens when taxes are reduced in the best intention of helping Canadian people, can the right hon. member tell me, given the motion that I read this morning about helping those with lower incomes with an immediate rebate, if this is not something he would agree with and by implication vote against the odious resolution motion by the Alliance Party? Which is it?

Right Hon. Joe Clark: Mr. Speaker, we have before the House a motion that would have the effect of causing the government to act. It is not a wish by a private member. I regret that the government's treatment of its private members has been by and large to ignore their initiatives.

Parliament has an opportunity to act. The member asked me if I would make a choice. Yes, I would make a choice. My choice today would be to vote for this motion so there is increasing pressure upon the Government of Canada to stop ignoring the truckers, stop ignoring the poor and stop ignoring people who need help right now. The only obstacle to that help sits in the front benches of the Liberal Party of Canada. That is the issue. That is the choice of the opposition of the House.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the Right hon. Leader of the Progressive Conservative Party talked about the need for the government to take action and that it should not wait. When the Progressive Conservatives were in power they did not wait. They invented the tax on diesel fuel and increased it twice to its current rate of 4 cents a litre. In addition, with regard to the tax on gasoline, it increased the tax on gasoline six times.

I would like to ask the Leader of the Progressive Conservative Party if he supports the comments of the premier of Ontario who said that if the government lowered its 14.7% flat tax on fuel the oil companies would just raise their prices in kind. Mr. Palladini, the development minister of Ontario, said that whenever the government has cut fuel taxes it has not been reflected at the pumps and that international supply and demand and huge profits in the oil industry were definitely at the root of this problem.

Does he support those statements by Tories in Ontario?

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Right Hon. Joe Clark: Mr. Speaker, this normally would not be a history lesson except the hon. member obviously needs one.

When I became prime minister in 1979 and was introducing a budget, the deficit that we had inherited from previous Liberal governments was larger than the entire budget of the Government of Canada in 1967.

An hon. member: Revisionist history.

Right Hon. Joe Clark: This is not revisionist history. These are absolute facts verifiable by anyone who is interested in looking them up. The point is that those were actions that were taken to bring down cumulative deficits. We are talking about now.

The hon. member asked whether or not it would be possible to get agreement from the premiers given the fact that one of them has expressed reservations about proceeding. Of course it is. Are we going to give the premier of Ontario a veto over the fiscal policy of the Government of Canada because the premier of Ontario does not want to do something? Is the Minister of Finance going to run away and say he cannot do anything because he is not the Minister of Finance anymore? Is he going to say that he will just sit there and have his strings pulled by various provinces?

• (1235)

That might be Liberal leadership but that is not the way to get this country acting on issues that are very serious to the people of this country.

Will I hide behind the provinces? No, I will not. Will I hide behind the view that oil companies might not pass on the benefits of tax reductions? No, I will not hide behind that. What I would do is call in the oil companies and make sure that the tax benefits were passed on. That is what leadership is about. That is what the Prime Minister should be doing.

The Acting Speaker (Mr. McClelland): Before we resume debate, an explanation is in order for members who have been rising to ask questions.

The Chair, using its prerogative, determined to recognize questions and comments from the other side of the debate, recognizing in full that there were members on the same side of the aisle who had the same opinion on the subject at hand.

We will resume debate as there is no time for questions and comments.

Mr. Chuck Strahl: Mr. Speaker, I rise on a point of order. Just so that we are clear, I can understand that when we are having exchanges during the question and comment period, we are trying to find out and clarify positions of different parties. I think it is important that when someone speaks from one particular party that

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they do not also ask questions of their own member, at least not at first. The prerogative should be for others to have an opportunity.

It seems to me that on occasion it is important for parties on all sides of the House to flesh out ideas, concepts. It gives us the chance to find out what the positions are. It is not just an opposition-government thing at all.

The Acting Speaker (Mr. McClelland): Let us give it a break. I raised the issue as an explanation. It does not change the fact that I still use the prerogative to go from the different side of the debate.

If there were more time for questions and comments, there is no doubt that more people would have a chance, even those on the same side of the issue.

Mr. Peter Stoffer: Mr. Speaker, I rise on a point of order. I beg the indulgence of the House to seek unanimous consent for an additional five minutes of questions and comments for the right hon. former prime minister so that each party can ask one question.

The Acting Speaker (Mr. McClelland): Is there unanimous consent of the House to extend questions and comments by five minutes?

Some hon. members: Agreed.

An hon. member: No.

Right Hon. Joe Clark: It is a related subject, Mr. Speaker. It is simply to say that I would never ask for special consideration in the House.

The Acting Speaker (Mr. McClelland): But there may be others prepared to extend that special consideration.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I take this opportunity to congratulate the Leader of the Progressive Conservative Party on his maiden speech of this 36th parliament.

It is very intimidating for me to follow such a statesman who has just had the opportunity to address this House. I am sure that there are many in the House who will be able to learn from his experience and statesmanship, as I wish to and hope to over the next numbers of years in this particular party.

I am very happy to stand and speak to this motion from the Canadian Reform Alliance. I am especially happy to speak to this motion because it embraces basically every one of the issues that I, the leader and other members of this party had an opportunity to speak to on Monday morning at 10 a.m., substantially before—

• (1240)

The Acting Speaker (Mr. McClelland): On a point of order, the hon. member for Athabasca.

Mr. David Chatters: Mr. Speaker, I have listened to this debate all morning. At least three times, members have stood and reminded the Speaker that the name of this party is the Canadian Alliance. That party has been deliberately misusing the name and you have not said a word. I would urge you to correct them.

The Acting Speaker (Mr. McClelland): I understand the point that the hon. member for Athabasca is making. When a member rises on a point of order, the point has been made. If the Chair occupant reinforces that point it contraindicates what it was about. However, I will repeat it.

The hon. member for Brandon—Souris referred to the now Canadian Alliance Party by its previous name, the Reform Party. I would ask that the member refer to the Canadian Alliance Party as the Canadian Alliance Party.

Mr. Rick Borotsik: Mr. Speaker, if you check *Hansard*, my reference was to the Canadian reform alliance. For clarification, I am under the impression that the actual name is the Canadian Conservative Reform Alliance. Is that not correct? I would like clarification on that point. Or, is it the Canadian reform conservative alliance? Could you please confirm that because I would like to have the opportunity to speak to them in their true form.

The Acting Speaker (Mr. McClelland): The Speaker has previously ruled on this. I would prefer not to go down that road any further. We are wasting important debate time.

Mr. Rick Borotsik: Thank you, Mr. Speaker, but I still would like to have clarification because I do believe that the official name is the Canadian reform conservative alliance. I will refer—

The Acting Speaker (Mr. McClelland): With respect, the Chair is not the Brandon—Souris research department. Brandon—Souris has ample opportunity to determine that on its own. We are in debate.

Mr. Rick Borotsik: Mr. Speaker, I am at a loss. I do not understand why there is such an embarrassment of that particular party with respect to its previous roots and previous name and its *raison d'être* for being back before the metamorphoses of whatever this new party is. However, I will get back to the debate.

I am very happy to speak to our issues and our points which were brought forward. Last Monday I was very proud to stand shoulder to shoulder with the Right Hon. Leader of the Conservative Party and with other members of the party to put forward to Canadians a blueprint, a road map, a strategy that would help Canadians overcome a crisis, the crisis being a terrible increase in gas prices which most Canadians cannot incorporate into their lives right now.

I will speak to those issues. First, when we brought these issues forward, the finance minister rather than saying yes, that they had

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the ability to help those people out, he said that they had to bring all of the provinces together before they could make any decisions. That is a political cop-out. That same finance minister came forward two days later and said we had a surplus of \$12.3 billion in the fiscal year 1999-2000. For the first quarter of the fiscal year 2000-01 there is now an anticipated \$13 billion surplus.

The finance minister should thank the member for Kings—Hants and the previous government for putting in the policies that allowed the finance minister to accumulate those surpluses. Those policies were free trade, the GST and an inflation rate that took interest rates to the point where we did not have to spend the majority of Canadian taxpayer dollars on the service and debt. Thankfully, the interest rates are low enough because of a policy that was put in by a previous government. I have not heard the finance minister thank us yet but I am sure it is on his agenda.

● (1245)

I also heard the finance minister make comparisons to liquor taxes, cigarette taxes and gasoline taxes. That is terrible. It is nonsense and it is ludicrous. Gasoline tax is not a luxury. Gasoline is the engine by which our economy is driven.

I had opportunity last night to speak to and meet with some truckers. Truckers drive our economy. Canada is a huge country with small populations over huge areas. It costs an awful lot of money to deliver goods and services across the country. Truckers are the lifeblood of our economy. Gasoline is not a luxury. It is what we depend on.

Also a misconception was raised yesterday during a telephone program in which I took part. One individual on that program said that there is and must be a risk management opportunity for truckers to put a gasoline surcharge into their contracts.

That is the misconception out there in the public. In the majority of contracts signed by the trucking industry, by independent truckers particularly, there is no ability to include a gasoline surcharge clause. If an independent trucker tried to include that in a contract, the contract would not be accepted and the trucker would not have a job.

The federal government today does not allow gasoline surcharges in its contracts. People in my constituency office have signed contracts with Canada Post, a crown corporation. Those contracts do not have a built in gas surcharge. When they sign a contract to move mail hundreds and hundreds of miles on a daily basis for Canada Post, they do so based on a contract price.

The unfortunate part is when the gas prices go up, as we have seen them go up in the past number of months, those costs are borne specifically by truckers. They are now doing the job for nothing. When they approached Canada Post to have a change in that contract they were told they had to live by the contract. There were, in fairness, some changes made and some dollars returned to

the truckers but on a totally ad hoc basis with no logic associated to it at all.

The point I am trying to make is that there are no risk management tools of which truckers can take advantage. We would like to see the government show some leadership. It should stand and say that it respects the trucking industry, the agricultural industry, the mining industry, natural resources, and those people who are doing jobs for Canadians. It should try to do something to allay all the problems they are now facing with gas prices.

Some 1.5 cents per litre of gasoline is not the be-all and end-all, but it shows there is a government that cares and understands there is a problem. Truckers will not be made rich by a 2 cent diesel tax reduction, but it will make them feel that someone cares, someone is listening, and there is someone who can do something for them to show respect for what they are doing.

There is no such respect right now. All I have heard from the finance minister is that they cannot do it until the provinces come along or until the oil companies promise they will pass it on to consumers. That is a political cop-out, a pure political cop-out. We would like to see some leadership and some action taken.

Do we not think the provinces will follow suit? Do we not think the provinces will say that the federal government has finally done something to show it cares and that they will do that as well? There is political pressure within the provinces. Are there not enough smart people on that side of the House to make sure the gas companies pass that on to consumers?

Gas companies are not that stupid. They know that has to be passed on to consumers. We have said unequivocally as a party that we need action and we need action now.

● (1250)

We will support the motion that has been put forward simply because this is our motion. We would also like to say that there is one other very important component. That is taking the 7% GST off heating fuels, including natural gas and heating oils.

As was mentioned earlier in the discussions by the leader of this party, that would go directly to consumers. We know that. That cannot be attached in any way, shape or form by oil companies. It will specifically go to the people who need it going into this winter. It is September 21 today. It starts getting cold very soon.

Members of the governing party need some direction so that there is an opportunity to reduce those costs going into the winter months. I thank the House for the opportunity to speak to this very important and very valid issue. I wish they would also look at it as being a valid opportunity to put forward a request for the government to show leadership and to start going in the right direction.

The member for Pickering—Ajax—Uxbridge said that this was not something new. He is absolutely correct that they have been

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working on it. The report was tabled in 1998 and contained some excellent recommendations. This is now September 2000 and none of those recommendations have been acted on. I wish they had been. When they come forward we will look at them and we will support them as well.

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I thank the hon. member for the last part of his comments. It is clear that document was written two years ago, but it is important for the hon. member to understand what has happened.

Most of the recommendations in the report have already begun their very long and torturous road toward finalization with both the Conference Board of Canada and the public policy forum, not to mention the fact that there have been several bills. Some of them are close to becoming law, no thanks to the former member of his party who sat on the industry committee.

Notwithstanding the relative low profile the fuel issue has received until now, suddenly the Johnnies-come-lately in the Alliance discovered this was an issue. Given what happened in New Brunswick with the first and only example of a tax decrease, would the hon. member agree that the precedent set and agreed to by all parties, including the Conservatives along with the Liberal government of Frank McKenna of the day, concluded that there was some difficulty in ensuring that tax decreases would be passed on to consumers who so desperately needed them?

The resolution I have provided is tantamount to basically a rebate directly to people. Would it not be better than simply relying on the oil industry? As a consequence, would the hon. member not feel that what he is doing is nothing more than operating on the belief that oil companies would be honest enough to pass it on?

Mr. Rick Borotsik: Mr. Speaker, I feel sorry for the hon. member, I really do. He is so cynical as to suspect that the removal of a 1.5 cent per litre excise tax, which was put in place initially to resolve the deficit issue, would automatically be taken up by gas companies and not passed on to consumers. That is true cynicism on behalf of that member. If we do not attempt to do that, it simply means that they are not prepared to try anything. Would it mean that the tax remains forever, that the 1.5 cents a litre has to remain forever?

The government could never get rid of it and, if it did, it would automatically go to the profits and bottom lines of oil companies. We as Canadians suspect that every tax placed on cigarettes, on liquor, on gas and on everything we do will never be changed because the government cannot do it in that the companies will take advantage of it.

The member also said that a lot of these recommendations were being implemented. That is cold comfort for the people who have not been benefactors of any of the tax reductions that should be

taking place right now. Saying simply that we will look at and implement tax legislation is cold comfort for the people who will not be able to pay their heating fuel bills this coming winter.

• (1255)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I have a question for the member of the Conservative Party. Before I ask it, I congratulate the leader of the Conservative Party on his maiden speech in the House of Commons.

I notice in the motion before us today by the Canadian Alliance that there is no reference to the very excessive profits of oil companies. Would the member for Brandon—Souris agree that maybe there is a relationship between this oversight and the fact that Alliance members are having a fundraising dinner in Toronto where they are charging \$25,000 a table? Of course they will be sold to the corporate elite. That is different from the grassroots approach of the former leader of the Reform Party, who would not dream of having such a dinner.

Would the member agree that maybe it is just a coincidence or indicate whether or not there is a relationship between this \$25,000 a table dinner where grassroots Canadians will not be found, except those serving the dinner, and the fact that they make no reference whatsoever to profit in the motion before us today?

Mr. Rick Borotsik: Mr. Speaker, to be perfectly honest I cannot speak to the fundraising tactics of members of the Canadian reform conservative alliance party. If they want to associate or involve themselves with a certain sector of industry, that is fair ball for them. I do not have the privy or the insight as to their connections with that sector.

I do realize, however, a substantial number of their members come from Alberta. I suspect they have an awful lot of ties with the oil industry. That is to be expected. I also suspect that their fundraiser will be attended by any number of people. I expect a lot of grassroots populists will probably also be in attendance.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, it is an honour for me to rise today to address an issue of prime importance to all Canadians. It is especially an honour for me to do this in what is known as my maiden speech.

Just bypassing any references or reflections to that, I do know that walking down this aisle the other day felt somewhat matrimonial. I found only seconds after that sense of great bonding among the people here. It did seem as if the honeymoon was over in a matter of seconds, so I will approach this speech in a similar manner.

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I dearly and deeply thank the constituents of Okanagan—Coquihalla who have allowed me this opportunity, with a great demonstration of support, to be here to address an issue which actually I heard much about while I was campaigning in that riding in the by-election.

I also say a word of thanks to the voters of Red Deer, a previous constituency of mine, who over the years continued to support me and allowed me to work with others and find and discover in reality outside the theoretical laboratory that the principles we will discuss today in fact do work, not just in theory but in practicality.

The situation we are discussing today in terms of the possibility of seeing our gas taxes lowered is of very significant importance.

[*Translation*]

I believe that today there is an opportunity, for the federal government in particular, to show the public that we have members of parliament and a government that respect the taxpayer. It is an opportunity to provide our support in principle and to plan for the day we will be able to reduce the tax rate, not just on gasoline, but on other products as well.

[*English*]

It is a great opportunity to demonstrate to Canadians that not just the members of parliament here but the government itself respects hard work and understands the implications of high policies of taxation.

Let us be very clear about this, that just as ideas have consequences policies have consequences. Tax policies have consequences that are immediate and future and far reaching. As we look at the base of these discussions and the effect of gas taxes, we need to consider the broader base of taxation and build a platform of discussion so that we can see the importance of zeroing in on some taxes, whether it is a few at a time or in a broad measure. This is what the Canadian Alliance proposes to do.

• (1300)

I do not think anybody in this Chamber is standing and exclaiming that there should be no taxes anywhere. As a former minister of finance I would be grieved in my heart if I thought there would be no ability to get dollars from the taxpayers, but it has to be done in a way that is not just fair but seen to be fair. We recognize the need for taxes, but we also recognize that there is a point in time where the level of taxation actually becomes a disincentive and a discouragement to people. We need to be aware of that.

As a matter of fact, it was in this Chamber in 1917, during the first world war, that the concept of a tax on income was first discussed for the war effort. Canadians rallied to that. The original suggestion was that taxes would be implemented on income at a level of 2%. In the ensuing debate one of the hon. members

commented that if we were to allow governments to begin to tax people at a rate of 2%, he said “Mark my words, the day will come when governments will tax people’s income at maybe 3% or 4%”. Just as we are laughing now at where that has gone, that was the reaction of the day. We have gone far beyond that.

We recognize that taxes are necessary, but we have to be careful about the level. It was Jean Baptiste Colbert, the fine minister of finance for King Louis XIV who described taxation by saying that the art of taxation consists in plucking the goose in such a manner as to get the most amount of feathers with the least amount of hissing. He was being a very honest finance minister. I would never have suggested anything like that in my days as finance minister. I hope we will never see that from our federal minister.

An hon. member: We already have.

Mr. Stockwell Day: Mr. Speaker, we already have. I would say that the hissing has been going on for some time. We need to be careful about that.

Something we should know in terms of general principles related to taxation is that any jurisdiction which lowers its taxes will always experience a stimulus effect in the economy. It will always experience growth in the economy, more jobs, more opportunities, more businesses, businesses arriving in that jurisdiction and businesses deciding to stay and invest more. An increase in revenues will be seen going into that jurisdiction. Sometimes, as history notes, it is in the first or second year. Sometimes the revenues are forgone for more than a year, but the jurisdictions with lower taxes will always increase in terms of their revenues.

Let that be a dispelling of the myth which unfortunately some Liberals and others are trying to propagate, that lowering taxes means a weakening of our social structure and our social programs. It does not. It will bring more revenue to government for protection of social programs. If we truly believe in social security, we will be aggressive about lowering taxes.

We can look at history and we can make this non-partisan because I strive daily to make this a non-partisan Chamber and always think of the good of the country. We can talk about JFK, a Democrat, significantly lowering income taxes, and gas taxes would have the same effect, and we can see and track the revenue increase to the government coffers of that day. We can talk about Ronald Reagan, a Republican, so this is non-partisan, and a reduction in taxes and an increase in revenues. There was a corresponding increase in spending, and some say unfortunately especially on the defence side. But definitely and clearly there was an increase in revenues which many economists are now pointing to being the single greatest factor in what appears to be an unbroken approach in the business cycle and a great opportunity that we have seen in North America, unlike at any other time in history.

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• (1305)

Moving to Canada, we can talk about Ontario. There is an amazing coincidence between reducing taxes and increased revenues to the government. We can talk about Alberta, which I will be happy to do in some detail in a moment.

We can talk about Ireland which is an Atlantic jurisdiction. For decades it has been very low in terms of productivity, income growth and opportunity. It has taken a very significant approach to the reduction of taxes. Yes, there was some subsidy input at the beginning but it has moved away from that. That gives great hope and opportunity to Atlantic Canada having seen other jurisdictions experience long term growth because of this particular approach. It will always work to lower taxes, increase opportunity and increase revenues to government.

If people do not mind, I will use the Alberta experience. In 1986 to 1993 there was an increase in taxes and a lack of corresponding response in the economy. From 1993 on there was a very significant reduction in taxes and an expansion not just of revenues but of the base economy.

I will tell the House how significant that was. In 1986 the total amount of income from corporate revenue coming from oil and gas in Alberta was 59%, a pretty significant portion of that corporate base. After six years of lowering taxes, from 1993 onward, there was a significant broadening of the base of the economy. New businesses such as high tech businesses came in. We looked at the 1998 results. In terms of reliance on one single resource area, only 21% of revenue from the corporate sector was from oil and gas. The economy was vastly expanded. It happened in Alberta and it is happening in Ontario. It happened in Ireland. It will continue to happen.

People have talked about advantages across the country. Do we not think it is time that we had the Canada advantage? As we look at the possibility of lowering these fuel prices, we are at an all-time high in history of revenues going to the government through various taxes. For the last seven years, over \$1 trillion in revenues has gone to the government.

It is interesting to look at some of the comparisons, especially with G-7 and the OECD countries, groups of which we are members. I say this very dubiously but in the G-7 alone we have the proud distinction of having the greatest increase in taxes compared to economic growth of any of those countries. It is 14%. Fourteen per cent is not the amount of taxes individuals pay. As we know, depending on where we live it can be over 50% of our income. Canada has the greatest tax increase versus GDP increase, at 14%. That is not something to be proud of. The United States was only 11.6%, the U.K. was 8.8% and Japan was only 5.9%. These are not things of which we can be proud.

Canada has had the greatest increase in terms of the marginal rates for people moving from low income to middle income. We try

to encourage people to move up that scale. However, there is a 14% increase in the marginal rate when they move from low income to middle income. That is disrespect for middle income earners and a significant disincentive.

If we do a comparison of 25 countries in the OECD, which nation had the greatest growth in GDP, the greatest expansion of the economy over the last 10 years? It was Ireland which had a 92% increase in its GDP over 10 years. Where is Canada in GDP growth? Out of the 25 nations, we proudly stand at number 24. We only had a 5% increase in our GDP growth because of taxation policies that are repressive.

If we want to measure in terms of labour productivity which is a very key indicator, one of the nations that leads in labour productivity is the United States. We are at only half of its rate in terms of increase of labour productivity. We are at the bottom of the list of OECD nations in terms of labour productivity. This is a very significant disincentive for our citizens.

With this reality in place, we need to look at where we can begin to send a signal to Canadians that this is a country in which they can work and be proud and labour and receive the rewards of their labours.

Let us look at gasoline taxes and a variety of approaches that we can take. We can look at lowering that excise tax 1.5 cents.

• (1310)

Just today it was recorded in a national newspaper. I do not want to advertise which one it was, but it was posted today in one of those national newspapers that the federal Minister of Finance said that the government has a moral obligation to lower that 1.5 cents off the excise tax, as we have suggested, because in 1995 it was put in place to reduce the deficit. The deficit is gone and the finance minister to his credit said there was a moral obligation to reduce that.

I am glad the Prime Minister wants to talk about values because his finance minister is saying it is a moral obligation, that it needs to be put back. I congratulate members who have talked about doing that and who have recommended doing that.

There is the issue of the GST. This is so insidious. With all the costs that are already on fuels, add on to that provincial taxes, add on to that the excise tax, and then insidiously put on top of that the GST, a tax on a tax on a tax.

It was at the University of Manitoba that Professor Nicolaou did the study in terms of pricing of gasoline. He said that the cascading effect of the GST, the tax upon tax upon tax alone would save Canadians 1.7 cents a litre if the GST was moved down just to below where other taxes are put on.

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We are not even going after the Liberals for totally not acknowledging their promise to kill, scrap and abolish the GST. We are saying if they are not going to do that, could they at least move it down so that they are not punching people out at these different levels. We are asking for that.

There are truckers with long term contracts who face the inevitability of losing their businesses and their livelihoods. Let me make it very clear. We are suggesting this change not in the threat of a truckers strike. We talked about this before there was that threat. We are talking about this because it is the right thing to do.

A happy coincidence of moving in this area would be to alleviate the possibility of a truckers strike or slowdown, and also to see families and individuals with a great increase in confidence in their government because it was responding. We need to move that diesel tax downward also.

It is significant to note that small things can lead to great things happening. It was Demosthenes who said that by taking small opportunities one can lead to great enterprises. What greater enterprise than to send a signal of hope from coast to coast to coast?

Who would be affected by that signal of hope? The person who sent me an e-mail from Saudi Arabia who said there are many Canadians over there who consider themselves tax refugees because of the high levels of taxation in this country. It would send a message of hope to people whom I talked to throughout the summer across the country who said because of the Canadian Alliance position on taxes, they were going to delay their decision to move out of the country, or to move their business out of the country in the hopes that we would be elected and form the next federal government.

Let us turn the hissing of Canadians to cheering. Let them cheer the fact and let me invite members of the Liberal government to vote with us on this great motion, to say that they acknowledge that the government has huge surpluses and it is partly as a result of taxing people at too high a rate. The other reason the surplus is there is because of what has happened in a number of provinces that have their fiscal houses in order. They have reduced taxes, have rejuvenated economies and have created surpluses which then of course quite properly are shared with the nation. It is time for great enterprise.

I thank the members who are already indicating they will join in this great enterprise. I invite our Liberal counterparts to join also and send a message of hope and opportunity across this great nation of ours.

• (1315)

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, as a fellow Albertan, I would most

sincerely like to welcome the new Leader of the Opposition to the House, a fellow northern Albertan. The new leader does not consider himself to be a southern Albertan.

He mentioned Ireland at least twice in his talk. Does he not think that the free post-secondary education in Ireland has had a significant part in the Irish success story?

Mr. Stockwell Day: Mr. Speaker, I would say that its emphasis on education has had a significant effect. In fact I am surprised to hear the member for Edmonton Southeast say that it is free. We know that there is no free lunch and there is no free education. That cost is being picked up somewhere.

However, I certainly would agree with him in terms of saying that everything we can do to maintain high education levels and research and development is something that should be followed. He is right from the point of view that Ireland's emphasis is on education but it is not free. The taxpayers pick up the cost.

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I want to commend the hon. Leader of the Opposition for his statements. I also want to commend him for his insight on an issue that we on this side have been working on for some years.

I wish, however, that the hon. member would perhaps take the time to read the rest of the document which has inspired his first foray into the question of taxes, that all ills can be resolved by dealing with gas taxes.

Given that the price of gasoline is rising as a result of the commodity, and given Dr. Nicolaou's views that the Canadian gasoline market is sheltered from competition and that this market disease is a profit boon to oil majors, would he not agree that it is better for the Government of Canada and the opposition to accept the motion that the member put forth this morning which tactically they denied through unanimous consent, and allow Canadians to receive the rebate, not the oil companies as a third party?

Mr. Stockwell Day: Mr. Speaker, I first want to congratulate the hon. member for his work in this particular area.

Rebating is a legitimate form of returning to taxpayers that which has been taken from them in an excessive amount, as the federal Liberal government has been doing. I have even recommended that at various times in the past. As a matter of fact there is one government in the country which is now doing that.

The issue of the tax is the quickest, easiest and least administrative in terms of that particular reduction. I sense and share some of the concern that if the taxes are lowered, how do we keep the oil companies in line from, as I have been quite properly quoted as saying, filling in that particular ditch.

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I would say that the federal government has the clout to sit down with oil companies, and far from presuming that that would happen, give those companies the benefit of the doubt, tell them there will be a very close monitoring and allow that to happen. However, administratively the signals could be sent out immediately through the tax process.

I again commend the member for continuing to advocate this. I am not sure how he will be voting. I am sure the history of a previous member on his side, who raised the concern about taxes, haunts him somewhat considering where that member is not today. However, sir, I commend you for your courage and insights on this issue.

The Speaker: I would remind all hon. members to please remember the Chair when they are answering.

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, could the hon. Leader of the Opposition tell us how many times he reduced the provincial tax on gas in the province of Alberta while he was the minister of finance?

Mr. Stockwell Day: Mr. Speaker, I, honestly, have lost track of the number of taxes, fees and costs that I specifically reduced in Alberta. I will produce a definite list for the member because it is quite exciting that my colleagues and I were able to do that.

On the issue of the gas tax itself, when that question came up as the price of oil started to move up over the last year, my proposal clearly was that it should be for a rebate rather than the tax because of the lack of ability of a province to harness those national companies around a table and tell them they would be monitoring it.

The consideration at that time was not to go the tax route but to send out to all consumers, to everyone in the province, a rebate. That took place about three or four weeks ago. I was gone by then so I cannot claim the full credit for it, but that was my approach and that is what has taken place.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, I compliment the Leader of the Opposition on a number of his remarks and, in particular, his commitment to lowering taxes. We in the Progressive Conservative Party know that is how to grow an economy.

● (1320)

I want to clear up something that happened yesterday. When the Prime Minister referred to the fact that he was the Minister of Finance at the time that gas taxes were increased 9 cents per litre, was he or was he not a member of that government and did he support the budget that actually increased gas taxes during the Getty regime?

Mr. Stockwell Day: Mr. Speaker, clearly, as a newly elected MLA, yes, I was a member of that government and that was when that tax was put in. It was not put in while I was finance minister, as some have unfortunately tried to indicate. It was about a year after I was elected when that tax went in.

I will admit my deficiency. I was not able to stand as a lone member and turn the tide of that particular request. I was deficient in not being able to hold off the horde of others who wanted to see that go forward. I apologize for that.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened very intently to the Leader of the Opposition's speech. I think he would agree that taxation is all about choice. What he is asking us to do today is to make a choice on \$700 million worth of revenue coming into the federal government.

The government has made a commitment to reduce debt. For every \$10 of debt we reduce we also reduce \$1 forever because it is a debt off our shoulders.

At the same time, we also note that fossil fuel is creating more air pollutant problems. Five thousand people died last year just because of airborne pollutants. As a societal good, is it really the duty of governments to be reducing consumption? When the cost of fossil fuel went up during the Reagan administration in the mid-eighties consumption went down. We should be promoting the use of alternative fuels and the reduction of fossil fuel not in fact celebrating them.

From the member's knowledge as a treasurer, how much of that barrel of oil goes into the provincial royalty payments?

Mr. Stockwell Day: Mr. Speaker, I will keep all those questions in mind. First, on the issue of the environmental effects, we are talking about people who have to drive to work every day. We are talking about truckers. We are talking about people whose livelihood and transportation needs depend on gasoline.

If nothing had happened at all over the last decade or so in terms of a reduction in pollutants, then I think the point would be stronger. The fact is that just with the elimination of lead in gasoline alone, 85% of particulate has been removed from the atmosphere. There is clearly more to do. A number of provinces are allowing electricity and other forms of energy to be plugged into the power grid system which people can then order. Wind power, for instance, is already being plugged into the power grid in some jurisdictions.

Many things are going on for the good and proper pursuit of the reduction of particulate in the atmosphere. This, however, should not be used as an excuse by the government to be taking in more money than it should be.

In terms of the overall amount going into the treasury, and I obviously cannot quote the figures of the last month or two, but there has been quite a shift not just in the corporate percentage of revenue coming in but in the overall revenue. As a matter of fact, about two years ago in Alberta, as I recall the figures, the resource royalty amount coming from crude oil alone had dropped from just

below \$2 billion to about \$545 million. So there has been a very significant reduction in terms of the overall royalty, but again an increase in the economy.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I too congratulate the Leader of the Official Opposition on his maiden speech. However, I am a little curious and wonder if he might be able to respond to a question.

I will go back to November 29, 1999 when that member was the finance minister in Alberta. In his second quarter fiscal update he went to great pains to celebrate increased revenue in the province of Alberta, which he clearly said resulted from what were stronger energy prices.

• (1325)

I wonder how he reconciled his position to the people of Alberta, when he was known as the shah of Alberta, of celebrating oil prices in those days and then stand here today and take the position that he is taking when Alberta's surplus of \$5 billion results directly from \$4 billion in energy—

The Speaker: Our time has virtually expired. I will permit the hon. Leader of the Opposition to respond and then I will listen to a point of order.

Mr. Stockwell Day: Mr. Speaker, I am humbled by the amount of fascination with my previous history. As an elected person, as we all are, with virtually no ego at all, I hate talking about myself but when I have an opportunity like this I find it irresistible.

The \$5 billion surplus figure that he just quoted is of course now. I was not there enjoying that type of surplus. What he left out of the figures that he was also quoting for 1999 was that 1999, closing out the year for 1998, was a phenomenal year of expansion and growth in the economy in Alberta. There was about \$1 billion less in terms of resource revenue that year. There was \$1 billion less in 1998 than in 1997 and yet the economy continued to expand, which continues to make my very precise point.

Mr. Dan McTeague: Mr. Speaker, I rise on a point of order. In the interest of ensuring that we achieve goals for Canadians in common, and with the Leader of the Opposition here, I ask for unanimous consent to amend the motion by deleting everything after the word "consumers" and replacing it with the following, "especially those with low incomes. This House calls upon the government to assist Canadians in coping with the rising financial burden and that this House strongly urges provincial and territorial governments to consider providing similar assistance".

The Speaker: Does the hon. member have permission to put the motion?

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Some hon. members: Agreed.

Some hon. members: No.

Mr. Chuck Strahl: Mr. Speaker, I rise on a point of order. As a member of the government, I would encourage the member to put that on the order paper for tomorrow and we would be happy to debate it at that time.

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I will be sharing my time with the hon. parliamentary secretary.

What I would first like to look at is who the real culprit is when it comes to Canadian taxes on fuel versus the oil producers and the cost of oil. The simple fact is that two days ago the benchmark October contract for West Texas intermediate crude was \$36.51 U.S. a barrel. A year and a half earlier in 1998 it was less than \$11 U.S. Obviously the price of crude is the real culprit. This is why the finance minister will be taking very constructive steps, I hope, with his G-7 counterparts in Prague this weekend, to try to deal with the very serious impact on the economies of all the countries in the world.

The second point I want to talk about is the impact on truckers. To the extent government taxes add to the cost of diesel fuel, are these taxes mainly provincial or federal? Let us look at the federal taxes.

• (1330)

We have a GST of 7% but it is fully refundable to truckers. They do not pay it so it cannot be the GST. Is it the excise tax? The excise tax federally is four cents. It does not fluctuate with the price; it is constant. This is the lowest excise tax in the G-7 and it is fully deductible for tax purposes. Four cents, yes. It is deductible and it costs less for the trucker.

Let us look at the provincial taxes. In Alberta truckers pay a nine cent excise tax on their diesel fuel.

I want to look at this issue raised in the House today through the motion. It was the member for Pickering—Ajax—Uxbridge who first raised the issue of fuel tax prices in the country. Now we see very quickly, for the first time in history and never talked about before, that members of the official opposition are running after the parade, trying to catch up to it and get in front of it, but they are stumbling all over themselves in so doing. Nothing could be greater evidence of their craven efforts to grab headlines and of their abject incompetence in coming to grips with this particular issue.

Let us look at the motion before us. It talks about the severe hurt to Canadian truckers and homeowners. Then what does it propose as the antidote to this harm? Two things: cut the federal excise tax by 1.5 cents per litre and eliminate the tax on the tax for gasoline. That is what those members are proposing in this opposition day measure to deal with this huge issue we face in terms of the cost of

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fuels. How will these two little tax measures they propose help truckers and homeowners?

First, truckers. Let us look at the 1.5 cents per litre cut that has been proposed. It never applied to diesel fuel and it does not today so it cannot be that. Since the GST does not hit the truckers, there is no tax on the tax. So the measures have absolutely no impact on truckers. How will they help truckers? Not one nano-cent.

How about the homeowners the opposition talks about? Since there is no federal excise tax on heating fuel, their proposed 1.5 cent tax cut will not help them. And obviously there is no tax on tax. How will these proposed measures, the opening salvo of the official opposition, help homeowners? Not one nano-cent.

In conclusion, these proposed measures if enacted would have zero impact in helping homeowners and truckers.

Let us say the 1.5 cent tax cut went through. Even if it did, would car owners ever see it or would it just be swallowed up by the producers? These are very real concerns. In rejecting a fuel tax cut less than a year ago for Alberta, the present Leader of the Opposition said:

Will it flow through to the people? Will it be reflected at the pump? What kind of guarantees have we got that gas retailers are also going to drop the price?

There are no guarantees in this motion reflecting these very real concerns expressed by the Leader of the Opposition. I just listened to him a few minutes ago. In response to questions dealing with this issue, he said that he really does not favour tax cuts, that he prefers tax rebates. Then why did he not bring forth tax rebates in the motion? Even the Leader of the Opposition is admitting that it is a flawed motion. Is there a guarantee in the motion that a cut would be passed on to the consumers? Not one nano-cent.

This is either very cheap politics or it is total legislative incompetence on behalf of the official opposition. Canadians will not buy into this phoney motion because it will do nothing to help the homeowners, the truckers, or the people buying gas at the gas pump and they are not going to be hoodwinked by this type of flim-flam.

• (1335)

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, what a diatribe that was. It is perfectly understandable how the junior minister would state that it is total legislative incompetence for us to put forward a motion to reduce taxes. I know that to reduce taxes is completely against anything a Liberal has ever stood for.

The big issue here is how the cut to fuel taxes would be guaranteed, I think is the word the hon. member used, to be passed on to the consumer, to the gasoline purchaser. If the federal government is waiting for the provinces to come on board so that

they can jointly reduce fuel taxes, how would that ensure that the joint cuts would be passed on to the consumer?

Hon. Jim Peterson: Mr. Speaker, that is a very good question. The Leader of the Opposition has adumbrated that this is indeed a very important question. He has suggested rather than just have a tax cut that we have a rebate. That could be a very real possibility.

I wish that whoever drafted the motion had talked to the Leader of the Opposition first, because he might have indicated that maybe just cutting gas prices will not be passed on. When there are fluctuations at the pump of five or six cents a day, a one and a half cent cut, even if there were goodwill to try to pass it on, would not even be noticed by the people. This is why the government is looking very seriously at the issue and is looking at other mechanisms for ensuring that a reduction of these very onerous fuel prices for all Canadians will have the best impact in terms of where they are most needed.

Mr. Jay Hill: The hon. member did not answer my question.

Hon. Jim Peterson: Of course I did not answer the hon. member's question because I said we are looking at mechanisms for passing it on. The hon. member's leader has suggested that it is not tax cuts but rebates. I am saying that this is at least slightly more thoughtful. I wish that the motion you brought forward had reflected the latest thinking and maybe it is just today—

The Acting Speaker (Mr. McClelland): I must interrupt. I do want to remind members to address each other through the Chair as we indicated earlier.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, earlier this morning I made a phone call to my riding and talked to a friend of mine, a farmer. He informed me that his crop which is not harvested is now covered with about three inches of snow. It does not look very promising for farmers to get their crops off. He also knows about the debate today. He realizes that farmers surrounding him are in a bad position not only because of the failure of the government's AIDA program, which has just not been successful at all, but also because farmers realize once more that they will have no say on how they will be able to market any crop of wheat and barley they do get off. He is saying to fight tooth and nail on behalf of farmers to see that at least we can get this much relief. We need help.

I am surprised the agriculture minister is not in here demanding his government help the farmers to what little extent it can. The farmers are major consumers and it could amount to significant dollars that could save farmers.

Hon. Jim Peterson: Mr. Speaker, farmers do not pay tax on coloured diesel. It is very simple.

An hon. member: Simple.

Supply

Hon. Jim Peterson: Farmers get a rebate for the GST and they do not pay the tax on the coloured diesel.

Mr. Myron Thompson: Everybody should be a farmer.

Hon. Jim Peterson: Mr. Speaker, I suspect that the hon. member does not know what the facts are concerning farmers. It takes a city boy from Toronto to tell him.

Having said that, the party opposite has twice rejected a motion that would allow those hit hardest by these high fuel prices to be compensated through assistance. That might be one of the ways in which the compensation goes back to those who need it most.

• (1340)

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am pleased to be involved in this debate.

When the Leader of the Official Opposition gave his maiden speech he said initially that we should remove the partisanship in this debate and let us work in the interests of all Canadians. I almost fell for it until all his colleagues burst into laughter. I should have known that nothing has changed.

My colleague the member for Pickering—Uxbridge—Ajax tried to introduce an amendment to the motion and members of the Alliance used the trick that they have used ever since they came here. They used a procedural ploy. Canadians who are watching the debate may not fully comprehend the subtlety of it; it is procedural gobbledegook frankly. They denied Canadians the opportunity to see a real debate and denied members of the House an opportunity to choose either their motion or an amendment to the motion proposed by my colleague.

Nothing has changed. They talk about a new way of doing parliament. They talk about how their name is different but I look across the Chamber and the people are the same, except perhaps for one, and the policies and philosophies are exactly the same.

I would like to talk about fuel costs. Of course rising fuel costs are a concern to all Canadians. We need to understand what is driving the increase in energy costs.

In the last 12 months the price of crude and the price of fuel at the gas pump has about doubled but surprise, surprise, the federal taxes have not changed. The excise tax on gasoline and diesel is on a per litre basis. It does not change when the price goes up or down. If the government reacted to the concerns of Canadians and who knows, maybe it will, but it would not be because we are the culprits. It would be because we would be concerned about the plight of a number of Canadians and the amount they have to pay at the gas pump and the concern about the heating fuel costs for the upcoming winter.

We need to put the whole debate into another context as well. If we compare the taxes on gasoline in Canada with the industrialized world, our taxes as a component of the total pump price are actually relatively low at around 42% on average. In many of the OECD countries they are 70% to 75%.

Gasoline taxes in Canada comprise about 42% of the price at the pump and are very low by international standards. All we have to do is travel to see the price of gasoline at the pump in places like the United Kingdom and other parts of Europe. I am not trying to trivialize the problem but we need to understand that our gas taxes here in Canada are really low in comparison to the other countries of the industrialized world.

When was the last time that the taxes went up over a long weekend? It does not happen. The taxes have not changed for many years. We are talking about a situation of pricing policies of oil companies.

The member for Pickering—Ajax—Uxbridge and I have been working on this issue for some time. Through his leadership our caucus has been concerned about energy costs for some time. The caucus made a number of recommendations which have led to action on the part of the government by the industry minister with reviews of the Competition Act. That is an area where we have jurisdiction. It is an area where the government might act to put more teeth in the Competition Act.

• (1345)

In talking about fuel costs, we are obviously looking forward, but we have to be concerned about the context of the debate. As I pointed out earlier in rebutting the leader of the Progressive Conservative Party, it was during the tenure of the Tory government that diesel excise taxes were invented and the excise tax on gasoline was increased six times.

Likewise, we can look across the floor to the Leader of the Opposition. When he was in the legislature in the province of Alberta fuel taxes went up six times. In the province of Alberta they now sit at nine cents a litre. Our excise tax on diesel fuel is four cents a litre compared to the Alberta government's fuel tax of nine cents a litre.

Some people say that the federal government should just act unilaterally. I was on a talk show last night in Edmonton. I was reminded many times that these were not government tax dollars but the tax dollars of Canadians. If we are trying to alleviate the concerns of Canadians, why would we not be concerned about the question of whether any reductions in excise tax will flow through to consumers? Are we saying that we would reduce excise taxes? If they did or did not get into the hands of consumers is an irrelevant question. Let us do it. Let us show leadership.

As the Minister of Finance has said, if we are to provide real relief for Canadians we have to work in concert with the provinces. Unlike what some members have proposed in the House, the

Supply

provincial taxes on fuel are in general higher than the federal excise taxes on gasoline and on diesel, for sure.

The problem is that the motion before the House seems to have been crafted in a very hasty fashion. If one were a cynic, one would say it is based on political opportunism. It talks about heating oil, consumers and truckers. As my colleague earlier pointed out, the motion fails miserably in trying to address these questions.

For example, there is no federal excise tax on heating oil. That is the first problem. The second problem is that they talk about alleviating the problems of truckers. I have great sympathy for truckers. I have a lot of trucking companies in my riding. When truckers pay the GST they receive a GST input credit when they pass it on to their customers. The GST they pay is a flow-through. All of us in the House understand that.

An hon. member: On this side.

Mr. Roy Cullen: Yes, on this side we certainly understand that. The excise tax on diesel fuel is four cents. In Ontario the tax on diesel fuel is about 13.5 cents a litre.

How could we realistically come to the Chamber and put before us a motion that does not address the issues they are proposing to address? At the same time they ask, if we did something on excise taxes and it did not flow through to consumers, would it be such a big deal?

We are managing the tax dollars of Canadians. If we are to do anything we want to make sure it gets to consumers. The NDP has proposed some regulatory mechanism to try to ensure that would happen. I personally do not support it because it would be far too regulatory and cumbersome.

As members on the benches opposite know, the reality is that it would be virtually impossible to determine if a reduction in the excise tax made its way to consumers. There are many different variables. The oil companies will say that they were planning to do it but forgot it because their other costs went up.

The motion is horribly flawed. I am very disappointed that we did not have an opportunity to vote on an amendment so the House and Canadians would have an opportunity to see the two sides of the coin. I certainly will not be supporting the motion put forward by the Alliance Party. I would encourage everybody in the House to do the same.

• (1350)

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, I take exception to some of the comments that were made on flow-through costs. Part of the difficulty is that truckers cannot pass their costs on because of long term contracts.

The issue is like a nutcracker. High fuel costs are part of it. The other side of the nutcracker is that truckers and the people of Canada are caught in low economic conditions like in British

Columbia where logging trucks are facing markets that are non-existent. I talked to a mill lumber manufacturer who said that he was trying to do business where there were no markets for his product. The difficulty is the federal government is responsible for softwood quota agreements that have deprived the industry of the profits it needs to pay the high taxes demanded by the government.

How can truckers pass the costs on through long term contracts which do not allow for this pass through? What recognition has the government taken of the difficulties it has placed on industry through faulty international trade agreements like the softwood quota agreement?

Mr. Roy Cullen: Mr. Speaker, having lived in British Columbia for 13 years I am quite sympathetic to the forest industry. What will happen after the softwood agreement is somewhat extraneous to the debate.

With respect, I think the member is confusing two issues. I came from the private sector. It is a very competitive market and sometimes one is quoting on a fixed price. It seems to me that if truckers have learned anything, they should probably include in the next go-around some escalators when talking about a major component of their cost base.

The reality is the member is right that there are some truckers in this predicament. That is why the government is seized with the question. However, if we look at the GST, it has nothing to do with the contracts with their customers or clients. It is an input tax credit. They pay the GST, fill in the forms and get it back.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, the hon. member is a brave man to be speaking to this issue. I respect him for that.

When I fill up my gas tank in my province I pay 15 cents a litre provincial tax. I also pay 10 cents a litre federal tax. Would the member mind telling the House what percentage of that tax per litre, which was a designated tax because I was grabbed at the pump, went back to the province of Saskatchewan for the purpose for which it was taken?

Mr. Roy Cullen: Mr. Speaker, if we look at the province of Saskatchewan, the provincial tax on gasoline and diesel is 15 cents. Our diesel tax is four cents and our excise tax on gasoline is 10 cents.

The point is that excise tax on gasoline like the tobacco tax and a whole range of other taxes go into the consolidated revenue fund of the government. They are used to serve the needs of all Canadians, including relief for farmers on the prairies which was between \$1 billion and \$2 billion in the last budget alone.

The revenues from excise taxes flow through to the consolidated revenue fund. They fund, for example, the \$23.5 billion the Prime Minister recently concluded with the provinces and territories to

invest in health care and education. They are not a dedicated tax. They were never intended to be and never will be.

• (1355)

The Speaker: Rather than proceeding with the debate, we could hear a few more statements today with a little luck.

STATEMENTS BY MEMBERS

[English]

POLICE AND PEACE OFFICERS

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, this Sunday thousands of police and peace officers from across Canada will gather on Parliament Hill to pay tribute to colleagues who have died in the line of duty.

The police and peace officers national memorial day ceremony is a lasting tribute to the sacrifice of these brave men and women. These services provide Canadians an opportunity to express their appreciation for the dedication of police and peace officers and their ultimate sacrifice to keep our communities safe.

The names of fallen police and peace officers inscribed on the memorial pavilion is a solemn reminder to all of us of the danger of this noble profession. The memorial's motto is a fitting expression of our appreciation: "They are our heroes. We shall not forget them".

* * *

BILL C-3

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, I am beginning to see why Canadians have so little respect for politicians.

For the past number of months the justice committee has heard witnesses from across Canada on Bill C-3, the youth criminal justice act. These folks have tried to convince the committee to change the bill. I thought they were successful. The committee ended up with approximately 260 amendments.

However, through the ineptitude of the rules, coupled with the government majority on the committee allowing one individual to prevent any discussion on these amendments, months of committee time has been wasted. The bill is to be reported back to the House in exactly the form it left over a year and a half ago.

Those who testified cannot be impressed that the justice committee was unable to make the changes. Canadians cannot be impressed that the committee has done nothing with this legislation.

As a member of parliament I am most disappointed that when we send a bill to committee for review and potential improvement it is

not done. We have a problem when an individual who has not seen fit to present any amendments of any real substance to the legislation is able to prevent all other parties of the committee from doing their jobs for Canadians. I am outraged and Canadians should be outraged.

* * *

VOLUNTEERS

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise today to pay tribute to the outstanding volunteer efforts of Dr. Jan Barica and Mr. Gary Norton.

These two Burlington residents have recently returned from working internationally with CESO. Dr. Barica provided her considerable expertise to the laboratory of applied ecology in the faculty of agriculture at the University of Southern Bohemia in the Czech Republic. Mr. Norton assisted the Peruvian Central Reserve Bank to develop a reporting system, train staff, review technologies, and ensure it has the best possible system.

These two bright, caring individuals demonstrated the best of Canadian values internationally. My congratulations to Dr. Barica and Mr. Norton for their incredible achievements. They are fine Canadian ambassadors. I am sure all colleagues join me and their family and friends in proudly celebrating their accomplishments.

* * *

HIV/AIDS

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, this Sunday, 16 communities throughout Nunavut will participate for the first time in the national AIDS walk campaign to promote awareness of HIV/AIDS.

I will be taking part in this important event in my home community of Arviat as we help raise national awareness of this devastating disease in an attempt to prevent the spread of HIV/AIDS.

I wish to congratulate Pauktuutit Inuit Women's Association, the sponsor of the Canadian Inuit HIV/AIDS Network with funds from Health Canada, on its excellent work in co-ordinating Inuit participation in the national AIDS walk campaign.

I wish all participants in Nunavut and throughout Canada good luck and say a big thanks to all sponsoring organizations that have donated tokens of appreciation and food for the participants to enjoy after their walk. *Mutna.*

* * *

COMMUNITIES IN BLOOM

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, today I am pleased to let you know that Richmond Hill in my riding of Oak Ridges has received the highest possible rating, a four bloom rating

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this past weekend at the awards ceremony of the national Communities in Bloom program.

To win a four bloom rating a municipality must achieve more than 800 out of a possible 1,000 points in eight different categories. The town is particularly pleased that it achieved its highest scores in the areas of heritage and community involvement.

Richmond Hill has been invited to represent the province of Ontario in the national competition next year, one of only six towns and cities to have earned that opportunity.

• (1400)

The Communities in Bloom program is dedicated to improving the quality of life of Canadian municipalities. Improving the appearance of neighbourhoods, parks and streets through the use of flowers, plants and trees and increasing environmental awareness helps make Richmond Hill a wonderful place to live, work and play.

Good luck next year in the national competition. I look forward to seeing yet another beautiful display of my community in bloom.

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VETERANS AFFAIRS

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, let me tell you a sad story.

Sergeant John, a World War II veteran returned home in 1944 from the battlefields of Europe. He married his high school sweetheart Sylvia in 1945. For the past 10 years John and Sylvia have received veterans independence payments from veterans affairs to help them live in their own home rather than be put into institutional case.

John passed away a few months ago and now a severe injustice has occurred. Sylvia, his wife, is denied by legislation the VIP monthly allowance that her husband was eligible. That was to help her to continue life in her own home. If the couple needed help keeping their own home when John was living, is it not obvious that his wife will need even more help now that he has passed away?

Parliament needs to correct this disgraceful injustice and provide veterans' spouses the same standard of living, not just one year after the veteran dies, but for the rest of a spouse's life.

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[Translation]

NICOLAS GILL

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, it gives me great pleasure to pay tribute to the achievement of one of Canada's judo greats, Nicolas Gill of Ville-Saint-Laurent.

This athlete did Canada proud today, winning the silver in judo at the Olympic Games in Sydney, Australia. This was Canada's first silver medal.

Mr. Gill first made a name for himself on the international judo scene at the 1992 Olympic Games in Barcelona, where he won a bronze. After a serious knee injury, which almost ended his career, Mr. Gill returned to the sport and won a bronze medal in the 1999 world championships and a gold at the Pan-American Games in Winnipeg the same year.

Nicolas is a model of commitment and perseverance for all the young people who meet him, including my seven-year old daughter, Anne-Darla, who has her yellow and white belts and for whom Nicolas is a great hero. I call on hon. members to join with me—

The Speaker: I am sorry to interrupt the hon. member. The hon. member for Lambton—Kent—Middlesex.

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[English]

AGRICULTURE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, we can have all the tax cuts and social programs we want, but if we do not have the ability to produce our own food we are not a sovereign nation.

We cease to be self-sufficient in food production if we allow the Americans to put our farmers out of business by artificially lowering the commodity prices through their huge subsidies. We are seeing it now with skyrocketing oil prices. We do not control the supply and are being held hostage by foreign nations. Just think what would happen if we had to depend on other countries for our food.

Ontario grains and oilseeds organizations sponsored 11 meetings across the province last month, with one of the largest being held in my riding of Lambton—Kent—Middlesex. They reminded the provincial and federal governments that the low income situation is reaching crisis proportions.

The government has made some positive changes for the agricultural sector but recognize our work is not done.

* * *

AGRICULTURE

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, if repeated calls from the Canadian Alliance were not enough to convince the government that agriculture is in the throws of a crisis, perhaps the Prime Minister should consider the latest StatsCan figures which indicate that there are 26,200 fewer farm workers on the prairies this fall than there were last fall.

Sadly, there is no reason to expect this trend to stop. Input costs are soaring out of control, commodity prices remain at record lows and poor weather across the country has affected crop yields.

But this should come as no surprise to the Prime Minister. The Canadian Alliance action for struggling agricultural producers report warned that 75% of farmers surveyed thought the future of agriculture was bleak.

Perhaps the Minister of Agriculture and Agri-Food and the Prime Minister should have a look at ISAP report that the Canadian Alliance sent them this spring before they get any more nasty surprises.

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[Translation]

MARIE-LOUISE GAGNON

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, the residents of Appartements Louise in Jonquière have a special reason to celebrate because, on September 30, Mrs. Marie-Louise Gagnon will be celebrating her one hundredth birthday.

Mrs. Gagnon was born in 1900 in Pibrack, in the Saguenay—Lac-Saint-Jean region. Mother of eight, she can point with pride to 35 grandchildren and 24 great-grandchildren.

• (1405)

Mrs. Gagnon remembers, perhaps with nostalgia, the wonderful roaring twenties. Her memories of the two world wars and the Depression are sad ones, but Neil Armstrong's walk on the moon is still a source of wonderment.

She has lived through the key events of the past century and her recollections are part of our collective memory.

What better to wish you than health and the love of your family? And for the one hundredth time in your life: Happy Birthday, Mrs. Gagnon. You have earned it.

* * *

HEALTH

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, allow me to illustrate what Quebec will be able to do in health care in the next five years thanks to the recent agreement signed with the Canadian government.

Quebec will be able to purchase some \$1 billion worth of hospital equipment. It will be able to empty waiting rooms. It will provide quality health care to seniors. It will be able to have a more appropriate policy on pharmaceutical products. It will be able to resolve the problem of shortages of doctors in the regions. It will be able to invest in new information and communications technologies in health care.

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This agreement is in keeping with the spirit and the rule of Canadian federalism. It is another example of federal-provincial co-operation that will benefit Quebec.

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[English]

WORKPLACE SAFETY

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, corporations and corporate executives should face criminal prosecution when they are found responsible for workplace accidents that kill or harm employees. This principle is at the heart of a unanimous motion by the House of Commons justice committee and is one that Canadians overwhelmingly endorse. The ball is in the government's court.

Canada's New Democrats, members of the United Steelworkers of America and bereaved families in communities from coast to coast are watching very closely to see that our efforts lead to success. We will not let this matter drop.

The campaign for corporate criminal responsibility in Canada is based on the Westray tragedy of May 1992 when 26 people died in Pictou, Nova Scotia. The report on the commission of enquiry into the tragedy by Justice Peter Richard released three years ago said that the attitude of senior Westray managers to their responsibility for workplace safety was "wilful blindness". Justice Richard identified a terrible flaw in the Canada Criminal Code.

The Liberal government has had three years to consider the recommendations of Justice Richard. Working Canadians want this legislation now.

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[Translation]

NICOLAS GILL

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the Bloc Québécois would like to congratulate today Nicolas Gill on winning a silver medal in judo at the Sydney Olympics.

According to the experts, Mr. Gill won the four earlier matches with grace, before conceding defeat in the finals to the Japanese Kosei Inoue, but not without a good fight.

This is Nicolas Gill's second Olympic medal. He won a bronze medal in Barcelona in 1992. Used to taking first place in many international competitions, Mr. Gill was dreaming of bringing back gold. We say to him that his silver medal is a source of great pride to all of Quebec.

Mr. Gill started his judoka career at age six, obtained a black belt at age 17, and took first place on the podium in most of his competitions in recent years.

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Nicolas Gill is an accomplished athlete, who will certainly inspire hundreds of youngsters, who will put on their judogis with pleasure in the hope of becoming judokas.

* * *

[English]

IRANIAN REVOLUTIONARY COURT

Mr. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I rise to express regret and concern at the decision of the Iranian Revolutionary Court to uphold the convictions of the 10 Iranian Jews, despite flagrant violations of the defendants' rights to a fair trial as guaranteed under Iranian law including: being held incommunicado in detention for over a year; denial of the right to the presumption of innocence; the absence of any evidence implicating the accused; denial of the right to counsel of their choice; and denial of the right to an independent judiciary as the Iranian Revolutionary Court serves as one and the same as investigator, prosecutor and judge.

This is justice delayed and justice denied. I call on Iranian authorities to vacate the convictions and release the accused, the whole in accordance with Iranian justice and Islamic law.

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CFB SHILO

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, the Minister of National Defence has had all summer to come to a decision on the future of Manitoba's land forces.

I am sure the minister's officials gave him a copy of the May 24 report entitled "Final Business Case".

● (1410)

The defence report clearly states that the best option for restructuring would be to relocate the Second Battalion Princess Patricia's Canadian Light Infantry to Canadian forces base Shilo to share the training facilities with the First Regiment of Royal Canadian Horse Artillery. It is clear CFB Shilo outranks all of the other options available.

The Minister of National Defence assured me that the decision would be made this month. The minister also told me in the House that the final decision on Manitoba's land forces would be made on the basis of what is good for our military, not what is good for politics. I would like to take him at his word.

The defence department recognizes that CFB Shilo is and can remain one of the top military facilities in the world. The facts are in black and white. It is now for the minister to decide. The men and women of the Canadian military deserve a decision and they deserve it now.

EARLY CHILDHOOD DEVELOPMENT

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, the first six years of a child's life shapes that child's health, learning and behaviour across a lifetime. This formative period is anchored on four critical pillars: a healthy start to life, parenting and family support, a child's personal growth and a strong community milieu.

To support these pillars, our first ministers, under the leadership of the Prime Minister, agreed 10 days ago to the early childhood development initiative. To this end, the Government of Canada has committed \$2.2 billion over the next five years.

The constituents of Winnipeg North—St. Paul welcome this initiative, our collective legacy and promise to the next generation.

Indeed, Canada's continued vitality and economic prosperity in this new century and beyond depend on the opportunities we provide today to the very youngest of our citizens. Truly, when we secure the future of our children, we secure the future of our nation.

* * *

ORGANIZED CRIME

Mr. Jake E. Hooppner (Portage—Lisgar, Ind.): Mr. Speaker, the new RCMP commissioner's statement that "there are criminal organizations that target the destabilization of our parliamentary system" should come as no surprise to the House.

It is well known that since my election to parliament I have provided evidence warranting criminal investigations which has resulted in intimidation, death threats and finally a fictitious assault charge. The documented evidence I provided to the solicitor general shows RCMP negligence and intelligence leaks. The solicitor general refuses to act.

The government must immediately investigate and address these internal RCMP problems before it can hope to tackle organized crime. The advantage that organized crime has is that it is using our justice system to protect its criminal activity.

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WORLD TRADE ORGANIZATION

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I would like to register the objection of the NDP to the decision by the Minister of International Trade to appeal the ruling of the World Trade Organization which went against Canada with respect to the exporting of asbestos to France and Canada's complaint about the law in France which prohibits the import of asbestos into France.

Oral Questions

This points out to us exactly what is wrong with the World Trade Organization. It can be used by various countries, embarrassingly so this time by Canada, to try to overthrow legitimate attempts by elected national governments to protect the public interest and to act in the interests of public health and the environment.

I call upon the Minister of International Trade to reconsider this particular decision.

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LEADER OF THE OPPOSITION

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, I listened with great interest when the hon. Leader of the Opposition said that one of his political heroes was the former finance minister of France, Anne Robert Turgot, who was the finance minister from 1774 to 1792 under King Louis.

Anne Robert one time said that the expenses of government having for its interest the object of all should be borne by everyone and the more a man takes advantage of society, the more he should hold himself honoured to pay for those expenses.

How in heaven's name is it justified that a millionaire, the most advantaged in society, would pay over \$100,000 less in taxes under his goofy 17% plan than an ordinary person working at Loblaw's? My goodness, gracious, Anne Robert Turgot would turn over in his grave as a mentor of this particular person.

The Speaker: Goofy is a little close.

ORAL QUESTION PERIOD

• (1415)

[English]

FUEL TAXES

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister indicated with some concern that he could not allow a free vote to go ahead on the Canadian Alliance motion on lowering gas taxes for all Canadians because in fact it could be seen as a motion of non-confidence in the government as it is a budgetary item. I take him at his word that that is a concern of his. I would not want him to be in that tough position.

I have consulted with members of the Canadian Alliance caucus. We have all agreed we would not see this as a motion of non-confidence. As a matter of fact we would see it as a motion of great confidence in the government. Canadians would see it as a motion of great confidence and I would give the Prime Minister credit for doing it.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, yesterday, when the Leader of the Opposition met the press in the wine cellar, he said that he was a member of parliament.

He indicated more or less that he was not in favour of increases in the price of gasoline in Alberta. When he was part of that government he voted for that. Not only that, it was done in three stages. The second and the third times he was the whip and he had to make sure that people voted that way.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, when you continue to live in the past you continue to be wrong. The Prime Minister said very clearly that he would like to see the next election based on values. In 1995 when he—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Leader of the Opposition.

Mr. Stockwell Day: Mr. Speaker, I will start again. As I said before, when you live in the past you continue to be inaccurate about the present and the future. The Prime Minister has indicated he would like to see the next election based on values. I am encouraged by that, because he made a promise in 1995 when he slapped a tax on the excise tax for gasoline that it would be to eliminate the deficit.

The deficit is gone now and I believe very strongly that keeping one's promises is a very important value. Will he now live up to that value and scrap this increase in tax?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Finance said that we are looking at all options at this moment. We are discussing them with the provincial governments because, as many people said, there is a big danger that just the reduction of that tax will not be passed to consumers.

I would like to quote somebody the hon. member might know. Al Palladini, the Ontario minister of economic development and trade, said yesterday: "Cutting fuel taxes is not the answer to this situation. Whenever government has cut fuel taxes it has not been reflected at the pumps".

We have to consult and act in the interests of consumers, not in the interests of giving an opportunity to oil companies to pocket the money.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, taxpayers will hold the Prime Minister to account for his words, not some other minister from another province.

[Translation]

During the 1993 election campaign, the Liberals promised to eliminate, abolish and scrap the GST. We know what happened.

Oral Questions

In 1998, a Liberal committee proposed to stop collecting the GST.

Will the Liberal government once again break its promises regarding the GST?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member spoke about a new era in the House, an era where we have to be very careful and very clear about what we are saying.

If he wants to take a moment to be very accurate, he should take a look at the 1993 red book. The Liberal Party policy on the GST was very clearly stated. We said that we wanted to harmonize the GST with the provincial governments. That is the promise we made and that is the promise we kept.

• (1420)

[English]

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I was very encouraged to see a statement of moral obligation being made by the finance minister. Apparently, if he was accurately reported, and it is in the newspaper and so I do not doubt it, he said very clearly that he saw it as a moral obligation to reduce the particular tax on the excise.

I am very pleased to see that, just as I was pleased to see him stay with his commitment to go ahead with putting the surplus toward the debt. I commend him for that and I am sure they will all start to applaud now, but that was very good work. I appreciate that. Does the Prime Minister not also see this as a moral obligation?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Prime Minister has just said that the government is considering many options. Among those options is the one that was put forward by members on the Liberal side of the House today, an option which said that any help the government should give should go into the pockets of Canadians, especially those with lower incomes.

The fact is that by using procedure the official opposition rejected that amendment. The question is: Why does the official opposition object to Canadians getting the benefits of any such reductions? Why does it want to give it to the oil companies?

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the finance minister needs to look at the credentials of his research staff. If they had informed him and briefed him properly they would have indicated very clearly that that motion is being taken up tomorrow. In fact we will be discussing that among our caucus. We are open and willing to do that type of thing. Does the finance minister's moral obligation—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Leader of the Opposition.

Mr. Stockwell Day: I will be here on Friday for that discussion. It will be interesting to see.

Will the finance minister's sense of moral obligation, which I take sincerely by the way, also extend to protection for consumers, to diesel fuel and to home heating fuel?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Leader of the Opposition says he is prepared to discuss it tomorrow at his caucus. Why will he not discuss it today before the Canadian people?

The Liberal amendment can be accepted with unanimous consent of the House. I challenge the Leader of the Opposition to accept the Liberal amendment.

* * *

[Translation]

BUDGET SURPLUSES

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, last year, the Minister of Finance was off by \$9 billion in his forecast for the surplus. This year, he expected a \$4 billion surplus. We know that, after only four months, the surplus is much bigger, at about \$11 billion.

Could the Minister of Finance tell us if he has revised his figures, his forecasts, and can he give us his current forecast for this year's surplus?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Bloc Québécois leader is well aware that we are going to have meetings with economists. In fact, we are going to start meeting with the country's top economists next week. Following these meetings, we will examine their projections and tell Canadians about them. I will personally do it in the financial statement that will be presented in November.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the minister already has figures, which date back to the spring. He could have revised them. I realize one thing: his department's public servants are after taxpayers who use two sets of books, one for tax purposes and one for their personal use. It seems that the Minister of Finance also uses two sets of books: one for the public and one for his personal image.

Will the minister stop playing hide and seek with the public and release the real figures? I am convinced that he knows them.

• (1425)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the projections will be presented in the financial statement, during the month of November, after an extensive consultation exercise with the country's top economists.

Oral Questions

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, yesterday, the Minister of Finance made the following statement:

Following our last budget, a family with two children and an income of \$30,000 will not pay any net federal income tax.

The minister just happened to neglect to point out that this was forgoing to be four years down the road.

With \$12 billion in surplus last year, and \$11 billion the first four months of this year, will the minister not agree that, if one's heart were in the right place, the time to act is right away, not in four years? Why does the Minister of Finance not reduce taxes immediately for those with low and middle incomes? They have been waiting for this for seven years.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, seek and ye shall find, ask and it will be answered. In four years, it will be \$35,000 and it is \$30,000 today for the example the hon. member has just given.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, in four years. What he did not say is that he has not made the people earning \$250,000 and up wait; they have had a \$2,000 tax saving for the past two years.

What answer does the Minister of Finance have to give a family that is having trouble making ends meet, one that is becoming poorer because of the federal tax and the minister's sneaky little tricks aimed at winning votes? Is he saying they have to wait four years? Is he asking this family to tell their grocery store to wait four years before it will see any money, to just put it on their tab? Is that what he means?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, our sneaky little tricks have seen us with 5% more revenue than predicted.

In Quebec, Mr. Landry's revenue has also exceeded his predictions by about 5%. Is this also due to sneaky little tricks?

* * *

[English]

THE ENVIRONMENT

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister. Shipping tons and tons of Toronto garbage to Kirkland Lake is lunacy. It is madness. It threatens the safety of drinking water for local residents and for millions of residents downstream.

I urge the Prime Minister to think of the Ottawa River in terms of water for drinking, not just water for rafting. When will his government announce the details of a full federal environmental assessment of the Adams mine proposal?

Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, the Minister of the Environment has been petitioned to conduct an environmental assessment. As a matter of fact, our hon. colleague from Timiskaming—Cochrane has kept this issue on the front burner.

The minister has asked the Canadian Environmental Assessment Agency to advise him if the project triggers a federal environment assessment. Once the agency has made its investigation, the minister will decide on the proper course of action.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, let me say it is bloody well about time the government began to address the question. I have to say that based on the Liberal record on the environment Canadians know that the Liberal walk rarely measures up to the Liberal talk.

I want to ask the federal government today a concrete and specific question. Will it assure that the scope of the environmental assessment will be comprehensive and, if the safety of the water is at risk, will it stop the dump?

Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, what has the government done in the last seven years? The government has consistently taken strong action on the environment.

We have enacted the Canadian Environmental Protection Act to protect Canadians from toxins. We have negotiated strong national standards for the provinces for clean air and clean water. We are negotiating a tough new agreement with the United States to reduce smog in cities like Toronto, Windsor and Halifax. We have invested \$850 million over the last seven years to reduce the risk of climate change in Canada. We are encouraging clean air technologies like the Ballard fuel cells.

* * *

● (1430)

FUEL TAXES

Right Hon. Joe Clark (Kings—Hants, PC): Mr. Speaker, my question is for the Minister of Finance.

He said in *Hansard* yesterday respecting tax cuts on fuel "We would only act in conjunction with the provinces". Is that still his position? If so, has he yet called the provinces to initiate discussions on their joint action, or is he waiting for them to call him?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as I have said earlier in the House and as the Prime Minister has said, we are looking at several options.

That being said, yes, we have been in contact with a number of the provinces. Officials have as well. Given the quote from Mr. Palladini by the Prime Minister, it is pretty clear that a number of provinces do not feel that cutting fuel taxes is the way to go.

*Oral Questions***FISHERIES**

Right Hon. Joe Clark (Kings—Hants, PC): Mr. Speaker, let me ask a question about another crisis in the country.

The Minister of Fisheries and Oceans would know that Mr. Rae has said the two sides in the fishing dispute are too far apart for mediation. Will the minister demonstrate clear leadership and personally go back to Burnt Church to attempt to resolve this issue?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, first of all I want to thank the hon. Bob Rae for his tremendous efforts in trying to bring the two parties together. I am disappointed that Mr. Rae was unable to bring resolution to this matter as we all had hoped.

Today I issued a variation order to close the lobster fishery in the Miramichi. Because conservation is threatened, we want to make sure we protect the lobster. I would urge the Burnt Church community to abide by that order and pull all the traps so that we protect the lobster fishery for all Canadians and for future generations.

* * *

THE ECONOMY

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, while gas prices continue to go through the roof, the Canadian loonie remains locked in the basement. It is now trading at barely 67 cents U.S. Two years ago the finance minister said that was because of record low commodity prices which are now trading at record high levels.

Is the finance minister at all concerned that his high tax, high debt policies are leading to continued diminishment in our standard of living and buying power as Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member ought to know if he looked back over the last 18 months that the Euro has lost close to 25% against the U.S. dollar. The British pound has lost close to 15%. The Australian dollar has lost close to 10% and New Zealand currency has lost substantially. In fact the only currency in the last year and a half that has gained against the U.S. dollar is the Canadian dollar.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, under the Liberal government the Canadian dollar has gained all the way from over 70 cents U.S. to 67 cents U.S. I guess that is the new Liberal math.

As the Canadian dollar continues to be weak against the U.S. dollar, it penalizes our consumers, including gas consumers. Oil prices are priced in U.S. currency. If we were to have a 75 cent

dollar, Canadian gas consumers would save three cents per litre at the pump.

Why does the finance minister continue a high debt, high tax, low dollar policy that penalizes Canadian gas consumers?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, yesterday we announced that we are paying the debt down by \$12 billion. That is \$18 billion over three years. That is an average of \$6 billion a year. That is what members of the Reform Party huffed and puffed and said they wanted. They wanted it; we delivered it. They look pretty silly.

* * *

• (1435)

[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, for some time now, the government has been telling us about Liberal compassion.

Where is that Liberal compassion when the Minister of Finance boasts about having billions in surpluses, while he is cutting seasonal workers off? They will not be getting EI benefits this winter and next spring.

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, there are many ways that the government helps Canadian workers. We help them get the tools and the training they need to participate in the new economy. We help them in their pursuit of lifelong learning. Indeed we help them through the employment insurance program. As I have said on a number of occasions in the House, we monitor that program on a regular basis. If there is evidence that changes need to be made, there will be.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, not only is last year's surplus four times larger than the Minister of Finance had anticipated, but the 2000-2001 surplus could exceed \$20 billion.

How can the Prime Minister explain to the people who marched on the streets of Baie-Comeau and Chicoutimi this week that his government will continue to cut employment insurance, when his government has billions of dollars in surpluses?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us look at some of the facts. Since 1993 when this government was elected, the unemployment level in the province of Quebec has been reduced by 4.5%. Since that

time almost 400,000 Quebecers are working today that were not working. Finally, in the past year the rate of job creation in the province of Quebec has reached 3.2% which is higher than the national average. These statistics are worth celebrating and we will continue to do more.

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FISHERIES

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, the fisheries minister has completely lost control of the crisis in Burnt Church. Worse, his inaction has led to violence and confrontation.

Today the minister said “We have told them they have 24 hours to remove their traps”. Canadians simply do not believe that 24 hours means 24 hours to the minister.

Why does he not enforce the law and get those traps out of the water today?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am sure the hon. member knows that we have been enforcing the law. As I said yesterday, we pulled up 2,700 traps, arrested individuals and seized vessels.

It is incumbent on every responsible government to take every means possible to try to get a peaceful and co-operative agreement to avoid conflict. That is exactly what we are doing. Yes, I have shown restraint because we want a peaceful resolution. We want a resolution that reduces conflict. Every effort has been made to do that. In the final analysis, the rule of law will prevail.

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, Canadians, or anyone for that matter, just do not believe when the minister makes a threat or an ultimatum in the name of peace that it is ever going to happen. He waited for others to suggest that Bob Rae go in and mediate. He hoped that Bob could do what he himself would not do. Plan *b* just walked away.

We know that there is only one commercial fishery, lobsters, in Miramichi Bay and that fishery is only in the spring. Why has the minister allowed any traps there now, let alone 24 hours from now?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, right from the beginning of this year we have had a federal representative who met with first nations bands and worked with them individually on their needs. Unfortunately, Burnt Church was not willing to sit at the negotiating table.

I have personally been to the Miramichi. I met with the chief and the band council members. Then my deputy minister went down and met with them. Then Bob Rae, from a list provided from Burnt Church, went down and tried to negotiate a deal.

Oral Questions

Yesterday Bob Rae said that they had agreed to a substantial reduction in the traps that were in the Miramichi. Progress was being made. Unfortunately, that did not happen. For conservation purposes, today I closed the lobster fishery in the Miramichi.

* * *

[Translation]

GASOLINE PRICING

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, high fuel prices are certainly not hurting the federal government. Not only is it collecting more GST, and more tax on oil company profits, but it is also continuing to enjoy the sizeable revenues from the excise tax.

I therefore ask the Minister of Finance whether the federal government should not temporarily lift its 10 cent a litre excise tax, given the supposedly unexpected surpluses the minister announced yesterday?

• (1440)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the member knows, lowering the excise tax would require co-operation between the two levels of government. It must be pointed out that the provinces are taking in much more in excise taxes percentage-wise than we are. In Quebec, it is somewhere around 15 cents.

So the question is which option to go for. And that is something we are looking at.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, just so that the minister is clear on this, the excise tax is a federal tax. In the provinces, it is a fuel tax.

If the Minister of Industry really wants to put a stop once and for all to the part of gasoline price hikes attributable to a lack of competition, would he be prepared to amend the Competition Act so that three major refiner marketers do not single-handedly control 75% of the market in Canada and hold us hostage to gasoline price hikes?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the member knows that we are doing a study of the changes that may be necessary to the Competition Act.

But the member has perhaps noticed that gasoline prices are a problem not just in Canada but in Europe too. And our Competition Act carries no weight in Europe.

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[English]

FISHERIES

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, today the minister claims to be shutting down the lobster fishery on Miramichi Bay for conservation

Oral Questions

reasons. Yesterday he was offering fishermen on the Miramichi \$12,000 to turn a blind eye to illegal fishing on the bay.

Rather than protecting the resource and shutting down the fisheries, the minister chose what he thought was the path of least resistance: hush money, paying fishermen to look the other way while the lobster resource is under attack, while the viability of their fishery is jeopardized and while illegal fishing continues unabated. How can he justify this distasteful offer?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): As usual, Mr. Speaker, the hon. member has his facts all wrong.

Of course the mediator was there talking to all the parties trying to bring them together. This was the proposal he was talking about to all members there to try to get a common peaceful resolution on this matter.

The hon. member should check his facts before he brings them forward to the House. It has been the attempt of this government to resolve it peacefully. For Canadians right across the country the rule of law is fundamental, and we will ensure that we follow the rule of law for all Canadians and will protect the resource for all Canadians and future generations.

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): I did check my facts, Mr. Speaker. There is no doubt of the source of the offer. It was the minister's mediator, the eminent Canadian.

A fisherman from Miramichi asked me last night "What kind of country do we live in when our government would bribe its citizens to look the other way while the law is being broken?"

The Speaker: I ask the hon. member to withdraw the word bribe.

Mr. John Cummins: Yes, Mr. Speaker.

The Speaker: The hon. member for Hochelaga—Maisonneuve.

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[Translation]

HEALTH

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, with his cuts to the provinces, the Minister of Finance has put enormous pressure on the health care system.

In his discussions with the provinces, the Prime Minister indicated he did not have the money to index health care programs.

How does the Prime Minister explain his saying he did not have enough money to index the health care programs, when his Minister of Finance is announcing surpluses of \$12 billion, which

were confirmed by documents that had no doubt gone to press at the time the discussions were held with the provinces, and may even have been known to him?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would simply provide you with a few figures. In 1999, Quebec received \$2.7 billion from the federal government as part of the social transfer. In 2000, it received \$600 million.

Two weeks ago the Prime Minister signed an agreement with the provinces, and Quebec will be getting an additional \$5 billion.

In a 20 month period, Quebec will be receiving an additional \$8.5 billion from the federal government.

* * *

• (1445)

[English]

LA FRANCOPHONIE GAMES

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, last March the Government of Canada announced a contribution of \$12 million to the fourth games of la Francophonie in 2001 to be held in Ottawa-Hull. The *National Post*, Diane Francis and a few members of the Ontario legislature recently accused the government of spending much more on these games than on any other major sports event and also stated that these games showcase only third rate athletes. As usual, they are more interested in fiction than facts.

Could the minister responsible for the games of la Francophonie—

The Speaker: The hon. Leader of the Government in the House of Commons.

[Translation]

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, as usual, journalist Diane Francis and the provincial member in question have got things totally twisted.

The Government of Canada's contribution to fourth Games of La Francophonie were only one quarter of what it contributed to the Pan-American Games in Winnipeg and one fifth of its investment in the Commonwealth Games.

Secondly, to describe Donovan Bailey, who gained world renown at the Jeux de la Francophonie in Paris, as a third rate athlete is unfair. It is also an insult to Bruny Surin, who agreed to serve as ambassador of the—

The Speaker: The hon. member for Vancouver Island North.

*Oral Questions***AGRICULTURE**

[English]

FISHERIES

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the minister of fisheries has no credibility when he talks about closing the lobster fishery in Miramichi. The fisheries department's own estimates show that the Burnt Church lobster catch is already over four times what was approved. The minister's regional director general has said, and I quote, "Continued fishing will have a serious detrimental effect on the stocks".

The minister must uphold his oath of office. He must enforce the law. When will he pull all the traps?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, as I said earlier today, due to conservation concerns we have closed the lobster fishery at Miramichi. I would urge the community of Burnt Church to abide fully with that because I know they believe in protecting the stock for their future generations and I know they want to abide by the law. If they do that it will be the right thing. All members of the House should urge them to fully abide by the law and protect the resource because the rule of law is important to Canadians.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, despite the minister's assurances, there are more traps in the water today than there were yesterday.

Yesterday the minister wrote to the chief at Burnt Church and said "The fishing activity to date is detrimental to conservation. The current situation cannot continue if conservation and an orderly fishery are to be insured".

There is no orderly fishery and no law and order. The illegal fishing at Miramichi must stop. When will the minister pull not just some but all the traps?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member is right in that I have written to the chief. There has been ongoing communication for a very long time urging a negotiated agreement just as 29 other first nations have done where we have an orderly transition program for them to fully participate in the commercial fishery.

The variation order to close the lobster fishery has been issued and I know that they will want to fully comply with the law. I would urge them once again to pull all the traps in the Miramichi so that we can go on to the more constructive things we can do.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, last spring the minister of agriculture guaranteed that all western grain and oilseed farmers would enjoy a \$5.92 reduction in their freight rate bill this year but that is not what farmers are telling us. They are saying that they are getting nowhere near that kind of savings. Some are getting as little as 22 cents, some zero and, in a few cases, because of a lack of real competition amongst the railways, they are actually paying higher costs than they were absorbing last year.

Having guaranteed \$5.92 this past May, will the government be making up any shortfall to the farmers who fall far short of this \$5.92?

• (1450)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I remind the hon. member that we talked about \$178 million legislated by this parliament that will flow to the pockets of producers right across the board. That works out to the per capital tonnage amount that he mentioned.

Farmers will receive the benefit of this legislation. It is forward looking. It is legislation that has had, by and large, the support of all members of the House and the Senate. I do not think the hon. member should start quibbling at this stage when we have provided \$178 million for western producers.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, some quibble, 22 cents versus \$5.92. He is still on numbers that do not add up.

The minister indicated recently that to put us on parity with U.S. support payments would require some \$18 billion to \$20 billion. Farm groups are saying that they do not need that much of a commitment. In fact, \$4 billion has been suggested by at least one major organization.

Would the minister tell the House how he arrived at this large figure because it is much higher than what he had said in the past? I hope by inflating this number it is not an excuse to ignore the plight of Canadian farmers in a desperate situation.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, what I said when I gave those numbers was that if we compare what the United States is doing, based on the size of its industry and the size of our industry, that would be the requirement here in Canada.

I recognize the fact that the industry and the producers have said that is not the amount of money they desire and that they understand the resource constraints that we have in this country. I have said to them that we will continue, as we have shown in the past, to do all we can to level the playing field between Canada and

Oral Questions

the United States and that there is also a necessity to level the playing field among provinces within Canada.

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FISHERIES

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, the Minister of Fisheries and Oceans is planning an enforcement action at Burnt Church. What steps has the minister taken to ensure the safety and good order of all of the citizens living on Miramichi Bay?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, not only for this minister but for all ministers in the government, public safety is number one.

Whenever enforcement action is taken, we ensure that the safety of our own officers as well as the public is our number one priority and every opportunity is taken to make sure that we avoid confrontation. This is important for myself as well as for the solicitor general.

Ms. Angela Vautour (Beauséjour—Petitcodiac, PC): Mr. Speaker, my question is for the Prime Minister.

We have a very serious situation in Burnt Church. I cannot imagine that anybody here would not agree. After speaking with the RCMP this morning, there is a real chance of violence in that region. It is clear that the Minister of DFO is not going to Burnt Church and it is clear that he has failed.

I am asking on behalf of the native and non-native people living in the Miramichi area, will the Prime Minister intervene and make sure that this is settled in a humane, secure fashion?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister has shown a lot of flexibility so far. He has tried everything possible to negotiate a peaceful resolution. As there is no possibility to accommodate the situation at this time, the minister was absolutely right to close the fishery in Miramichi Bay. He is also absolutely right to make sure that every fisherman in that area respects the law of Canada.

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[Translation]

CULTURAL POLICY

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, increasingly, nations are becoming aware of the threat to their culture, traditions and cultural expression. Canada is certainly one of these, given the presence of the American culture.

My question is for the Parliamentary Secretary to the Minister of Canadian Heritage. What is this government doing to combat this world-wide threat?

Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, Canada succeeded in having cultural diversity included in the international program. Membership of the International Network on Cultural Policy, created in Ottawa in 1998, has risen from the original 17 to 44 at the present time.

• (1455)

The third meeting of the network will be held in Greece in late September. There will be three themes: cultural heritage, cultural identity and cultural diversity in a context of globalization, and opportunities for national action.

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[English]

HEALTH

Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance): Mr. Speaker, it is now time to turn our attention to protecting the health of Canadians. Health Canada is finally recommending that migrants be tested for the AIDS virus before granting them entry into the country.

In 1994 my colleague for Calgary Northeast tabled a motion which called for precisely that, mandatory testing for AIDS, and the Liberal government voted it down.

Why has it taken the government so long to protect the health of Canadians?

[Translation]

Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, this matter was looked into more than five years ago, in what was known as the Montebello process.

As the Immigration Act requires of the Minister of Health, a technical opinion was issued to indicate that the safest approach was to have people tested when a risk appeared likely. That is the safest way when health is concerned.

Now, if there other points to consider, the Minister of Immigration is notified and the last word is hers.

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IMPORTATION OF PLUTONIUM

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, Transport Canada has just made its decision: Canada will fly in MOX plutonium from the Russian Federation.

How can the Prime Minister justify importing MOX over the opposition of hundreds of Quebec municipalities, the Standing Committee on Foreign Affairs and International Trade, and the general public, and despite American studies which indicate that shipping by air is the most risky means?

[English]

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the rationale for the testing of MOX fuel, and it is the testing of the fuel not a commercial program, is to try to make this world safer and more secure from the nuclear threat of the plutonium stockpiles in existence in the United States and Russia.

Anything that happens in this country is fully consistent with the laws of Canada, the Environmental Protection Act, the Nuclear Safety and Control Act, the Transportation of Dangerous Goods Act, the International Civil Aviation Organization and the International Atomic Energy Agency.

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, my question is on the MOX imports as well.

Earlier today Transport Canada approved plans to fly weapons grade plutonium from Russia to Chalk River. This decision throws public safety and public opinion to the wind. There were months of public consultations and thousands of letters from concerned Canadians. The last of those letters and submissions arrived yesterday and the decision was made this morning. This is an unholy haste.

Will the transport minister overrule this decision and withdraw approval for this reckless plan?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, Transport Canada approved the emergency response assistance plan submitted by AECL on Thursday, September 21 in accordance with the statutory provisions. I am quite satisfied that my officials did their work and took into account the wider public interest.

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OLYMPIC GAMES

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, a young and talented Canadian diver named Arturo Miranda sits and waits anxiously in Sydney, Australia. He is waiting and watching his Olympic dreams slip away. The reason this is happening is that the government of Cuba is blocking his right to compete in the games based on a technicality. The heritage minister has been incapable of resolving this affair.

Given the Prime Minister's vaunted relationship with Fidel Castro and that of the foreign minister, not to mention his government's special relationship to Cuba, will he now use that influence to solve this problem so that a young Canadian citizen from Alberta can compete for his country in the Olympic Games?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am not aware of this problem but I will certainly look into it to

Points of Order

see if something can be done. I am happy that the hon. member is praising us because we have good relations with Cuba.

* * *

• (1500)

PRESENCE IN GALLERY

The Speaker: I draw to the attention of hon. members to the presence in the gallery of Mr. Sven-Roald Nysto, President of the Sami Parliament of Norway.

Some hon. members: Hear, hear.

The Speaker: I also draw to the attention of hon. members the presence in the gallery of the hon. Wayne Jim, Minister of Government Services of Yukon.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

FISHERIES

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, during question period the hon. member for Delta—South Richmond made the point that the government, through its mediator, had offered fishermen \$12,000 to turn a blind eye to the illegal fishing in Miramichi Bay. Then he used words which you called unparliamentary.

I would like to bring attention to the Chair ruling of May 1, 1980 by Madam Sauvé when she was asked the question "If words are directed toward the government and not toward an individual, can he use words such as dishonest and shabbily?" She ruled in that context that, yes, such words were parliamentary because it was directed toward the government.

The hon. member for Delta—South Richmond accused the government of this \$12,000 payment or offer to fishermen in Miramichi Bay was a bribe from the government. It is the government we accuse of using a very poor and very—

The Speaker: I thank the hon. member for his intervention. The use of the word bribe in the context that it was used, in my interpretation at the time, was directed to the Minister of Fisheries and Oceans. I will review the blues. If I was wrong, I was wrong. I have about two seconds to make a decision up here.

I invite members to stay away from words like that. Surely, with our very vast vocabulary we can use other words to bring about our ideas.

Mr. Peter MacKay: Mr. Speaker, I rise on a point of order. The crisis at Burnt Church is requiring immediate focus from the House, I would suggest. It is imminent that we act quickly.

I am asking for unanimous consent to put a motion to the House that at 6.30 p.m. the House will proceed to a debate of which the

Supply

following motion would be presented by the hon. member for South Shore. It would read: That this House urge the Minister of Fisheries and Oceans to personally engage in immediate negotiations at Burnt Church, New Brunswick with both native and non-native fishermen; and that at 11.57 p.m., or earlier if there was no debate, that the question then be put without further debate or amendment.

I would suggest that this not be put forward as a way to circumvent an earlier ruling, but there is further evidence to suggest that tensions are escalating in that part of the country and that the House, of all places, should be engaged in the active discussion and debate to look for a resolution and a way to de-escalate and take away the chance of violence or bloodshed in Burnt Church, New Brunswick.

The Speaker: While I am waiting for the text of the motion the hon. member read, I see that the government House leader is seeking the floor. I will permit him to intervene.

• (1505)

Hon. Don Boudria: Mr. Speaker, no consultation with the House leader has taken place regarding doing that this evening. That is not the normal way in which negotiations are held between House leaders. Therefore, I am unable to give my consent at this time.

The Speaker: Does the hon. member have permission to put the motion?

Some hon. members: Agreed.

Some hon. members: No.

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BUSINESS OF THE HOUSE

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, there have been consultations among the parties and I believe you would find unanimous consent to withdraw Motion No. 251, standing in the name of the member for Kelowna, as well as Motion No. 414, standing in the name of the member for Bras d'Or—Cape Breton.

The Speaker: Is it agreed?

Some hon. members: Agreed.

(Motions Nos. 251 and 414 withdrawn)

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, on the Thursday question, I would like to ask the government House leader exactly what business he plans for the next week or so. I noticed today during question period there was a lot of interest in fuel tax relief. That is the motion of the Canadian Alliance today.

Does House leader plan to bring a motion tomorrow to bring immediate tax relief to all Canadians through reductions in gas and fuel taxes? If he would like to do so, the Canadian Alliance will certainly waive the 48 hour notice period.

The Speaker: My colleagues, it is like we are having a second question period sometimes on this Thursday question. Perhaps we could agree that with the Thursday question we could simply put the question and get on with it, rather than making any kind of suggestions as to what might be.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to see the new-found enthusiasm for the government amendment proposed to the hon. member's motion for today.

Tomorrow we will consider the second reading of Bill C-41, the veterans' legislation. On Monday we will commence the report stage of Bill C-3, the youth justice bill. On Tuesday we will consider report stage of Bill C-14 followed by third reading.

On each day I would propose as well, time permitting, the second reading of Bill C-17, amendments to the criminal code. We would then return for the completion of Bill C-3, hopefully at third reading then next Thursday.

There is ongoing negotiation on Bill C-38 about which I cannot report this minute but perhaps later on this day or at another time.

Mr. Bill Blaikie: Mr. Speaker, I rise on a point of order. I am not obliged to urge the government to take a particular position but rather to inquire about the status of legislation the government has already committed to and that is the corporate criminal responsibility legislation, otherwise known as the Westray bill.

Does the government House leader have any idea when that might be forthcoming?

Hon. Don Boudria: Mr. Speaker, I will inquire about that issue. I understand that there was a motion that was adopted at some point, but I will inquire about the issue of the bill per se and will report to the hon. member at the House leaders' meeting on Tuesday.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—FUEL TAX

The House resumed consideration of the motion and of the amendment.

Supply

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I will be sharing my time with the hon. member for Kootenay—Boundary—Okanagan.

• (1510)

I am pleased to rise today on the opposition supply day motion. I am going to read the motion so that everybody is absolutely clear about what we are debating today. This motion was brought forward by the member for Prince George—Peace River of the Canadian Alliance. It states:

That given the record increases in the price of gasoline and home and diesel fuel, severely hurting Canadian consumers, truck drivers and businesses, and given the recent promise by the Minister of Finance to reduce taxes, this House call upon the government to give relief on fuel taxes, including repealing the increase in gasoline excise tax introduced as a temporary deficit elimination measure in 1995 and implementing the 1998 recommendation of the Liberal Caucus committee on gasoline pricing in Canada to remove the double taxation of the GST.

I felt it important that we read this into the record again as we start the afternoon session of this debate to ensure that everybody knows what we are talking about.

I want to focus right now on the comments that are coming from the Liberal government members. I am quite amazed with the excuses they are coming up with. There are two that stand out and I have heard them over and over again as I have followed this debate.

The reason they are saying they are opposed to this is that they are waiting for the provinces. That is the indication we are getting right now and hopefully we can change their minds. The other excuse is they cannot do anything with the taxes on gasoline because the fuel companies would then gobble up that difference by increasing the price and no savings would be passed to the consumer.

I have to question who is running this country. Is it the provinces and the oil companies or is it the government? That is a very feeble excuse. Are they leaders or are they followers? I am absolutely amazed that they say we have to take our cues from the provinces. When it comes to anything else, like the cut in transfers to the provinces of billions of dollars for health care, there is no consultation with the provinces. The Liberals run this country sometimes with an iron fist with zero consultation.

When it comes to putting taxes up, they claim to want to have a consultation process. What they really do is show up and tell us what they are about to do. Now when there is an absolute cry, an absolute need to do something on these fuel taxes, the government wants to wash its hands of it and do absolutely nothing.

It is ironic that in this year alone the government is going to collect some \$13 billion in fuel taxes. When we look at its record on what it has put into the highway infrastructure in this country, last year I believe it was mere 4.1%. It was in the millions when they are collecting billions and it goes right into government revenues.

I had a call from a person last night. He has been following this discussion in the media. He made a very interesting point. It is widely known across the country that when we go to the pumps to purchase gasoline, anywhere from 36% to 45% of that price is taxes. In fact, members of the Canadian Taxpayers Federation have been advocating two prices at the pumps, the actual price of the gasoline and the actual tax, so people get to see what they are paying in taxes. On average about 41% of the price of gasoline is taxes.

The gentleman I spoke to made a very interesting comment. He said that on every dollar he earned, he paid at least 40 cents in income tax and probably a lot more. Let us be conservative and 40 cents in tax. That would leave him 60 cents. Before he even gets to the pumps he only has 60 cents of that dollar he earned. When he gets to the pumps of that 60 cents about 25 cents of that is taxes. From that dollar he ends up paying 65 cents in taxes. For every dollar earned by that working Canadian he is paying 65 cents in taxes. At least 40 cents in income taxes are taken off before he even gets to take what is left to the pumps, which would be 60 cents, and of that another 25 cents goes in taxes. Clearly there is a problem with taxes.

• (1515)

Ironically the Liberal caucus had a committee that looked into this issue in 1998. It made a number of recommendations to the government. Was it listened to? No. Its recommendations fell upon deaf ears, as have so many reports by members on all sides including those on the backbenches of the government across from me. They put work into these reports and they are absolutely ignored. They are thrown on shelves to collect dust.

The government's own backbenchers agreed with the Canadian Alliance that it was absolutely wrong and unacceptable for the government to charge a tax on a tax. That is what the government is doing. The federal government charges GST on its own excise tax. Liberal backbenchers said that was wrong, with which we agree 100%. In our supply day motion we give them credit for coming forward to their government.

We included in the supply day motion the recommendation by the Liberal caucus committee on gasoline pricing to remove the GST on the excise tax. We give that committee credit for coming forward in 1998. Yet will the government listen to the committee now? It did not listen in 1998. From the debate I have heard so far today there does not appear to be any interest in listening now.

I find it absolutely unbelievable when we look at the taxes the government is collecting. We watched the Minister of Finance announce a \$12 billion surplus. Can we wrap our minds around \$12 billion? Is it easy to say what \$12 billion mean? That is \$400 for every man, woman and child in the country. For a family of four that is \$1,600 the government has collected in excess taxes. Even

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in the first quarter of this year alone the surplus is \$11.4 billion. It is out of control.

What we have put forward with respect to gasoline taxes is a start. Let us not make it too onerous. Let us eliminate the tax on the tax. Let us get rid of that GST on the excise tax because we all know it is wrong. It is not acceptable to start taxing tax. That is wrong.

Let us eliminate the 1.5 cent increase which the government put on the excise tax specifically to reduce the deficit. We all know the deficit is gone. When it put that tax increase on the excise tax the government said it was specifically for that. It is still there. There is no interest in removing these tax increases.

I want to summarize. In the interest of the Canadian people we have to look at what is best for the country. We are asking the government to follow through. In the wording of the motion it only has to do two things. There are many other things we could look at down the road, but the first one would be not to tax a tax. It should eliminate the GST on the excise tax and eliminate the 1.5 cent increase on fuel.

Let us look at the other taxes as well. The government can do that by responding to the motion, voting in favour of it and bringing forward legislation. I know it talked about a motion. It could include that discussion in the legislation it brings forward and we could discuss it.

Government members should support this motion to show Canadians that they are actually concerned. Then they would support not only the Canadian Alliance but their own backbenchers.

• (1520)

[*Translation*]

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Madam Speaker, I listened carefully to the hon. member's comment about a customer who bought gasoline at a gas station, and I have a question for the hon. member.

In British Columbia, oil companies do not just indicate the price of gas before taxes. Taxes are always included in the price, as they are almost everywhere in Canada. But it would be important to see the net price of a litre of gas, before taxes.

The hon. member mentioned taxes in Vancouver. Could he tell us what these taxes are? Are there two, three or four taxes? What are the taxes you were referring to and how many cents do they amount to on a litre of gas?

Today, in the Abitibi region, a litre of regular gas retails for 81.9 cents, with 30.6 cents being taxes and 51 cents going to oil companies.

I would like to know the member's response to my question about the taxes charged on a litre of gas in British Columbia.

[*English*]

Mr. Gary Lunn: Madam Speaker, back on Vancouver Island the price of gasoline is in the high 70s and approaching 80 cents per litre. Depending on where one goes it fluctuates a few cents, but it is in the 78 to 79 cents per litre range. Around 35 cents of that amount is taxes: provincial taxes, the GST, the GST on the excise tax, and the federal government excise tax.

The hon. member said that he would like consumers to see that the price at the pumps is 45 cents and 35 cents is in taxes. That would be a good thing.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, from time to time the hon. member for Saanich—Gulf Islands can be a reasonable person, but most reasonable people would agree that if the federal government were to make any moves on excise taxes the provinces would be expected to do something as well.

If we look at British Columbia, the gasoline tax is 11 cents a litre. That compares with our 10 cent excise tax. The diesel is 11.5 cents and our diesel is 4 cents a litre. In addition there is another 1.5 cents a litre that is applicable for transit in the Victoria area.

If the federal government moved on excise taxes, realizing that the provincial taxes should come down as well, would the hon. member support a cut in the ferry services that serve the Gulf Islands, his constituents, and the transit systems within Victoria that his constituents use as well?

Mr. Gary Lunn: Madam Speaker, again I find it ironic that the government has suggested to cut services. It is an area of provincial jurisdiction. I would not support decreasing services when it is sitting on a \$12 billion surplus.

It is absolutely shameful that the member would actually suggest cutting bus service in Victoria and the ferry service to Gulf Islands. That is absolutely ridiculous. I cannot believe that he would suggest it.

With respect to the provincial taxes, I think they should come down. Am I proud of the NDP Government of British Columbia? Absolutely not. We have some of the highest provincial taxes placed on fuels in the country. They need to come down. I would like to see a new provincial government, but waiting for another provincial government is absolutely wrong.

The hon. member should show some leadership and not be a follower. If he wants to follow the NDP in British Columbia I am afraid it would probably not be a very good route and he would be very sorry that he did.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Madam Speaker, I would like to address two issues today. One of them is a four year old commitment by the Liberal government across the way. The other is the question raised in rhetoric by many Liberals also across the way of oil companies versus the government. If time permits, I would also like to address the question of provincial cuts versus federal cuts.

• (1525)

I will read into the record a portion of a transcript of committee evidence from the Standing Committee on Transport hearing on December 4, 1996. Appearing before the committee was the finance minister of the day who coincidentally is still finance minister. The transcript starts with my portion where I stated:

With regard to highways, one concern I always have at any committee is that if you hold hearings and almost everybody says the same thing, then, at least as a committee, we have an obligation to report that and to focus some of our recommendations based on that. The dedication of fuel tax is just one of those things.

In addressing the Minister of Finance, I said:

You yourself said today that the federal government spends about \$300 million a year on highway infrastructure, but takes from my province of British Columbia alone you take almost three times that in federal fuel taxes. The provincial governments have a role to play in that, but the role we have to look at is ours. Now, I believe what you have said is correct. We can't just suddenly say sorry, we're going to dump that, about \$5 billion altogether, into a dedicated fund. But we have to start. I think it is the right way to go. If the economy were better, then I would say yes, we have to transition fast. You're correct, the economy is very fragile, so we have to transition slow, but I still think it's the right way to go and we should try to start something along that line.

Would you agree we should at least examine the possibilities of starting something on that concept, even if out of the 10¢ it's 1¢ or 2¢?

The finance minister replied:

I must say I have probably a lot more difficulty with the concept of dedicated taxes having been the Minister of Finance for three years than I did when I was in opposition, because there is no doubt a certain warping of the mind occurs when you get this job.

I responded by saying:

I always wondered what happened.

The minister continued:

—I think your question is a very valid one, and the way you put it is very good. The fact is it is really not something we could contemplate doing now, simply because I think the most important thing, and I know you agree, is to solve our fundamental financial problem and we really should not limit our flexibility at this time.

Now, you're suggesting that what we might do, given that problem, is to start very small and build on it, if I understand what you have just said. . . I guess my answer to you . . . would be that you put the question well. There will come a time when we will have more flexibility and your suggestion is one we could perhaps consider. But I must say we would have to be generating, from my point of view, reasonably substantial

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surpluses before I would want to entertain the concept. Let me be very clear to you, because I think you've put the question in the proper tone, and that's the way in which I would want to respond.

I will move ahead a little to where the finance minister said:

The reason my original answer to your question was that we might be in a position—we're not in a position to examine it now, but we might be in a position—to examine it at a time when we're generating substantial surpluses is simply that you're not wrong when you say, look, if you spend a dollar now you might well save yourself \$5 down the road. It's not that you're wrong in that at all. It's just that this applies not only to highways; it applies to a vast range of projects governments should really be involved in. I would say to you that if you're going to adopt that concept, we're going to get into a long line of priorities, and we do not have the money at the present time to go that way.

What I would really say to you, however—and I think this is going to be very important—is that there is going to be a second stage of the financial debate in this country when we go beyond the deficit to start talking about the debt-to-GDP ratio, the debt as a percentage of our gross domestic product. At that point the argument you're bringing forth is going to become very important.

He ended by saying:

I'm sorry to take so long, Chairman, but I think (the hon. member's) questions are very good. I guess it's a function of timing.

That was 1996. We now have a huge surplus. I think that function of timing has come. It is time for the government to start considering removing some of that tax and dedicating a portion of it to fix the highway infrastructure so that Canadians will know that they are getting value for the money that is being taken from them.

• (1530)

I would also like to read from a recent report by Statistics Canada that suggests the sole reason for gas price increases in real dollars is a change in tax levels. The Statistics Canada report adjusted 1957 gas prices to 1995 dollars which worked out to 56.6 cents per litre, broken down as 39.9 cents for the gas itself and 16.7 cents for taxes. That was in 1957. In 1995 the actual non-adjusted cost of gas was 56.1 cents which broke down as 29.8 cents for the gas and 26.3 cents for taxes. During the period of the report, the gasoline price alone dropped by 25% when the cost of taxes alone jumped by 57%. In 1957 the pump price of gasoline included 29% in various taxes. By 1995 the pump price of gasoline included 47% in taxes.

It is easy to blame the oil companies for the current price increases. Big corporations in general and the oil companies in particular are not very popular these days. The culprit in our current price jump is a combination of international crude oil prices and government taxes. Of those two, the one we can attempt to do something about is taxes. We should not let the government off the hook by laying the blame in the wrong place.

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One hon. member across the way when questioning my colleague who spoke just before me brought up the question of whether the federal government should be dropping the price of its excise tax unless the provinces agreed to do the same.

Might I point out that my province of British Columbia has some pretty trying conditions to maintain our highways through the mountains and all the valleys, across rivers and the many bridges that we have. My province spends a substantial amount of that highway tax on highways. The federal government spends \$300 million nationally but it takes \$1 billion from my province alone.

To put out a suggestion that the federal government will only cut its excise tax if our province also matches it is completely out of line. Our province is already using that money for its original intended purpose. The federal government is spending less than 5% of its take on that same purpose.

In terms of environment versus conservation, there are those who suggest that if we drop the price of gas, then the use of gas is going to go up. In fact the Liberal government in response to the Kyoto convention has floated out the notion of a 38 cent per litre increase in the excise tax over a nine year period in order to force people to conserve gasoline.

That is the thinking of someone from a high density urban centre where there is all kinds of public transportation and different means for people to get around. It is incredibly punitive on people in rural areas from British Columbia to Newfoundland and everywhere in between. It also shows very narrow thinking. It totally ignores the problems of things that have been brought up extensively today such as heating oil.

The government collects what was termed when it began a highway tax. Then it put it on everything. Right now the government is taxing low income people using heating fuel. More often than not it is low income people who use that particular type of source, not high income people.

If the government would start with getting rid of the special excise tax that it put on to deal with the deficit we no longer have and stop this insane nonsense of taxing its own tax, maybe Canadian taxpayers would see a little relief at the pumps. The hon. member for Pickering—Ajax—Uxbridge said in the past that there is price fixing between the gas companies yet the government wants to put out a requirement that those prices be fixed before it acts.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, I listened to my hon. friend and as always, I found his comments to be interesting. I actually do not have a question for him. It is more of statement.

• (1535)

Earlier today I inadvertently made the comment that in spite of the hundreds of questions the Canadian Alliance and previously the Reform Party had asked over the last year, I was not aware that there was a single question asked in question period about gas prices. I have to say I was incorrect. The research I have gone through would indicate that there were two questions asked over the last year out of almost 1,000. Just to make it perfectly clear, there were two questions on gas prices out of 1,000.

Mr. Jim Gouk: Madam Speaker, I listened with interest to the response from the hon. member for Kamloops, Thompson and Highland Valleys. I am always amused to hear his comments in the House.

What I find interesting is the facade he is putting out that there is more relevance in the actions of any party and any member in question period than there is in committee work. Most people who have studied anything about politics know there is far more done in committee. That is where most of the work of this place is done. I have just finished reading a long portion of one of many actions that we have taken in committee, yet he queries why it was not raised in the circus called question period.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, I cannot believe what I have been hearing from my colleagues. One member after another has been saying that the government is collecting taxes from gasoline so it should spend that money on roads.

Canada has a general revenue fund. The government collects revenues through taxation of different things in society and eventually it makes an assessment in terms of need. The money is then spent accordingly. Is the member not aware of this?

Is the member suggesting that the Government of Canada should introduce user fees and abolish all of the social programs? Can he suggest how we would be able to support the health care program or the education program or all of the other issues in our society? Where would we get the money from? Can the member tell us?

Mr. Jim Gouk: Madam Speaker, I really fear for the hon. member who just spoke when he gets back to his caucus meeting and points out to the finance minister that he did not understand that there was a surplus in Canada.

Where is the government going to get the money? It just finished acknowledging that for last year there is a \$12 billion surplus. It actually thought it would be \$3 billion. The government has ripped people off so much that it does not have \$3 billion, it has \$12 billion. What is more, the government has collected more than half of that amount already just a short way into this fiscal year. Where is the government going to get the money? The government will get the money out of the pockets of the taxpayer. It will get it out of the

bank accounts of low income people who use heating fuel in Canada.

In my province we pay a marginal rate of taxes of 54.4 cents. That means when we get to the gas pumps we have 45 cents left out of \$1 and we get almost 50% of what we pay for gas with that 45 cent dollar taxed by the government. We are going to get to the point where we will have to get money from some other source just to pay our tax bill. If the government keeps going the way it is, we are going to find situations where there will be more than 100% tax on some objects.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Madam Speaker, I notice there was no reference to the profits made by oil companies in the motion tabled by the Alliance party. I also notice that the Alliance is having a fundraiser in Toronto where it is charging \$25,000 a table. I assume some of the oil companies will buy tables at that particular fundraiser.

The member was talking about grassroots Canadians and ordinary people. I want to know how many ordinary people will buy these tables at \$25,000 a hit. That party does not represent ordinary people. It represents the rich and wealthy and the privileged in Canada.

Mr. Jim Gouk: Madam Speaker, I know that party cannot relate to people with incomes at all, but I will have the hon. member know that I have 24 no cost public meetings in my riding every year. I would like to know how many public meetings he holds in his.

Mr. Dennis J. Mills (Toronto—Danforth, Lib.): Madam Speaker, today's debate represents somewhat of a defining moment in this parliament because something unique has happened here.

• (1540)

I would like to go back to two months ago when the newly elected leader of the Canadian Alliance was at a press conference across the street. One journalist asked him what his number one priority would be when parliament returned. The leader of the Canadian Alliance said that the number one issue for him would be parliamentary reform.

The very first motion that the Canadian Alliance put on the floor of the House after the summer recess deals with a very important issue, the reduction of fuel prices. As members of parliament, all of us are seized with this issue and we are looking at it in its complexity.

Something unique happened on our side of the House. The backbench member of parliament for Pickering—Ajax—Uxbridge and many of his colleagues spent the last two years of their parliamentary lives going across the country listening to Canadians, to mom and pop gas station operators and the operators of oil companies. They studied the issue, what is the problem and how

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could we fix it. A report was produced. That report, as most members in the House would admit, is one of the finest pieces of work ever put out by a backbench team.

What happened in the House today is something I have never seen in 12 years. It was not a minister of the Government of Canada who led off with the government position today; it was the member of parliament for Pickering—Ajax—Uxbridge who said "This is our position". Why I think this is somewhat of a defining moment is that the member for Pickering—Ajax—Uxbridge, who has strong views on the issue, and I think few would challenge his understanding of its complexity, put forward a constructive amendment to the Canadian Alliance motion.

This is what the member for Pickering—Ajax—Uxbridge tried to get accepted by the Canadian Alliance: "That given the record increases in the price of gasoline, home and diesel fuel severely hurting Canadian consumers, especially those with lower incomes, this House calls upon the government to assist Canadians in coping with the rising financial burden and this House strongly urges provincial and territorial governments to consider providing similar assistance".

The Canadian Alliance rejected to allow that motion to come to the floor. It rejected to allow members of parliament from all parties to consider that. This is significant to me because I am as passionately committed as anyone in the House to making the roles of members of parliament more meaningful and I was hopeful when the new leader of the Canadian Alliance said that his number one priority was going to be parliamentary reform. Today we had an example where parliamentary reform could have been dealt with in a constructive way for all Canadians, especially lower income Canadians and the Canadian Alliance walked away from it.

Madam Speaker, I am splitting my time with my dear friend and colleague from Ottawa Centre so please warn me when I have a minute left.

• (1545)

I appeal to the members of the Canadian Alliance that when their leader states that his number one priority is parliamentary reform and a government backbench team, led by the member for Pickering—Ajax—Uxbridge, puts forward a constructive amendment on behalf of all Canadians, to take that as an opportunity to constructively work together on a complex issue that every single member of parliament believes must be dealt with.

The single most important point that my colleague from Pickering—Ajax—Uxbridge made today was that we should design a plan where the altered formula of incomes or revenue streams do not go into the treasuries of the oil companies but into the pockets of consumers, especially low income consumers.

That amendment was repeatedly put on the floor today. In fact, today during question period the Minister of Finance challenged the Canadian Alliance to work with the government and accept the

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member's amendment. He did not say that we would do it tomorrow or next week. The Minister of Finance said that we would vote today and that we would make it happen today.

Canadians listening to the debate today will judge fairly that over the last two years it was not a minister or a big department of government but a member of parliament with his colleagues who developed knowledge, listened and put a report forward. The government gave members of the Canadian Alliance an opportunity today to come on board and work together on behalf of all Canadians with lower incomes and they walked away from it.

The Canadian Alliance missed a great opportunity to follow through on their so-called commitment to parliamentary reform.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Madam Speaker, first, I want to point out that the Speaker ruled that the amendment put forward by the member was inadmissible.

Second, the House leader of the Canadian Alliance through the Speaker told the member that we would be prepared to waive the period that was necessary before debating this sort of thing. We also said that we would be happy if the member from Ajax would talk to his own House leader and put it on the order paper for tomorrow. We would be happy to do that. Let us do that. That is the offer we are making to the member across the way.

Surely the member who just spoke has to acknowledge that is exactly what happened and is happening. In fact, his whole speech ignored that fact and he has misled Canadians about what the Canadian Alliance was and is prepared to do.

Mr. Dennis J. Mills: Madam Speaker, I want you to ignore the fact that the member for Medicine Hat just said that I misled Canadians. I was in the House today sitting next to my colleague, the member for Pickering—Ajax—Uxbridge, and I can tell you, Madam Speaker, that the motion was put on the floor twice.

An hon. member: Three times.

Mr. Dennis J. Mills: Well I saw it twice with my own eyes and twice it was rejected.

Let us forget about the incident this morning. What is more important is that the Minister of Finance for Canada during question period today asked the leader of the Canadian Alliance to come on board and accept this amendment and he did not act.

• (1550)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I listened very carefully to the member for Toronto—Danforth.

Today, we can see once again that Liberal members are living in the past. They talk about what they should have done or about what they did. But what are they doing right now about helping Canadians cope with the gasoline prices they are now facing and will continue to face?

Last year, in my region of Saguenay—Lac-Saint-Jean, the Canadian government collected close to \$52 million from taxpayers, through its excise tax and GST.

What did the government do with that money? I was told by the office of the Minister of Finance that the money was distributed to the various departments. Today, through the Canadian Alliance motion before us, we are asking this government to act and actually do something for those people who are faced with a serious problem that will get even worse.

[*English*]

Mr. Dennis J. Mills: Madam Speaker, I will say this humbly, but the government of Quebec does not support the oil companies. In fact, my understanding is that most of the members of the Bloc Québécois support the report. I just do not understand why the hon. member is at odds with her own community.

[*Translation*]

Ms. Jocelyne Girard-Bujold: Madam Speaker, I rise on a point of order. In his response, the member for Toronto—Danforth involved the provincial governments. The question—

The Acting Speaker (Ms. Thibeault): This is not a point of order. It is a point of debate. The hon. member for Toronto—Danforth.

[*English*]

Mr. Dennis J. Mills: Madam Speaker, I think I have really said it all but I will say one more thing to all the members of the opposition parties. The member of parliament for Pickering—Ajax—Uxbridge put an amendment on the floor today and hopefully before the end of the day something miraculous will happen and all members will come on side and the amendment will be accepted, as the Minister of Finance has suggested.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, I am fairly disappointed by what I have heard today. I have been here since 10 o'clock trying to hear a substantial debate about how we are going to resolve this whole crisis of high gasoline prices in Canada but all I have heard from the opposition throughout the

whole day is how we are going to solve this problem through a tax reduction of 1.5 cents a litre. I must submit that is not the answer.

My constituents are telling me that even if we reduced the tax on gas by 1.5 cents a litre that they would still be paying 74 cents or 75 cents a litre, which is way too high. In that sense, I have not heard one tangible proposal that would deal with that specific problem.

The second problem is that the opposition wants the government to reduce the tax when in fact if the government were to reduce the tax there would be absolutely no guarantee whatsoever that this tax reduction on gasoline would go into the pockets of consumers, simply because history tells us otherwise.

Let us take the example of New Brunswick. Hon. members will be both happy and disappointed to know that in New Brunswick, which has the fourth lowest tax on gasoline anywhere in Canada at approximately 10.7 cents per litre, the people pay the fourth highest price for gasoline per litre across Canada. The government of New Brunswick decided to reduce taxes in the hope that it would benefit the consumers of New Brunswick but the oil companies sucked up that reduction and pocketed it.

• (1555)

Reducing taxes without talking to the consumers will not solve the problem. So much for the theory of reducing the tax on gasoline hoping that the consumer will get the benefit at the mercy of the oil companies.

I have been involved with this case, like many of my colleagues on this side of the House, for over 14 years, when gasoline prices were not fashionable to talk about, and nothing has changed. We still hear the same lines from the same players on the international market, the major international oil producers. When we ask them why we are paying so much for gasoline or why gasoline prices are moving up and down, they give us three arguments, the first being supply and demand. They tell us that when there is a shortage of supply on the international market we have a higher crude oil price and, as a result, we pay more at the pump.

I did some research through my office and through the Library of Parliament. We looked at the International Energy Agency, a very respected international agency located in Europe that monitors supply and demand internationally. What we found out was quite interesting. The average supply of oil in 1997 was 74.4 million barrels per day. The demand for oil was 73.4 million barrels per day. To that extent, we had approximately one million barrels per day more supply than demand. The average cost per barrel at the time was \$18.98. In Ontario we were paying 57.2 cents per litre.

I will jump one year to give the House better statistics. In 1999 the international supply of oil was 74 million barrels per day and demand was 75.2 million. Therefore we had more demand than we

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had supply. Guess what? The price of oil per barrel on the international scene was \$17.79. Hey, the price per litre in Ontario was still at 57.8 cents per litre.

If that is the case, could someone somewhere explain to me why it is that in the second half of the year 2000, when the total supply of oil on the international scene is greater than the demand, in excess of approximately 2.1 million barrels a day, that we are still crying wolf and saying there is a shortage of supply when in fact we have a surplus in supply? There is a huge supply of oil on the international scene and the oil producers are part of an international conspiracy to shaft consumers not only here in Canada but in North America, in Europe and all around the world.

The gentleman who said it best is the president of OPEC. Yesterday in one of the national papers he was reported as saying “Rocketing world oil prices are being fueled by speculation and are out of the oil cartel’s control”.

• (1600)

He is absolutely right. Simply put, if we were to look at the oil cartels, OPEC has been pumping more oil on the international scene than there is demand. There is enough oil in the international market to flood rivers all over the world. There is huge racketeering out there and a huge amount of speculation that many of the international players are involved in it. It has nothing to do with supply and demand.

The second one is the market forces. When asked why we are paying so much for gasoline, they tell us it is because of market forces, that if the market can take 80 cents per litre, they are going to charge 80 cents per litre. How can they say it is about market forces when everyone is charging the same? How can the consumer have any choice whatsoever?

What about the poor little independent retailers in our neighbourhoods, like in Quebec a few months ago, where the major players move in and clean the butts of individuals so much so that they sell below cost? How can that be market forces? Oh, no. That is not market forces. The players who control the market wanted to pump out, not in, the independents who are a lot more efficient than the fat elephants that are trying to do everything to stick it to the consumer.

We move on to the next one, the so-called players on the international scene telling us that taxes are a problem here in Canada. My colleagues have fallen into their trap. It reminds me of a French story.

[*Translation*]

I am referring to the fable of the crow and the fox. I am sure my colleagues know this story. The crow had a piece of cheese in its beak. The fox regarded it and said “Ah, how beautiful you are,

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such lovely eyes". Suddenly, the crow opened its beak and dropped the cheese into the mouth of the fox, which ate it. A fine story.

[*English*]

My colleagues in the opposition are falling into the trap. It is a problem that can only be resolved through co-operation between the provincial governments and the federal government. This is not a federal problem alone. It is a provincial responsibility. Pricing is the responsibility of the provincial governments. They have to show leadership. They have to respond to the call of the federal government, the Minister of Finance, the Minister of Industry and the Minister of Natural Resources. They have to come to the table in order to talk about solutions.

They cannot sell us peanuts thinking that is going to fill up our tummies. They are starving us. They have to move together in order to respond to the needs of the consumers. Seniors, men and women on fixed incomes will be more responsive to the initiative of my colleague from Pickering who put a very reasonable motion before parliament, and that is to put the money in the pockets of the people rather than give it back to the oil companies.

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I find this quite interesting. We have put forward a motion today to simply stop collecting a tax which was intended to be collected while we had a deficit. All we are doing is saying to the government that it should now stop collecting that tax and it should stop collecting GST on taxes on fuel.

That little simple request is being countered by all sorts of high powered arguments by the other side. They say no, they will not do that. It is as if a youngster came to my house and said "I want a bowl of soup because I am hungry" and I said "Well, because you did not ask for the whole kettle, I am not going to give you the bowl".

I do not think the government recognizes what is happening here. It talks about the hon. member from Pickering who has worked on this problem for so many years. How ineffective. He has worked for two years and the government has not listened.

• (1605)

Now the government is blaming us because we are not allowing a motion which simply says that the Minister of Finance should talk to the provinces. Frankly there is not a thing we can do to prevent the Minister of Finance from talking to the provinces. Let him do it. He does not need our approval. He does not need the approval of this parliament. The government has thrown in a red herring in order not to deal with the real issue, which is simply to vote in favour of stopping collecting the 1.5 cent per litre surtax that the government imposed on us along with the GST.

Mr. Mac Harb: Madam Speaker, I must admit I came to this issue with an open mind. I wanted to be able to vote for the motion but when I read it, one thing came to my mind: either naivety or stupidity is involved. I think both of them were when this motion was put before the House.

The Canadian Alliance is trying to get Canadians to believe that by reducing the surtax by 1.5 cents a litre we are going to solve the gasoline price crisis in Canada. This is misleading, nothing more, nothing less.

I was interested in seeing the opposition come forward with proposals, such as how the provincial government should set up some mechanism. A good idea would be an ombudsman at the provincial level to monitor the price of gasoline. Has that party proposed it? Some sort of mechanism should be set up at the provincial level so whenever there is an increase by 10% the oil companies have to notify consumers. This is a provincial responsibility. Has that party proposed this? No, none of that. All that party has come forward with is rhetoric all day. It is terrible. I wasted part of my day listening to nonsense.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, the member for Ottawa Centre spoke of the fable of the fox and the crow. I would like to speak of this fable using another image.

In 1998, a Liberal committee was established with 47 Liberal members. They behaved like the fox and wanted public opinion on their side. They said, in a report, things such as "There is an unreasonable industry concentration". They also said that it meant a saving for the major oil companies with the way the competition was organized. Further on they said "The federal Competition Act has no teeth and the Competition Bureau is unlikely to uncover the practices".

Today, the situation facing us is a short term one. There is the problem of overpriced gasoline and there is pressure on governments to lower taxes. There is also a long term problem in this situation. The government in office was not elected yesterday. It set up a committee that made recommendations in 1998. At that point, all the fox wanted from the crow, which represented public opinion, was satisfaction, to try to put an end to the story.

Was there no way to come up with real solutions and to implement the recommendations of the committee without denigrating today those trying to find solutions?

Mr. Mac Harb: Madam Speaker, I will simply reply that the government has responded very positively to the recommendations of the Liberal committee. It is in the process of a complete review of the Competition Act. The Conference Board of Canada is looking at these issues.

As for prices, I would simply say that they come under provincial, not federal, jurisdiction. Unfortunately, a number of members have failed to make the distinction between prices and competition. Competition comes under federal jurisdiction, while prices come under provincial jurisdiction.

[English]

Mr. David Chatters (Athabasca, Canadian Alliance): Madam Speaker, there has been so much rhetoric flying around all day on this issue over and above the incoherent rantings that we just heard from the previous speaker. So much of it simply is not true.

Liberal members are speaking out of so many corners of their mouths that I do not know how anybody could ever figure out what the Liberal position actually is. Everybody understands when the NDP raves about the immorality of profits in the petroleum industry. That is socialism and we can understand that but the Liberals have been all over the map on this issue and continue to be.

• (1610)

The member for Pickering—Ajax—Uxbridge has flipped so many times he must feel like a burned pancake on the way to the breakfast table. The motion we brought forward to vote on comes directly out of his task force on gasoline pricing. He is trying to change the content of the motion so he will somehow be able to support it. He has managed to change it instead of simply supporting the context that he recommended to his government and with which it has done nothing for a year and a half. That makes no sense at all.

Everybody is blaming this whole issue on the evil oil cartel and the big oil companies that are gouging the consumer and all the rest of the things we have just heard. The previous member talked about doing research in his office and finding evil people hiding in places and ripping us off.

Looking back at the history of crude oil prices, in 1991 as a result of the gulf war crisis crude oil prices spiked to a record \$41 a barrel. At that time the pre-tax cost of a litre of gasoline was only 42 cents when crude oil hit \$41 a barrel. Today in 2000 with crude oil hitting \$37 plus a barrel, gasoline prices have gone through the roof but the pre-tax price of gasoline is only 44 cents a litre.

No one can tell me that the gouging that is going on is by the oil companies. The pre-tax price of oil indicates that it is not the oil companies. It is the provincial and federal governments and their taxes that are gouging the Canadian people on this issue. There is no question about it. The information is there. The facts are there. A good part of the problem—

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Mr. Roy Cullen: How about the fact that the federal tax has not changed in the last four years?

Mr. David Chatters: Madam Speaker, the member said “What about the fact that the federal taxes have not changed in four years”. That is absolute rubbish. He knows better than that. He knows that the GST on gasoline increases every time the price of gasoline increases so the federal portion of the tax on gasoline goes up every time the price of gasoline goes up. It has done that all along.

The miserable failure of the government’s economic policies and the supported weakness in the Canadian dollar are creating a huge problem in the energy industry that is yet to come home to roost. Sooner or later it will do that simply because refineries in this country have to buy their crude oil in American dollars and sell their product in Canadian dollars. With the Canadian dollar situated where it is, the margins in the refining industry are so fine that there has not been an oil refinery built in this country in 30 years.

Part of the problem that is driving the high price of oil, as the member we heard earlier suggested, is that while actual production is outstripping demand, the price of gasoline is not dropping because the lack of profitability in the refining industry has meant that there have been no new refineries built in 30 years and we do not have the refining capacity to catch up with demand. That is a fact. It is as clear as can be if anybody wants to look at it.

Earlier an NDP member suggested that energy is the lifeblood of Canada’s economy and I certainly would agree with that. How in the world could we expect to have enough of this energy to sustain the lifeblood of the economy if we refused to allow the industry to be profitable, to expand and to build refineries and to find more oil and invest in the industry as they are doing?

• (1615)

In my riding alone the private sector has announced \$35 billion of investment in the industry to ensure that the lifeblood of the Canadian economy is there 10 or 15 years down the road. I do not think that is a bad thing.

I think of the Liberal government and the division within the caucus with small groups of backbenchers running off with the minister’s blessing to hold up a strawman to show consumers that they are really concerned about prices at the pump. I think of them making recommendations and the minister not having any intention of following up on them. I think of the socialist part of the caucus, or the environmental extremist part of the caucus, demanding higher prices at the pumps in the interest of reducing consumption, conserving energy and saving the environment.

There is no question in my mind that the price of energy will continue to rise. It is a finite resource and as the resource becomes scarcer and the demand becomes greater the price will rise. It is

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unavoidable. I will be splitting my time with my colleague from Calgary—Nose Hill.

The Liberal caucus is not telling consumers what is the real agenda. I am looking forward to going out and fighting the next election based on the government's plan to implement the Kyoto protocol. The Liberals are not saying it, but the David Suzuki Foundation, Greenpeace and the Pembina Institute are all telling us that it will not be that bad, that it will only mean a 3% to 5% reduction in GDP if we implement the Kyoto protocol.

I am looking forward to going out and fighting an election on the government's promise not of zero growth in the economy or zero growth in the GDP but a 3% to 5% drop in the country's GDP. That will be a lot of fun.

The public should know that. The determination of the environment minister to implement sulphur levels in gasoline is totally out of sync in Canada with the United States agenda. Here in Canada we will be creating a speciality market that will cost consumers dearly at the pumps, simply because of the minister's decision not to follow the timetable of the Americans in reducing sulphur in gasoline.

There is certainly nothing wrong with the proposal to reduce sulphur. It is commendable, but if we do not stay in sync with the United States we will be a speciality market in Canada. One only has to look at what happened in the United States when California implemented stringent environmental regulations on gasoline compared to the rest of the country and created a specialty market in one state. Its price skyrocketed above those in the rest of the United States. The same will happen when the government implements its sulphur levels in gasoline, but it is not telling consumers that. It is telling them that it is very concerned with the price of gasoline at the pumps and that it will step forward and save the consumer in Canada.

The government is not being open and honest with Canadian consumers. It is throwing up strawmen to deflect its real position on energy prices and where it is going. I think it is time it came clean with Canadians. I am looking forward to the election campaign so that we might be able to do that.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, the member spent most of his speech shamelessly shilling for the corporations. He tried to convince Canadians that the corporations get by on a razor thin profit margin and struggle along with their oil and gas industry. I guess if one is trying to sell tickets to dinners at \$25,000 per table one would pretty well have to butter up the executives of the oil companies. Who else would spend \$25,000 to attend a Reform Party dinner?

• (1620)

Let us look at the actual facts. Let us look at some of the profits of these major oil companies, many of which I am sure are in the

riding the member represents. Husky Energy in the last quarter made profits of \$198 million, an increase of 2,302% over the previous year, and the hon. member is telling us they are not making a profit.

Let us look at Petro-Canada with \$439 million in the last quarter with an increase over the previous year of 314%. Suncor Energy made a \$619 million profit in a quarter, not per year, which is an increase of 156% over one year previously.

The hon. member is telling us that they are not gouging us at the pumps with profit margins like that. It is beyond credibility. Canadians do not believe it. Nobody buys it except for the guy wearing rose coloured glasses who is speaking for the corporations and trying to be a champion and an apologist to the oil companies. It is really grating for me to sit here and listen.

Mr. David Chatters: Madam Speaker, I am glad it is grating on this member because his comments have been grating on me all day.

I am not ashamed to stand and defend a corporation making a profit. A year and a half ago the price of crude oil was \$10.50, which was below the cost of production. Today the oil companies are making a healthy profit. I do not think that is immoral.

Those profits are driven by the marketplace. If consumers were not demanding that volume of energy, the energy prices would not be there. The price of crude oil is set on the open market through a bidding process. If the demand is there the price will be there.

Certainly, when the Liberals talk about a made in Canada energy program, that old chestnut will not sell in Canada anywhere. They tried that under the Trudeau regime and it did not work. Those members rave about the evil, gouging oil companies and today the government announces a stamp honouring Petro-Canada. The hypocrisy around here just staggers me.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I am extremely disappointed in the performance of the Canadian Alliance member.

I thought that the motion introduced in the House this afternoon was so that taxpayers would benefit from what reformers were proposing.

I note that the member, in his speech, says that it is the oil companies that should have all this money and then make even bigger profits.

I am truly disappointed and I would like the Canadian Alliance member to tell me what place there is for consumers in all this. Where do they come in, the people who are paying 79.9 cents a litre

for gasoline, the people who are going to be paying astronomical amounts for heating oil next fall? Is he there to defend ordinary folks or the oil companies? I am extremely disappointed.

[*English*]

Mr. David Chatters: Madam Speaker, there has not been one shred of evidence presented here all day to indicate that the benefit would not be passed along to the consumer if the government followed our proposal and reduced the tax on gasoline by some \$1.5 billion and therefore challenged the provinces to do the same, amounting to between a six and seven cent reduction in the cost of gasoline at the pump. Historically and every shred of evidence out there shows that it would and that consumers would benefit by the government reducing those taxes.

Governments traditionally have taxed gasoline as a luxury. For 40 years governments at all levels have had a need for income so they raised the taxes on cigarettes, booze and gasoline. They have done it over and over again. It is time to recognize what gasoline and energy are, to drop the tax and to pass the savings on to the people at the pumps.

• (1625)

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Madam Speaker, I am pleased to speak to our supply day motion today which reads as follows:

That given the record increases in the price of gasoline and home and diesel fuel, severely hurting Canadian consumers, truck drivers and businesses, and given the recent promise by the Minister of Finance to reduce taxes, this House call upon the government to give immediate relief on fuel taxes, including repealing the increase in gasoline excise tax introduced as a temporary deficit elimination measure in 1995 and implementing the 1998 recommendation of the Liberal Caucus committee on gasoline pricing in Canada to remove the double taxation of the GST.

I cannot for the life of me figure out why government members who made these recommendations only two short years ago are bleating about their opposition to this motion. We are simply giving the House a chance to implement what the Liberal committee recommended.

In fact the Liberal committee consisted of 47 Liberal MPs. That is about a third of the Liberal caucus. They did not even have to worry about any opposition or any other input from other parties because they did not let other parties on their Liberal committee.

In spite of that, 47 Liberal MPs who heard over 1,000 people in their committee work two years ago recommended very clearly that the double taxation be removed from the price of gasoline, that is the GST duplication, and that the 1.5 cents per litre put on in 1995 to reduce the deficit be eliminated because it has worked and reduced the deficit.

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The Liberals proposed this motion two years ago. Now we have the bizarre spectacle of those same individuals who loudly recommended that the motion be passed opposing it in the House. Why? We are not sure.

Is it a bad motion because the Alliance has put it forward? Was it a good recommendation when 47 Liberal MPs brought it forward in 1998? Today, when the Alliance is agreeing that it should be done because consumers are hurting, the Liberals will not agree to it.

Who is serving the interest of Canadians in the House? Is the interest of Canadians even uppermost in the minds of those members of the House? Is it sheer partisanship? Canadians are hurting and worried about how they will fill their home fuel oil tanks this winter. That does not matter to them. What matters is that they do not want to get together with the opposition. I would tell Liberal members opposite to grow up. We are here to serve Canadians. We are not here to serve just partisan interests.

We have brought forward a motion which is exactly the same as the one that 47 Liberal members travelling across the country came back with and recommended to their government. We are recommending the same thing. We are agreeing with the Liberals. We are saying that it should be implemented today. Let us vote for this motion. Let us get on with it. Let us help Canadians. Let us ease some of the burden. Yet we find somehow that ridiculous and specious reasons are put forward as to why all of a sudden their own recommendation does not have any merit. That is simply ridiculous.

I have heard the most bizarre reasons in the debate, one of them being that if we lower taxes it will not help consumers because the people who supply the product will simply raise the cost of the product. By that logic, we should raise taxes sky high to make sure that government gets all the money from products. By that logic the higher the taxes, the lower the actual price and profit to the producer.

NDP members are saying “God forbid that producers should get any money. Let us tax higher. Let us not cut taxes”. By that logic, why do we not add a 10 cents per gallon tax on fuel? Anyone can see that is an illogical position to take. Let us not go there. Let us go where Canadian people want us to go. That is to give them some hope, some relief and some means of paying the price of fuel that they desperately need. Canadians need fuel to heat their homes. This is not a luxury. This is a cold country. We need to tell Canadians that we will do what we can to make sure they have a reasonable chance of meeting the necessary costs.

• (1630)

People need fuel for transportation, whether it is for their own transportation or for car pooling or for taking the bus or for sending their goods by truck or for any kind of transportation that takes fuel. This is not rocket science. We are glad we do not have the horse and buggy economy anymore.

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Fuel must be paid. If the government is taking the lion's share of the cost of this commodity, then ordinary regular Canadians trying to live their lives, heat their homes and carry on the ordinary commerce of their society are going to suffer.

I quote from an editorial from the *Calgary Herald* on June 13 which says:

Between 1996 and 1999, even before adjusting for inflation, the base price of gas declined from 30.2 to 28.6 cents per litre. By contrast, the government take in fuel taxes almost doubled—from 17.6 to 29 cents per litre.

Who is hurting Canadians? The government has imposed tax after tax on Canadians. The error of its ways has been recognized. A recommendation has been brought forward that that be reversed, that there be no tax on tax and that the temporary tax to eliminate the deficit be eliminated. Now we find that these common sense measures, these measures that would bring relief to every Canadian in this country cannot be supported.

I would say to every Canadian watching this debate who has a Liberal member of parliament representing them—and I use that term very loosely—to phone their member of parliament and ask them why they want to keep a temporary tax when the purpose of the tax has been fulfilled. Ask them why they would have a tax on top of tax. Ask them why they will not follow the recommendation of 47 of their own MPs and give Canadians the relief they want and need for peace of mind as winter approaches. Ask them if there will be some help from the people being paid to represent them. I ask Canadians to put these questions to their Liberal members of parliament.

If an election is called, I ask that someone get up at every single forum and take their Liberal candidate to task. Ask them why they want to keep a tax that they themselves said was temporary and now ought to be eliminated. Canadians should ask Liberal candidates about double taxing them.

I say to all members of the House that we put partisanship aside. Let us put our pet projects aside, our pet peeves against big corporations and all the things that have muddied the waters of this debate. Let us simply stand in our place when the time comes to vote on this motion and say to Canadians that yes, we will eliminate a temporary tax which is no longer necessary and whose purpose has been served and that we will no longer tax Canadians on tax. Canadians might actually applaud that.

I certainly hope that Canadians who see their member of parliament vote against such a common sense, reasonable, rational, helpful measure will punish those representatives who have kicked them in the teeth once again when it was totally unnecessary.

• (1635)

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Madam Speaker, I cannot speak right now about what the punish-

ment is going to be for various members of parliament, but I can assure Canadians this evening that when it comes to this issue, this party, unlike that party, knows it implicitly. More importantly, it does not play the kind of hair splitting recommendations where members selectively pick certain parts of this wonderful document. They have given credit to one simple area.

On the question of the resolution, the member across has conspicuously forgotten that as part of the condition of that recommendation, it recommended that if the GST was removed from other taxes, the federal government should undertake measures to ensure the resulting savings were passed on to consumers and not merely absorbed by the oil industry. They cannot talk out of both sides of their mouth. On the one hand they want the resolution. On the other hand they do not want to accept the mechanism, which is to give it directly to Canadians.

That member, her party and her leader today had an opportunity to give the tax back to Canadians, assuming of course it was going to bring down the level of gasoline and somehow remove the hardship on Canadians. I know Canadians understand this, that they are johnnies-come-lately on that side. They are shamelessly sitting here and trying to pass off their defence of an industry that for the past three years has been making excessive profits, cutting back production and creating all sorts of disruptions in a country where we have paid through our taxes to make sure that industry received more benefits than others.

I suggest they start talking about the oil patch, the difficulty Canadians are facing and understand how dangerous the resolution is without the amendment and give Canadians an opportunity to receive those taxes, not the oil industry.

Mrs. Diane Ablonczy: Madam Speaker, I feel sincere pity for this member who chaired a committee of 47 of his colleagues unsullied by any common sense from the opposition. Now he has to twist himself inside out to oppose recommendations which he himself brought forth. Surely that is a sad indictment of Liberal politics when a fine member of parliament has to twist and turn to repudiate his own findings. This is sad.

I am glad that my appeal to Canadians to take their Liberal members of parliament to task on this issue has struck a nerve. The only thing that will bring sanity back to the policies of the government is if they feel some electoral heat.

It is simply ridiculous to suggest that somebody who made a recommendation to repeal a tax, which was temporary and whose purpose has been served, and who spoke out against tax on tax should now speak out of both sides of his mouth and oppose the very measure that would have brought that forward.

If anything is more dangerous than a member of parliament doing that I would like to know.

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Mr. Dan McTeague: Madam Speaker, I rise on a point of order. This hon. member has in some respects attempted to try to put words in my mouth in terms of what I have said. For the record, this is clearly—

The Acting Speaker (Ms. Thibeault): I am afraid this is a point of debate.

Mrs. Diane Ablonczy: Madam Speaker, I would just say this. I know sometimes in the heat of debate and totally appalled at the hypocrisy of other members sometimes we get carried away.

Again, we need to focus on what is right and best for Canadians. What is right and best for Canadians is that we do what we can to alleviate the stress and the hardship that they are not only feeling now but will increasingly feel as winter continues and as their fuel costs rise. Let us put all of this aside and simply help Canadians. That is why we are here.

• (1640)

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Madam Speaker, I will be splitting my time with the hon. member for Abitibi—Baie-James—Nunavik.

I am pleased to offer my comments on the motion before us today. I, too, am very concerned by the increase in price for gasoline, diesel and home heating fuel. This affects all of us as individuals, as businesses and as consumers.

As the hon. member for Pickering—Ajax—Uxbridge has outlined so very well, our fellow government caucus members saw a need to study the whole issue of gasoline pricing and this included taxation. We issued a report in June 1998. As one of the co-chairs of that committee, I was and am certainly proud of our report.

This was a group of MPs who were concerned enough to go out and gather material that may have helped explain price fluctuations in Canada. We travelled to dozens of communities, speaking not only with members of the gas-buying public, but with representatives of the oil companies, independent retailers and trucking firms.

One of our committee's recommendations stated that double taxation, with GST on top of the retail price before and after provincial and federal excise taxes, must end, conditional on a guarantee that the tax decrease would be passed on to consumers and not absorbed by oil companies.

The 1.5 cents per litre deficit cutting tax we suggested also must be removed. These are but two of the Liberal committee's 29 recommendations.

This motion specifically refers to taxation and that, I agree, is an important element, but not the only one when it comes to price. There are other issues at play here that must also be addressed, such

as competition in the industry, appropriate laws that prevent predatory pricing.

For example, the general mandate of the Liberal committee on gasoline pricing was to examine all aspects of the oil industry that had a direct impact on the pricing of gasoline in Canada. We examined such issues as operations and procedures in the oil industry, wholesale and retail selling, refining, gasoline exports, federal-provincial legislation and consumer protection.

As hon. members know, the Conference Board of Canada is currently undertaking a study of the pricing situation as well to give Canadians a solid and forthright accounting of the situation.

With regard to a tax cut on gasoline, we must ensure it is done in concert with the provinces. We must also guarantee that the price will not be taken up by the large oil companies.

I note that the official opposition is not calling for an inquiry into the domination of 85% of the gasoline market by only four refiner-marketers. It is not calling for a study of the fact that all wholesale prices are identical or that refiner-marketers' domination allows control of retail and wholesale pricing or that there have been no new entrants into the market, while independents are going out of business and the retail margins are uneconomic for even the most efficient independent operator.

Today's motion emphasizes the tax portion only. Perhaps this provides good optics, but we in government are responsible for good public policy. I want to emphasize, however, that I support the elimination of the 1.5 cent per litre excise tax that was added in 1995 as a deficit cutting measure.

Let us look at some measures of how to help low income people buy home heating oil this winter. I believe we must be creative and help where we can in the days ahead. The Minister of Finance, it is rumoured, may move in the weeks ahead on this aspect. As well, the minister has stated that the issue of the GST being charged both on the wholesale price and retail price is eminently worthy of further examination.

I have heard from my constituents in the trucking industry about the rise in diesel fuel costs. I recognize that truckers are an important part of our economy. I know the trucking industry is aware that the rack price for diesel is up about 105% from a year ago. The rack price is the wholesale price a refiner charges for fuel sold directly to trucking companies.

In the same time period, the rack price of gasoline is up 65%. This will impact not only on truckers' wallets, but also on those of all consumers.

• (1645)

School bus fleet owners have contracts in my riding of Lambton—Kent—Middlesex. Based on a 50 cents per litre gasoline cost, they are losing money.

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Farmers are also being hit by higher prices. It is costing them \$20 an acre more to put in a crop of corn because fuel costs increased by 97% between May 1999 and March 2000. In good farming years that \$20 an acre was often all that was left over.

Predictions of a colder winter than usual will certainly increase the use of home heating oil and natural gas. This past February the sudden cold snap along the eastern shores of Canada meant that the demand for middle distillates increased. Home heating oil was one. As people turn up the heat in their homes, some of the crude that would go to diesel is diverted to heating oil. Gas retailers will tell us that there is less profit and volume in diesel and that the only significant user of diesel is the trucking industry.

At the same time it should be understood that the increase in the price of diesel fuel in Canada is almost totally attributable to the rise in the world crude oil price, which has more than doubled over the past. Of all the increases in the pump price of diesel, only about a half cent per litre is related to federal taxes, namely the GST.

However, GST revenues have not increased dramatically because most diesel is used by businesses that recover their GST through the input tax credit mechanism. For example, in January the GST input tax credit effectively offset the pump price for diesel. The same applies for businesses using gasoline where the GST has resulted in a one cent per litre increase at the pumps. Again, most commercial users recover the GST they pay through the input tax credit.

Canada has the lowest excise tax on diesel fuel in the G-7 at 4 cents per litre and the second lowest excise tax on gasoline at 10 cents per litre. The federal excise taxes on gas and diesel fuels are fixed. They do not fluctuate with price changes. That is important to note. Even when the excise tax is combined with the GST, total federal taxes on diesel are par with the United States.

We must address the issue of competitiveness at the federal level. This motion disregards and overlooks the larger perspective. Taxation on gasoline is but one element of a much greater examination of public policy. Governments have a responsibility to use the means at their disposal to ensure that consumers are protected and true competition exists. Our caucus committee firmly recommended that the preservation of true competition is the most important aspect in the protection of the interests of the Canadian consumer.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Madam Speaker, in listening to the hon. member, I could not help but note that she said “We in government are responsible”. Never have truer words been spoken. From what we have heard, the government’s big concern, if there is a tax reduction, is where it will go, to the consumer or to the rich oil companies.

I want to remind the government of the figures that I used in my speech earlier on. These are the facts. Over an 18 year period the price of the gas component of gas taxes has gone down 25% in real dollars. The price of the excise tax component, or the total tax component of the price of gas, not just federal but all governments, has gone up 57%. These are not Canadian Alliance facts, they are Statistics Canada facts. When the member says “We in government are responsible”, those facts certainly support what she says.

I would also like the member to comment on the fact that not only has the hon. member for Pickering—Ajax—Uxbridge, who is sitting beside her, been on a task force, but so has the hon. member for Ottawa Centre, who spoke earlier. He was on a 1990 all-Liberal task force while in opposition studying municipal infrastructure. That task force recommended that there be a dedicated commitment of fuel tax revenues to highway infrastructure, a commitment that suddenly slipped out of the Liberals’ minds when they became the government.

• (1650)

Therefore, the real question is not whether can we trust the oil companies but whether we can trust the government.

Mrs. Rose-Marie Ur: Madam Speaker, it is interesting that in the debate today we are debating whether the taxes have gone up or whether the cost of crude oil has gone up.

The member mentioned the taxes and whether governments will follow through, provincial or federal. I would like to share an example with my hon. colleague. Not too long ago we had the AIDA program. The federal government reviewed the criteria and felt that additional dollars were available and that a negative margin should be covered. It moved unilaterally in Ontario because Ontario was not fixed to go ahead.

This is the kind of rhetoric we hear when the national government wishes to move ahead and the provincial government does not follow.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Madam Speaker, the hon. member has given us an argument in explanation of the government’s refusal to lower the excise tax by 10 cents a litre. We are told “The government is prepared to do this, but only if the provinces are also prepared to discuss doing so, and to do it”.

I cannot see how this argument, which strikes me as more of a pretext, relating to the absence or presence of provincial co-operation would ensure that this tax would no longer serve to add to the profit margin of the companies.

The federal government says “If we proceed unilaterally, we fear the benefits will end up in the companies’ coffers”. But is

there not the same risk if it is done along with the provinces? In my opinion, it is not because the provinces are involved that this obstacle, the risk that the profits will end up in the companies' coffers, will be avoided.

How can the hon. member explain this logic? It strikes me as more of a pretext used by a government that is actually thinking "If I am going to go short of revenue, the provinces have to as well". This is bad logic.

[English]

Mrs. Rose-Marie Ur: Madam Speaker, I guess my response will go back in the form of a question. Is this hon. member really saying or can he suggest to us that the province of Quebec will be there for the consumers like the Liberal Government of Canada?

[Translation]

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Madam Speaker, it is an honour for me to speak on this issue. I have discussed the cost of gasoline in my region, a vast region in Quebec, on a number of occasions over the past few months.

I find the opposition motion rather timid. The Canadian Alliance is saying that taxes should be cut by 50%. We all agree that taxes should be lowered. It is important to lower taxes in order to help families, especially in vast regions such as that of Abitibi—Baie-James—Nunavik.

They forgot to do one thing that I have been doing for several months, and that is to speak about it in the House of Commons, to table bills and motions.

On February 29, I tabled a motion—it will not happen every four years because it was on February 29, it will happen every year—in which I said:

That, in the opinion of this House, the government should make sure that all service stations display the base price per litre of gasoline or diesel at the pump, free of the federal and provincial taxes.

On February 16, I gave a speech on the price of gasoline.

On April 12, I tabled Bill C-476, an act respecting the posting of fuel prices by retailers, without taxes. What counts is the consumer filling up at the station. One day, Camil Aubé of Val-d'Or said to me "Guy, that costs too much. Lower the taxes". He was right, and what counts is for consumers to have their say. It is the most important point in today's debate.

• (1655)

As I rise today in the House, there are people who are at home, listening to us. What is the price of a litre of gas? The government is being criticized because of the taxes, but not the oil companies.

Supply

Let me give you an idea of what makes up the price of a litre of gas in Val-d'Or, in the Sullivan area, and explain how things work.

First, the consumer filling up this evening in Val-d'Or, Sullivan or Dubuisson will pay 81.9 cents a litre. The federal excise tax is 10 cents, and the provincial road tax 10.55 cents. Back home, we do not have to pay the Montreal tax, which is 1.5 cents. We do not have that tax. There is also the GST, which is 4.8 cents, 5.33 cents. This means that, out of the 81.9 cents, there is 30.68 cents for taxes and 51.22 cents for fuel.

Why do we not post a price of 51.22 cents on the signs? Prince Edward Island lowered its taxes, but the very next day the oil companies raised the price of oil.

We should post the gross price, because when consumers walk into a store, they know that, if an item costs \$17, it means \$17 plus taxes. Why not do the same thing with oil companies and majors?

Let me give another example using this price of 81.9 cents a litre. Let me tell you how much retailers operating in Abitibi, where gasoline sells for 81.9 cents a litre, pay for each litre of the gasoline delivered to them. It costs 67.22 cents, including 10 cents for excise tax and 10.55 cents for Quebec's road tax.

Does the Canadian Alliance not know that every year the oil companies give bonuses to all gas stations: Petro Canada, Esso, Ultramar or Shell? If a retailer sells 1.5 million litres of gasoline at his station, he will have a nice little Christmas present of 1.2 cents for every litre sold over 1.5 million. If he does not sell 1.5 million, he will receive 1 cent for what he sold during the whole year.

In addition, I have here a confidential invoice from a retailer in my region. It shows that Petro Canada charges an amount for participating in the RRP. It comes to 14 cents and something, fourteen tenths of a cent, but RRP. Is this Shell's or Petro Canada's "régime de retraite des patrons" or employers' pension fund? We do not know. I am keen to find out.

Nunavik is a large area of Canada. It is the only riding in Canada with villages and communities above the 60th parallel. This evening, as we speak, a litre of gas costs \$1.10. Of that, 30.4 cents is for taxes and the oil companies get 79.6 cents.

I spoke about the oil companies this afternoon, with Charlie Alaku from Kangiqsujuag, Adamie Alayco from Akulivik, Magie Emudluk from George River, and Pita Aatami. This is what is too bad and what the Alliance does not mention in its motion. The oil companies have to be put on the spot. We have to tell them: "Wake up. Advertise exactly what you are charging for a litre of gasoline". We will look after the taxes. Quebec, Ontario the provinces or the government will look after the taxes. But we have to wake the oil companies up. They are ashamed to advertise the real price of gasoline.

Supply

In any event, I received many letters. I have one from the Minister of Finance in which he writes “I would like to begin by pointing out that there is no federal excise tax on fuel oil for home heating”.

Do people realize how much profit the provinces are making at this time on oil, gas and fuel? Fifteen billion dollars. How much for Canada? Perhaps \$4 or \$5 billion. I have a precise figure here, which I will give. In 1998-99, Canada made \$4.267 billion on gas, and \$437 million on diesel fuel.

Looking at the 2000-01 budget for the province of Quebec, last year it got \$1.559 billion in fuel tax.

• (1700)

What is important, at any rate, is that the federal government made \$4.5 billion and the provinces \$15 billion. I am not complaining about the provinces, but I am saying that we pay one way or the other. We pay for gas, and we pay taxes as well. Yet why do the damned oil companies not display the price without tax? They are afraid to. The chairmen of their boards are afraid to tell people what the price of a litre of gas is, and I cannot understand this.

I have letters here from Petro-Canada, stating that the price is confidential. I have one from the Office de la protection du consommateur du Québec. I have filed a complaint against Petro-Canada in fact. It rejected my complaint in February saying “No, we will send you to Revenu Québec”.

Revenue Québec wrote me, and this is what is interesting, that “We know that this business practice is common among retailers selling gasoline in Quebec and that they do not indicate the gasoline tax separately on any document of sale. In this regard, the Quebec department of revenue is flexible and does not require retailers to comply with the provisions of section 12 if they wish to sell gasoline”. Take note: governments give orders but do not apply them.

I come back to the oil companies. They are listening to us today. Their political attachés are sitting and listening to us. They are right to listen, because I am angry with them, I am hopping mad and consumers are too. Every president of every company is listening, their political attachés and their secretaries. I say to them “Wake up. Display the price per litre of gasoline before taxes”. That way, we will have respect for the companies and we will know how much money they make. But they better wake up. This is important. They better wake up for consumers. This is not the fault of governments. Government deserves respect, but I oppose oil companies that do not display the before tax price per litre of gasoline.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I listened carefully to the Liberal Party member. I think he has just

given us all the solutions his government ought to put forward but fails to put forward. It has the power to take action but does not. Why? The member has said that the government has powers it is not using. I have a question for him. I belong to a coalition which is defending consumers against gasoline price increases. We have been bringing pressure to bear for a year and a half now. We have boycotted Petro-Canada and now it is Ultramar. People in my riding no longer go to Ultramar and they did the same with Petro-Canada. I ask my colleague this: If tomorrow morning we were to tell the Canadian government to suspend its excise tax and its GST and to tax the oil companies' profits, would he agree?

Mr. Guy St-Julien: Mr. Speaker, the member has made a very interesting comment. We are here to find solutions. Today I looked at the price of gas at the Canadian Tire on Talbot. It is 79.4 cents a litre. It is important to talk about the oil companies. Petro-Canada has a sign posted near one of its pumps pointing out that taxes account for 51%, but does not indicate whether this 51% is being levied by the provinces or the Canadian government. This is misleading advertising on Petro-Canada's part.

I come back to the hon. member's question. It is a very good one and it is together that we are going to find solutions. We must. Right now, Canada's Minister of Finance is trying to find solutions. It is also important that they come not just from him but from all provincial finance ministers as well as those in the territories and Nunavut.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I listened carefully to the speech by the Liberal member for Abitibi—Baie-James—Nunavik, in which he referred to a notice of motion that he presented to the Standing Committee on Natural Resources, on February 29, 2000.

• (1705)

That motion was relatively timid, particularly since I had tabled one on February 10, 2000, which went a lot further. That motion read in part:

—to identify and recommend, as soon as possible, concrete means to fight the abusive increase of petroleum product prices and to regulate petroleum product prices on a permanent basis.

That document was tabled on February 10. It listed very specific measures, but the Liberal majority rejected it. Today, the member said that the Canadian Alliance motion was timid. It is timid, but it is based on important values. Some people pledged to increase the tax to fight the deficit. There is no longer any deficit. We have a surplus. Now, we must remove that tax.

Then there is the issue of double taxation. This is also an important principle. Even if the Canadian Alliance motion is timid, the fact is that it is a wake up call for the government. The motion of the member for Abitibi—Baie-James—Nunavik is a big to-do

about nothing. It is like the elephant labouring to bring forth a mouse.

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I believe the hon. member for Sherbrooke did not understand. We have no elephants in my riding of Abitibi—Baie-James—Nunavik, just caribou and moose, and that is important.

There is one thing the hon. member has not understood. At present, the price of gas in Sherbrooke is 83.9 cents a liter. It is 81.9 cents in Abitibi. This evening I am addressing the truckers in Montreal, those who are at home tonight. In Montreal, Lucien Bouchard's provincial tax is 15.2 cents. How can it be that diesel is 16.2 cents, or one cent more, whereas we are collecting 10 cents everywhere on gas and 4 cents on diesel.

It is a cent more for truckers on Montreal Island, who pay more than all others. I agree, we must find solutions together.

That is how we are going to work. One day we will win out, and we will be winning for the consumer, ourselves included. I have appreciated their speeches. They have put as much effort into it as we, and sometimes the message does not get across.

The important thing, it is true, is that we work together as a family, but one day the government is going to have to get our message, and the provinces as well.

THE ROYAL ASSENT

[English]

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

Government House
Ottawa

September 21, 2000

Mr. Speaker:

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 21st day of September, 2000 at 6.00 p.m., for the purpose of giving royal assent to a certain bill.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

Supply

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—FUEL TAXES

The House resumed consideration of the motion and of the amendment.

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, today we are debating a supply motion by the official opposition. The official opposition gets to pick the topic of debate about seven to nine times a year and only some of those are votable. We take supply day motions very seriously. We put a lot of thought into them and we try to come up with something we feel would be a help to Canadians. Today we have seen something happen that concerns me a bit.

• (1710)

This is our day to pick a topic for debate, to pick the wording, to put it on the floor of the House for all sides to have a chance to go at it.

This morning after our first two speakers spoke, the government tried to implement an amendment but we had already made an amendment to the motion, so it could not be done. The government asked for unanimous consent. This is our day. This is our chance, one of very few. The government can pick the agenda every other day of the year, but on this day let us have ours. To try to confuse the issue by doing what it did today is not being straightforward with Canadians.

The people who have been phoning my office complaining about the price of gas and the tax on gas are farmers, people on fixed incomes, seniors, single parents and families struggling to get by. They are looking for a break from government and members of parliament and here we are going around and around over some foolish issue that is not getting to the gist of the problem.

People have been watching this debate today hoping something will come out of it to help them out at the end of the month. What have they learned? What have they seen? I do not think they appreciate very much what they have seen here today.

Our party is asking for two simple things. One is to take off a temporary tax that was put on to eliminate the deficit. Thanks to the same hardworking Canadians who phone my office asking for a tax break, that deficit has been eliminated. Why is the tax still there when there is a \$12 billion surplus? Why is the tax there when the revenue from tax on gasoline this year is going to be \$13 billion? We are talking about billions of dollars flowing around and we

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cannot give hardworking Canadians a 1.5 cent per litre tax break on a tax that when implemented was to be temporary. This I am sure does not add up in their minds.

The other thing we are asking to be done today is that the compounding tax on a tax on a tax, the GST on the tax portion of gas, be moved down so it is only put on the portion of the gas from supply and production. Do not be compounding tax. In the early days when the government tried to sell us the GST back in our other world, we said no. The government said it would not be compounded and here it is.

Those are the two things we are asking for today. I have no idea where all this other stuff came into the debate today. That is the gist of our motion. We were hoping for support from all sides of the House for Canadians who get up every day and wonder where the heck they are going to get an extra \$10 a month to fill their tanks.

With regard to gasoline, we are talking about diesel fuel that truckers use to haul the supplies around the country, the supplies that feed us, clothe us and house us. Every time the price of fuel goes up, every commodity that travels on a train, in an airplane or on anything that burns fuel goes up in price. Would it not be nice if we could take the temporary tax off and give consumers a break, but here we go around and around in some wrangling way to try to confuse the issue.

I give full credit to the member for Pickering—Ajax—Uxbridge. He is a member of the House for whom I have a lot of respect. A lot of people on all sides of the House have a lot of respect for him because of the stance he is taking. He has taken on a lot of issues. This is a real good piece of work that he and his colleagues have done. After what I have seen today I am starting to question that kind of action on a simple straightforward motion such as we brought forward today.

A year ago in a minority report that we attached to the report on the safety net programs for farmers that the agriculture committee was looking at, we asked the government to lower the input cost to farmers because again there is a compounding effect. It raised the price of all the products produced. It raised the price of shipping grain, shipping the products to market, the retail aspect of it and moving them around the country. We asked if the government could do that to help lower fuel costs to help reduce farmers' cost.

Yesterday I read an article that was in the *Western Producer*. Statistics Canada said that in total 26,200 fewer people are working in the agricultural industry in western Canada on the prairies this fall than there were last fall. Why is that? That should be of no surprise to anybody. The farm community is hurting and it is not only the farmers. I am talking about the farm community and the industries in the cities that support the agriculture industry. For that to get shovelled by is wrong.

• (1715)

We have been telling the government there is a crisis in the agricultural community that it has to address. It has to lower the

input cost to producers. This is just one example of what the fuel tax is doing. The government has not done that.

Some 26,200 fewer people are involved in farming this fall than last fall. That is a crime. I am a little embarrassed to say today that I was involved in the House when all this wrangling was going on, when Canadians were looking for a solution and did not get one.

The Acting Speaker (Mr. McClelland): It being 5.15 p.m. it is my duty to interrupt the proceedings and put forth forthwith every question necessary to dispose of the business of supply.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): Pursuant to the order made on Wednesday, September 20, the recorded division on the amendment stands deferred until Tuesday, September 26, at the expiry of the time provided for government orders.

It being 5.18 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

APPRENTICESHIP NATIONAL STANDARDS ACT

Mr. Steve Mahoney (Mississauga West, Lib.) moved that Bill C-318, an act to require the establishment of national training and

certification standards for trades that receive apprenticeship training, be read the second time and referred to a committee.

He said: Mr. Speaker, it has been a long road to get to the point where we could bring this issue to the floor of the House of Commons.

In a nutshell, let me just explain the principle. We have a situation in the country where apprenticeship training does not rise to the same standards that we see in other countries around the world. I will go into some details to give a comparison, for example with Germany.

Yet we have young people right across Canada who are looking for opportunities that may not follow in what is perhaps some of the more popular areas today such as IT, high technology or something of that nature. They are interested in working in construction, in building trades, at being plumbers and at being carpenters. They are working with their hands. They also require a great deal of technological training today, unlike our forefathers from several years ago when the latest technology was not available.

• (1720)

I think there is a fundamental problem in our society that led me some three and a half years ago when I arrived on Parliament Hill to draft a private member's bill. It was not easy, I might add, to get the bureaucracy in Ottawa to even agree to draft it. I will go into the reasons for that in a moment.

I wanted to draft a private member's bill telling young people that if they became apprentices, if they received a ticket for whatever trade they wished to pursue in the province of Ontario, and if they received an opportunity to work in that trade in the provinces of Manitoba, British Columbia, Alberta or Newfoundland, they would be able to do that. Their apprenticeship ticket or licence would be recognized equally in every province, territory, region, municipality, village and community in Canada.

Sadly that is not the case today. It came as a great surprise to me to find out that we did not have the necessary procedures in place to allow for the mobility of our young people to ply their given trade across the country. I did some research. I met with people in the trade labour movement, particularly in the building and construction trades, to find out why this was.

I was informed that we have a system called the red seal system for registering trades. There is a copy of it here. It is fairly extensive. It covers 44 trades across the country. The principle is that if one receives a red seal designation it should therefore qualify one as an apprentice anywhere in Canada. One of the fundamental problems, and I think this goes to the heart of our constitution, is that not all provinces and territories recognize all 44 of these trades with the red seal designation.

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Certainly some of the more obvious ones, mechanics and cooks or jobs of that nature, are recognized in most of the provinces but many are not. I would also submit to the House that there could be more than 44 trades involved in apprenticeship training across the country.

I was surprised when I arrived here to see the resistance from the bureaucracy. I asked what the problem was and was told that it was not federal jurisdiction. I asked the bureaucracy to help me understand. I argued about it. I understood that we had entered into training agreements and labour agreements with provinces and were at that time currently negotiating with the province of Ontario. We had agreements on the table with other provinces, but I am not talking about delivering the service of apprenticeship training. I am not talking about the actual physical educational process that might take place in a combination of learning on the job in the workplace and then attending a community college in my province or some other learning institution in other provinces.

I do not want to interfere in that. I happen to believe that the delivery of education is better handled by the provincial governments in co-operation with the school boards and with other training associations.

We may get involved, and do indeed with HRDC funding, in many of these areas where we will provide some money for these training institutions and directly channel that money to the young people who are taking the training. We do that all the time. In fact, we have seen hysteria in this place by members opposite about some of the funding from HRDC that has gone out to help these young people. That hysteria has caused a great deal of difficulty for those young people.

• (1725)

I do not want to interfere in provincial jurisdiction. There are those who support my bill, and I am going to share with the House who some of those people are. In addition to some members here, the critic from the NDP party from Winnipeg has been a great supporter and a believer in it. It is supported by other people in most of the provinces, if not all, in many of the ridings and communities represented by members on both sides of the House. I normally get a little partisan, but this is not a partisan issue. This is about our young people.

I cannot for the life of me understand why my own government, if it is opposed to, or the people opposite would be opposed to putting in place national standards for a young person who registers for a program or gets a job. My own son is 25 years old. He is a bright young guy. He takes after his mother obviously. He decided he wanted to be an apprentice electrician. He obtained a job. He enrolled at community college for the educational portion of it. Should he be able to work anywhere in the country? He is a Canadian citizen born in this country, educated in this country. He received an apprenticeship licence in this country but he cannot go

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to Quebec or he cannot go to Newfoundland because his ticket does not allow him that mobility.

Frankly, not allowing that runs contrary to the social union contract which was signed by every province save the province of Quebec. Let us think about that. The social union contract called for mobility in educational activities across Canada. It was signed by all the provinces except the province of Quebec. We understand the reluctance of Quebec to sign on to anything that would promote national unity or any kind of national activity. That is no surprise. I am not surprised that the Bloc Quebecois would be opposed to this initiative in this private bill.

At first I was a little surprised to learn that Canadian Alliance members were opposed to it, but then I guess I understand that their vision of this country is to devolve all authority and all responsibility down to the provincial level. To use the term used by our Prime Minister, he said that they wanted to be a head waiter for the provinces, that that is the role the federal government would fulfil.

Members of the Canadian Alliance would oppose this kind of national initiative because it runs contrary to their support for devolution of authority and power and the absolute dismantlement of the federal government because of their provincial views, very narrow views I might add.

I ask members to think about who has supported this bill. This bill has changed titles because of the recess of this place, but it is the same bill with a different number. It received support from business, received support from organized labour, received support from the educational community, and received support from numerous colleagues in this place. It is a bill that has a vision attached to it that would benefit all young people.

Too often in our generation, those of us in this place, we think in terms of our sons and daughters becoming doctors and lawyers, becoming experts in certain fields of technology. What will happen when the day comes when we can no longer get the workers we need to build the infrastructure, the workers we need to build the communities, the roads, the highways, the sewers, the waterpipes, the bricklayers? In fact I have had an experience where a constituent of mine was attempting to get some bricklayers and he could not get them. The union could not provide them. Do members know where he had to go to find them? It was not to Newfoundland, not to Nova Scotia. He had to go to Portugal.

Does it make sense if we have an opportunity to provide training and apprenticeships for our young people in Canada to learn how to become bricklayers, to make the kind of wonderful living that a good quality, well trained bricklayer can make, for us to be looking to Portugal to import workers?

• (1730)

Obviously there are situations, and the trade labour movement will support this, where one-off projects require us to use our

immigration system to go out around the world to find particular workers so that we can build a particular project that will indeed save, keep and create jobs for Canadians. These are temporary worker permits and they are issued all the time.

It would not happen overnight, but one of the ways we could solve these shortages would be to encourage our young people to become apprentices, to make them proud to become bricklayers, carpenters, electricians and plumbers. Why should they not be? What honourable professions those are. This place should reflect society and frankly, society has lost sight of the true honour of working in those professions.

Let me share with hon. members a letter from the Canadian Labour Force Development Board supporting the original bill. This is from Brian Skrogs, business co-chair, and Joe Maloney, labour co-chair. This is a business-labour coalition, both sides of the spectrum. In a letter to me they said "It is our pleasure to inform you that at our meeting of June 10, 1998 there was unanimous support for supporting the bill".

It is bipartisan unanimous support from business and labour. That is a national organization. It understands. It does not have parochial views. It is not concerned about constitutional matters. It does not care about jurisdiction and who does what. It cares about having good quality opportunities available that will create the mobility right across the land of having young Canadians do apprenticeship work in every community.

Another letter is from the Building and Construction Trades Department, affiliated with the AFL-CIO which is a huge organization. In a letter that went out to all members of parliament, it stated "We would urge the government to adopt this bill as government legislation. Further we would ask all members to support this bill, either as a private members' bill or as a government bill".

The Building and Construction Trades Department has offices here in Ottawa and it represents people right across the country. Once again it is not concerned about jurisdiction. What it wants to see is some national standards.

Let me add that what is most interesting is that we agreed in negotiations on the bill that we would adopt the highest standards in the land which I believe are from Alberta. We would adopt the Alberta standards as national standards. I am not being parochial and saying that it has to be Ontario's way. I want the best. I want the best standards that are available to help our young people.

There is a letter urging that the government and all members support the bill from the Bridge Structural Ornamental and Reinforcing Ironworkers. It is an international union. This letter is to the federal minister of labour at the time from its international headquarters in New York City. It states:

Approximately three years ago at the first ministers meeting it was agreed that they would relax certain interprovincial trade barriers, one of which was the mobility of

labour. However we now find ourselves in a virtual gridlock relevant to labour mobility due to the fact that certain provinces have red seal standards while others do not. Therefore, I would once again respectfully request that you endorse the bill.

I have dozens of letters from unions and business groups in every province right across Canada. I have letters from Newfoundland, New Brunswick and from Ontario in abundance. One is from the United Transportation Union and states "I am pleased that somebody has finally found the wherewithal to introduce a bill that makes such plain sense". And it does make plain common sense.

I know there is opposition to the bill. I am pleading with those who have decided not to support the bill to reconsider that. I appreciate those who are supporting it. This is not partisanship. This is not about nation building. This is not about separatism or a national debate on Quebec. This is about our young people, about their future and their opportunities to pursue apprenticeship programs that will be recognized and effective from sea to sea to sea.

• (1735)

Mr. Bill Gilmour (Nanaimo—Alberni, Canadian Alliance): Madam Speaker, I am pleased to rise and respond to the member opposite.

First I would like to back up and describe what apprenticeship really means. Actually there is some interesting history.

The apprenticeship system for training trades workers is historic. For centuries skilled trades people had an obligation to teach their craft to the young. After an apprentice had satisfactorily completed the full term of training and had demonstrated his ability, he became a journeyman. A journeyman means he could travel around from one job to another; hence the journeyman trade. This is what we are talking about here.

My background is somewhat interesting. I went to Vancouver technical school. I am disappointed that they have moved away from this but in those days, most of the school was trades. Heavy duty mechanics, auto mechanics, printing, sheet metal, carpentry were all started in grade eight. In grade eight students made a decision. They could go through a university course which was fine, but many of the students did not want to do that and they went into the trades. When they came out of grade 12, they were well on their way to being journeymen. They substantially shortened the timeframe and the young men and women were well trained and well on their way.

I am really disappointed that our education system has gone away from that. I think we are missing a fair bit of the boat by trying to push everyone into the same mould and send everyone off to university when in fact we need plumbers, we need people to build our houses, we need skilled operators of various equipment.

In my background in forestry, I spent 25 years in the woods with large logging equipment. A grapple yarder can cost over \$1 million

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alone. An off-highway truck carries 100 tonnes of logs. One can understand the size of this equipment. We had an excellent apprentice training system in our heavy duty shop.

I am not unfamiliar with the apprenticeship programs, but that is straying from the bill a bit. We are not talking about apprenticeships because we all recognize that a good apprenticeship program is valuable. What we are talking about is certification and who is going to run the boat.

I understand why the member was having some difficulty introducing the bill. Clearly it is provincial jurisdiction. That is where we are having some difficulty with it. It is an overlap that is already covered by the provinces. It is not only trades, it is doctors and dentists. I am a professional forester. It is foresters. Provinces cover education. Provinces cover certification. Why would we need a national standards program when we already have in place provincial laws that deal with apprenticeships?

I agree that there needs to be more interaction between industry and the provinces. The red seal where people can travel from one province to another needs to be improved. I recognize that. However I and my party do not think the answer is a national standards program for apprentices.

On that basis we reject the provisions in the bill because it is clearly duplication. In effect it is almost another way of the big federal government wanting to edge in on the provinces' authorities. That is the reason we have some difficulty with the bill. It is not apprenticeship at all. That is not the issue. The issue is certification and who is going to run it. Therefore we will not be supporting the bill.

• (1740)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I somewhat have the impression that I am repeating myself by speaking to this bill, Bill C-318, the purpose of which is to establish apprentice training and certification standards that will be recognized Canada-wide.

We must remember there was an epic battle in Quebec in order to reach an agreement on manpower, so that Quebec, and not the separatists or the sovereignists, but all of Quebec in total agreement including the provincial Liberals, the Action démocratique du Québec and, obviously, the Parti Québécois, which forms the government of Quebec, along with all the social stakeholders, to enable Quebec to recover jurisdiction over it.

Today, with respect to Bill C-318, I am a bit surprised that we have to have this debate once again. We must remember—and this is the same example we had in health care—that the government of Quebec had to fight for more than a year to obtain recognition of

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the jurisdictions in health care so that, in the end, with the support of Ontario, the federal government would agree to sign an agreement respecting their jurisdiction over health care.

Today, on the subject of manpower training, recognition of training, this looks like a repeat to us, as if the Liberals are afflicted with the malady of always wanting to meddle in provincial jurisdiction.

When the member says that it is not a national issue, I say to him that it is at least a jurisdictional issue and a matter of efficiency. The provinces already have responsibilities in the area of training. In Quebec we have already come a long way on this. When the bill speaks of setting up a national apprenticeship organization with a mandate to set training and qualification standards for the trades they apply to, it is clear that this is duplication of the work that can be done in the individual provinces.

In this regard, additional bureaucracy will be created. Just imagine. We all know about the efficiency of government bureaucracy. In the area of human resources development, we saw how effective the federal government could be. We saw how, when it comes to taking concrete and day to day measures, this government could end up making a mess, being terribly inefficient and totally missing the mark.

Why should we add another area where federal public servants would evaluate how apprenticeship training is carried out in a province, and end up before the courts seeking legal opinions on jurisdictional issues, when everything is clear? As the member pointed out, already, in some areas, the provinces can voluntarily adhere to standards that are recognized from province to province. So why add an area in which the federal government has no expertise, no jurisdiction and no knowledge?

If the member feels that it is absolutely necessary for the federal government to be responsible for these things, he should seek a constitutional change so that the whole issue of manpower training and education would fall under federal jurisdiction. But Quebec would never agree to that of course. The jurisdiction over education is one of the main reasons why Quebec entered the Canadian confederation in 1867. It was a *sine qua non* condition to going ahead and signing that pact.

Since then, we have realized that this jurisdiction over education should be extended, to allow us to take effective action in the whole area of manpower. There is absolutely no question of backtracking now. Three years after Quebec took over manpower training, after a more difficult beginning but where there is now practical, functional interaction between the parties to the satisfaction of local communities, it would be very inappropriate to now go back to a system where the federal government decides on the relevance of training given in Quebec or Manitoba.

The member seems to be confusing “national” with “federal”. The federal parliament is not the boss.

An hon. member: Oh, oh.

Mr. Paul Crête: Madam Speaker, some members of the House should wait their turn to speak, so that I can use my time more effectively.

• (1745)

I will conclude by saying that this bill, which came about because of the goodwill of a member who thought that there must be a simpler way to do things, has not taken into account the context of jurisdiction, of how things operate in Canada, and still seems to view the provinces as branch offices of the federal government. This they are not—they are their own entities, with jurisdictions that must be respected.

If the Canadian government does indeed have major problems in this area, if it needs major structural changes in order to be able to fulfill its international role as a federal government when signing international agreements, then I have one that can be concluded rapidly: that the federal government, Canada and any provinces prepared to do so conclude an agreement, while Quebec as a sovereign country may assume its full responsibilities and be a presence on the international scene like the Canadian government, for those agreements desired by the people of English Canada.

As long as we are living in the Canadian system as it exists at present, with responsibilities given to each province, it would be totally inappropriate, insufficient and the source of major duplication, to be putting money into such a duplicated system.

It is certain that there is a huge surplus on the federal level, and perhaps they are looking for ways to use it without having to give it back to the taxpayers. There is nothing better for raising a government's profile than having money available.

In the present case, however, it would be doing a disservice to both Quebecers and Canadians to impose such a double structure on them. I hope this idea will die on the order paper today and that we will have the assurance in future that such backward thinking will be not repeated, with its reference to a philosophy far different than the one that has guided manpower agreements, that is devolution.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, there is not much in this world that I know a lot about, frankly, but this is one subject on which I actually do have great personal knowledge.

I am a journeyman carpenter myself and for many years I represented carpenters as a union leader and I did get to deal with the issue of labour market training a great deal. I can honestly say that the very worthwhile bill put forward by the member for Mississauga West absolutely meets a need in industry that was

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plain and obvious to me, and to anyone who has ever actually had experience in the industry that I represented.

One of the members from the Alliance said that apprenticeship was an ancient tradition, and he is right, but it goes back even farther than he said. It can be traced back to the ancient Babylonian code of Hammurabi, which was the first written reference of a need or an obligation for skilled workers to pass on their skills to the next generation.

I do not think anybody who I have heard speak so far has any problem with the model of apprenticeship. In fact, most people spoke glowingly about what a suitable method it was for the communication of craft trade skills and what a necessary aspect it was of any human resources or labour market strategy.

Where we find faults and what the industry has been telling us for years is that labour market training and the apprenticeship systems in this country are like a patchwork quilt. Virtually every province has its own way of doing things, its own curriculum, its own entrance requirements and its own certification methodology. As a result, as the member for Mississauga pointed out, mobility has really been threatened.

A carpenter who took his or her apprenticeship training in Nova Scotia cannot just move to Alberta when there is a boom and work there because it is a different set of skills. The employers do not know what they are getting as there is no standardized curriculum. Even more important, the customers of the construction industry service do not know what kind of a quality job they will get because there is no standardization.

For years now within the building trade but also beyond, for instance, in the auto industry, the piping trades, any place that has apprenticeship training as an aspect of the work environment, there has been a call for national standards, to somehow pull all these diverse groups working in isolation across the country together under one kind of central committee, a central umbrella. We can call it what we want. I see that the hon. member, in his bill, calls it NATO, national apprenticeship and training organization. We used to throw around the term NATAC, national apprenticeship and training advisory committee. Whatever we want to call it, it should be a forum where business, labour and government could sit down, compare notes, develop standardized curricula and a standardized set of rules for the delivery of training without interfering in the provincial jurisdiction.

• (1750)

We have been aware that this would be a sore point, especially with the province of Quebec. We knew that we would meet resistance there, but no one is talking about the federal government or any national agency interfering with the delivery of the service. All we are asking for is a consultation forum where a group in the province of Quebec, for instance the CCQ, the Commission de la construction de Québec, would be represented on this national

organization. They would say "In our province, our entrance requirement is that one has to have grade 10. It is a four year program and the curriculum looks like this. How does that compare with your program in Manitoba?". If there are any problems then those two would have to be aligned to guarantee the ease of mobility so that Canadian workers could work anywhere in Canada and Canadian industry could be assured that they were getting a known commodity when they hire, and I will use the example of a carpenter because that is my trade.

Apprenticeship as an education model is so well-suited for even today's new industries, even the high tech field, because the people who are involved are not really students. They have an attachment to the workforce. They actually have a job so they are earning while they learn. It is a model that we believe should be expanded far beyond the 44 current trades in Canada.

One hon. member mentioned Germany. The country of Germany has 440 apprenticeable trades. People can apprentice in almost any discipline they can think of. The regimen is outlined in a clear way. They would get a certification so that they could actually call themselves a skilled x, y, or z, whatever occupation they happen to apprentice in.

We believe that having these national apprenticeship and training advisory committees, or NATO committees, in each of the apprenticeable trades would not only serve the needs of industry in providing highly skilled workers of a predictable known quantifiable level of training, but it would also help to promote and expand the whole concept of apprenticeship in a much wider way than currently is enjoyed.

I am terribly disappointed that the government has not seen fit to adopt this idea. We have a minister of human resources but we really do not have a national human resources strategy because we have offloaded that to the provinces. Some people say that is a good thing and some people are not as pleased with that, but at least the federal government should still see that it has a role in ensuring that the delivery of training, which has been signed over to the provinces through various labour training agreements, is at least being taught with a certain set of standards so that they would know they are getting proper value for their investment into labour market training if for no other reason.

I believe the government has missed the boat. I believe it is not only not listening to the member who put the bill forward, it is not listening to industry. It is not listening to key industrial sectors that very much want this. This idea did not just come out the blue. The member did not just wake up one morning and say "I think we should do this". We are making an effort to meet a demand by the building trades industry, which is the largest single employer in the country. The construction industry and certainly the auto industry, any of the industries that have sectoral councils or are dealing with labour market training other than post-secondary education, are very interested in this model.

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When I raise the sectoral council, I believe there is a precedent for the federal government to have a role in setting national standards and that is the model right there. In the auto industry, for instance, there is CARS, which is a tripartite group made up of labour, business and management. They get together and not only set curriculum, they can talk about other things. They can talk about forecasting the labour market needs in that sector and what the intake should be of new people into those skilled trades to meet their anticipated needs. It brings together the actual stakeholders in the training around one central table.

• (1755)

It would not be a costly factor either. In our dialogue with industry most industries have pretty much accepted that they will have to dig into their pockets to fund this sort of thing sooner or later. There was not much opposition to some kind of a training levy being put forward to actually run the nuts and bolts.

All the federal government would really have to do is create the environment. The funding source could be some kind of a joint labour-management contribution in some models. That is what we did in our union. Every hour that a carpenter worked he paid 10 cents into a labour market training fund which was matched by the employer. We would then use that money for the training of our members.

In the province of Quebec they have things figured out in a better way with their 1 per cent training levy which employers willingly pay so that they can count on a high level of labour market training for the workers they very much need.

There is a precedent for this type of thing with the sectoral council. There is a need and a demand, as clearly articulated by industry sectors. The government has missed the boat in choosing not to support this very worthwhile bill.

If we did have the type of national standards that we are talking about, perhaps more young people would be motivated to go into the skilled trades, the apprenticeship trades. As was pointed out, there can be very high paying, satisfying careers in the skilled trades.

We often get this blue collar stigma where people are not willing or this kind of a feeling that one only goes into the trades if one drops out of mainstream education. There are satisfying careers, highly skilled workers in these fields and great entrepreneurial opportunities that come out of the skilled trades. Once one achieves a certain level of proficiency as a bricklayer or as a carpenter one can hang out a shingle and hire two or three friends, and all of a sudden we have another small business starting.

For these and all the other good reasons this bill should have been deemed votable. It should have been passed and in fact it should have been picked up by the government and introduced as a government side bill. My compliments to the member for Missis-

sauga West for bringing forth this important issue for debate, if for nothing else.

Mr. Bill Casey (Cumberland—Colchester, PC): Madam Speaker, it is certainly a pleasure to speak to this bill today. It is always enlightening to sit in the House and hear the different points of view.

Actually the hon. member for Mississauga West has almost started a mini constitutional debate here with this issue. We can see from the philosophical positions of the speakers how they accept or reject this approach. In general, if one agrees with a strong central government with national standards for everything like health care, education and training, then one would support this bill. Personally I do not see how we cannot support the bill.

However, if one does not agree with a strong central government and believes that we should have a country with an array of strong provincial governments, with no real strong central government, I suppose one could oppose it. I would certainly support it and I admire the energy and initiative of the hon. member in bringing it forth.

I happen to live at the intersection of three provinces: Prince Edward Island, Nova Scotia and New Brunswick. I have always been involved with the trades one way or another. I will list some of them: plumbing, electrical, welders, carpenters, mechanics, body shop repair and parts. These are all trades that require apprenticeships or some form of training. The standards for these three provinces change so that there is no mobility from one province to another in a very small area. We are talking of the radius of maybe 100 kilometres at the most where the three provinces intersect and the rules change. The rules are different for each trade. A set of national standards as proposed by this bill makes imminent sense to me. It would certainly help in my specific area.

If one wants to employ or train someone in the trades, the present system is to begin most likely through the community college in a town called Springhill, Nova Scotia, or there is another community college in New Brunswick, the Moncton Community College. Again, two provinces, two sets of standards and a different level of education from both of them. The trades people graduate. They have their diploma, but still they are trained in different ways with different standards. Again this bill would address that.

I personally believe that a bill such as this one would help in a lot more ways than just uniform standards. As the last speaker mentioned, he said it would motivate other standards in these fields. I think that is true. If these trades had national standards they would achieve a better level of recognition and legitimacy for a lot of people who might not think it is a good place to go or might not be inclined to go in the direction of a trade when all the pressure is on to go into high tech, IT technology training and things like that, or to go on to university. Maybe they would rather do a trade but because of the image it has or may have in their own mind they may not want to do it. However, if it has national recognition and national standards they would be more inclined to do it.

• (1800)

Such a program would enhance the community college system. This is a very important and is a critical element of the educational process. Not everybody will be a computer whiz or go into the high tech industry. The community college systems, in my opinion, have always been deprived of the recognition they deserve and the money they deserve. All the focus has been on university and other high tech forms of education. Community colleges really play a key role. They are the forum of education that best trains people for a specific job. I have often felt they are underutilized and under recognized.

Also, such a set of standards would raise the level of standards itself. As the member said, they would accept the highest standard in the land for each trade. How could we go wrong with that? There has to be good positive results from this.

Certainly, just the fact that we could have uniform standards across the country is good. We are famous in Atlantic Canada for exporting our most valuable asset. Atlantic Canadians are going to other parts of the country because job opportunities in Atlantic Canada are not like they are in some other areas. National standards would expedite that process but it would also expedite the process for them coming back at a later date, which is what we all want.

In general, this is a very practical and good bill. I totally support the bill because of my personal hands-on experience in everything the bill stands for. I believe the bill should receive approval and I am sorry it is not votable. If it was I would be voting for it and I am sure my party would be as well.

[*Translation*]

Ms. Raymonde Folco (Laval West, Lib.): Madam Speaker, allow me first to praise the work of the hon. member for Mississauga West on the subject of apprenticeship and training, because his efforts were motivated entirely by his interest in ensuring the preparation of qualified workers and an effective apprenticeship system established for industry workers and the economy of Canada.

Skilled workers are in demand. Canadian workers must be able to take advantage of these opportunities. We cannot ignore that. In addition, workers must have access to these jobs, regardless of where they are located in Canada.

The Government of Canada on the other hand has a responsibility to contribute to the supply and the mobility of skilled workers so that Canadians may play their part in a growing economy. This must not, however, prevent us from taking into account the political realities of our federal system.

Allow me to reiterate the remarks recently made by the Prime Minister in Berlin. He said that the Canadian model is based on the

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recognition of diversity, on a mix of cultures, on a partnership of people and government, and that the system creates a balance between individual freedoms and economic prosperity and shared risks and benefits.

This balance must not be forgotten in the consideration of this bill and more particularly in the search for a better way to achieve the objective of this bill, namely the ongoing training of Canadian workers.

This explains our discussions with our provincial and territorial counterparts and consultation of employers, union groups, educators and community organizations.

We are discussing with them ways of contributing to increasing the number of Canadians in apprenticeship or training programs.

• (1805)

In 1998, the government launched the Canadian opportunities strategy to give access to knowledge and skill training to a larger number of Canadians.

Moreover, in the October 1999 throne speech, the government pledged to establish a national plan on skills and learning for the 21st century.

In fact, our government pledged to ensure that skills development keeps pace with the evolving economy, to make it easier for Canadians to finance lifelong learning and to provide a single window of information to Canadians about skills requirements and training opportunities.

Our challenge is to determine the best way to help Canadians make a decision about the skills that will be useful to them.

The Government of Canada, along with the ministers responsible for the labour market in the provinces and territories, is looking for ways to help Canadians acquire skills.

We must help Canadians increase their literacy level, particularly those who could be left on the sidelines in the new economy.

But what is the best way to proceed? What are the specific needs of these people? How can we give them access to the tools that will allow them to fully participate in the economic and social life of our country?

Our partners' involvement is essential, since they have responsibilities relating to education, and since they set the rules governing trades and professions.

In many ways, Human Resources Development Canada is a catalyst in the area of manpower mobility.

The implementation, by July 1, 2001, of the chapter on manpower mobility in the Internal Trade Agreement is undoubtedly our primary concern with the provinces and territories. That agreement

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will promote the freer movement of persons, goods and services across Canada.

As regards manpower mobility—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Ms. Thibeault): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed a bill, to which the concurrence of this House is desired.

THE ROYAL ASSENT

[Translation]

A message was delivered by the Usher of the Black Rod as follows:

Madam Speaker, it is the desire of the Honourable Deputy to the Governor General of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1820)

And being returned:

The Acting Speaker (Ms. Thibeault): I have the honour to inform the House that when the House went up to the Senate Chamber the Honourable Deputy to the Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

Bill C-37, an act to amend the Parliament of Canada Act and the Members of Parliament Retiring Allowances Act—Chapter No. 27.

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[Translation]

APPRENTICESHIP NATIONAL STANDARDS ACT

The House resumed consideration of the motion that Bill C-318, an act to require the establishment of national training and certification standards for trades that receive apprenticeship training, be read the second time and referred to a committee.

Ms. Raymonde Folco (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Madam Speaker, I wish to congratulate government members on the passage of Bill C-37.

I will now continue my speech on Bill C-318, an act to require the establishment of national training and certification standards.

The agreement is aimed at facilitating worker mobility by enabling any worker entitled to ply his trade or profession in any province or territory, to apply for a job in that trade or profession in another part of the country.

Essentially, this agreement consists in acknowledging that the co-operation of all governments is the best way of accomplishing the objectives set in the Internal Trade Agreement. Through the Forum of Labour Market Ministers, Human Resources Development Canada is working with the provinces and territories to implement the provisions of the agreement that address work force mobility.

In our unique federal system, apprenticeship has developed under conditions specific to each province or territory, reflecting our major geographical and climatic differences.

Canadians should in fact be able to take advantage of all opportunities offered, regardless of where they live. The most indicative measure in this regard was the establishment, recently, of the Canadian Apprenticeship Forum, which brings together the principle spokespersons of the training community in the country.

The primary objective of the forum is to promote cohesion and co-operation among the interested parties. It includes representatives from business, manpower, the teaching and training sector, organizations promoting equal opportunity on the labour market, the Canadian Council of Directors of Apprenticeship, the Interprovincial Alliance of Apprenticeship Board Chairs and, obviously, Human Resources Development Canada.

The general mission of the forum is to set out the bases of an apprenticeship training system in order to establish a skilled and mobile workforce.

This group represents a new stage in the evolution of apprenticeship. In fact, provincial and territorial jurisdictions over apprenticeship are not only respected, but extended to the benefit of all Canadians, and especially young people looking for a profession.

I am happy to add that Human Resources Development Canada is providing a three year budget of \$1.9 million to this group to defray operating costs. This, in my opinion, is a valuable investment in our future labour force.

Other quality forums continue to receive funds from us, for example the Canadian Council of Directors of Apprenticeship, which manages the red seal program.

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The interprovincial red seal program defines national performance standards for 44 trades in Canada and interprovincial certification. The term "interprovincial" is important, because it means that these workers will be able to practice their trade anywhere in Canada.

The Government of Canada is also working closely with employer groups and sector councils to identify labour force shortages and find ways to remedy them. In Canada, some 20 sector councils are continuing their efforts with a view to training the current labour force and preparing future workers in their particular sectors.

We are very confident about the upcoming announcement of the creation of a national council in the construction sector, which should be a strong motivation for people in the industry.

• (1825)

It is clear that the hon. member wishes to contribute to an inclusive and prosperous Canada.

Unfortunately, as I have shown, there is a strong risk that the wording of this bill would lead to duplication of existing measures.

The best approach is to work with the provinces and territories to achieve the goal we all share, which is to do what is necessary to make Canada's labour force the best in the world.

I hope that the member will join with us in these efforts.

[*English*]

The Acting Speaker (Ms. Thibeault): I recognize the hon. member for Mississauga West for his right of reply.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, let me say first a profound thank you to all the members from all parties who stayed here late, through the royal assent journey down the hall and then back here, to discuss what I think we all agree is an extremely important issue. We may not agree on how we are going to implement apprenticeship training across the country, who is going to do it or what the standards will be, but certainly I did not hear anyone from any party stand up and make derogatory comments toward apprenticeship training programs. We know there is tremendous benefit to be had for our young people.

I also recognize that with my private members' bill having been deemed non-votable at committee some months ago, there is a tendency to assume that this is a bit of a waste of time. I do not think it is because it is important that members in this place put forward their views and their parties' views. I heard three truly national parties, the New Democrats, the Progressive Conservatives and of course my party talking about national programs. I

heard what I would call two regional or provincial parties, the Bloc Quebecois and the CA talking about protecting the interests of the provinces.

I am not against protecting the interests of the provinces and working with the provinces, as the parliamentary secretary has called for, to deliver training programs. I just fail to understand, and will look for other ways to skin the cat if you will, why anyone who has any kind of a national vision would object to providing standards that are accepted right across the country.

We would recognize high school diplomas across Canada. We certainly recognize university degrees across Canada. We certainly recognize skilled medical trainees across Canada. Why we would not recognize apprenticeship in the same way as we recognize those perhaps sends a message as to how our society feels, tragically and unfortunately, toward those particular trades. I hope that is not true, because we should value those trades and the young people who make decisions to build careers.

I want to finish by touching on one aspect which my hon. friend from Winnipeg mentioned and that is the entrepreneurial opportunities that are failing to be recognized. I have worked with young entrepreneurs for the past year and a half in developing a task force report to implement programs within our government that will help young people build their own careers and businesses. As my hon. friend pointed out, what better way to create new businesses and new opportunities than to help people get the technological skills needed to build the infrastructure, the buildings and roads, the cities and communities, the community centres and everything else to help people build careers for themselves. They will create jobs. They will build families and generate children within those families who will go on in careers and apprenticeship training as well in the building trades.

I still believe, notwithstanding that my bill is not votable and that it effectively dies on the order paper, it is an extremely important debate that we have had here. I thank all members who participated for putting forward their vision on this very important issue.

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

[*Translation*]

It being 6.30 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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