



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, May 9, 2000**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Tuesday, May 9, 2000

The House met at 10 a.m.

[English]

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1005)

[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 the standing orders, I have the honour to table, in both official languages, the government's response to 20 petitions.

• (1010)

[Translation]

**Mr. Jean-Paul Marchand:** Mr. Speaker, there does not seem to be a quorum in the House.

[English]

*And the count having been taken:*

**The Deputy Speaker:** Call in the members.

*And the bells having rung:*

**The Deputy Speaker:** I see a quorum.

\* \* \*

[Translation]

### INTERPARLIAMENTARY DELEGATIONS

**Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian group of the Canada-France Interparliamentary Association, which attended the meeting of the Standing Committee of the Association in Paris from March 6 to 10, 2000.

## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 29th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Justice and Human Rights, and I move concurrence at this time.

(Motion agreed to)

**Mr. Derek Lee:** Mr. Speaker, additionally, if the House gives its consent, I move:

That the following members be added to the list of associate members of the Standing Committee on Procedure and House Affairs: Scott Brison, Tony Ianno, Benoît Sauvageau, Paul Szabo and John Williams.

(Motion agreed to)

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## PETITIONS

### CHILD PORNOGRAPHY

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, it is my pleasure to present two petitions today from the good folks in southern Alberta.

The first petition deals with child pornography. The signatories are horrified by pornography which depicts children and are astounded by legal determinations that the possession of child pornography is not criminal.

They call upon parliament, which has the duty to enact and enforce the criminal code, to take all measures necessary to ensure that possession of child pornography remains a serious criminal offence.

BILL C-23

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, the second petition has to do with the definition of marriage.

These petitioners pray that parliament withdraw Bill C-23, affirm the opposite sex definition of marriage in legislation and ensure that marriage is recognized as a unique institution.

*Government Orders*

## CHILD PORNOGRAPHY

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, I present a petition on behalf of 200 people in St. John's East.

• (1015)

The petitioners, citizens of Canada, draw to the attention of the House of Commons that because the British Columbia court of appeal did on June 30 dismiss the appeal to reinstate subsection (4) of section 163 of the criminal code making possession of child pornography illegal in British Columbia, that by upholding a lower court decision on the issue of possession of child pornography that possession is now legal in British Columbia and that the well-being and safety of children are put in jeopardy. Therefore the petitioners request that parliament invoke section 33 of the Canadian Charter of Rights and Freedoms to override the B.C. court of appeal decision and reinstate subsection (4) of section 163 of the criminal code making possession of child pornography in B.C. illegal and by doing so reinforce and reaffirm their objection to the B.C. court of appeal decision.

## BILL C-23

**Mr. John Bryden (Wentworth—Burlington, Lib.):** Mr. Speaker, I present two petitions pertaining to Bill C-23 in which the petitioners ask that the bill be withdrawn and that the House affirm marriage as an opposite sex relationship. I think at the time that these petitions were prepared the petitioners did not realize that in fact the government did insert a definition of marriage that would please them enormously. Nevertheless I submit these petitions and observe that they also note that they want to see the government advance legislation that defines dependency relationships as being entitled to benefits in the same sense that Bill C-23 extended the benefits to opposite sex relationships and same sex relationships.

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## 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 Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[Translation]

## CANADIAN TOURISM COMMISSION ACT

The House resumed from December 1, 1999 consideration of the motion that Bill C-5, an act to establish the Canadian

Tourism Commission, be read the second time and referred to a committee.

**The Deputy Speaker:** Before giving the floor to the hon. member for Hochelaga—Maisonneuve, I wish to inform the House that speeches on this bill will now be ten minutes, with no questions or comments.

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** I appreciate your informing us of that, Mr. Speaker, because, as you are well aware, I am always ready to share my ideas with my colleagues, particularly under your skilled leadership from the Chair.

I was very pleased to accept the invitation of my colleague from Témiscamingue to take part in this debate. He is the one who has managed the debate for the Bloc Québécois, and he has done the committee work. He is one of the most dynamic members of our party.

In caucus, he pointed out to us that we would be greatly ill advised to support such a bill. I will have an opportunity to speak of our position in detail, but I would like to start by setting out the general principle.

On the Bloc Québécois side, we all know that the federal government has launched a vast nation building campaign. All excuses are good for this government which is looking for visibility. It is seeking visibility in an excessive, obsessive and even pathological way.

Fortunately, within the caucus, some ministers are not following the flock. For the most part however, we do not understand why it is so important to adopt or propose a Canadian tourism commission. If ever there was one area that should be handled by the communities, it is certainly tourism.

I feel quite comfortable speaking about this issue because, at the beginning of the 1990s in Hochelaga—Maisonneuve, a riding with an extremely important working-class background, we chose a development based on what we call neighbourhood tourism.

• (1020)

At that time, Hochelaga—Maisonneuve went through a process of industrial dequalification. While the main employers in that district were the textile, shoe and clothing industries and the Vickers shipyard, from the early 1980s until 1990 or 1992, we lost a considerable number of jobs. We must remember that there were 30% too many ships on the seas, and the shoe and textile industry lost some momentum. I must admit that the textile industry recovered slightly in Montreal after it was restructured and reengineered.

However, I did understand that, in the district of Hochelaga—Maisonneuve, we would never again be the working-class district we had been. We benefited from the presence of the Olympic

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stadium. We will recall that in 1976 the Olympic Games were held in Montreal. With the construction of the Olympic stadium, my district became one of the five major tourism growth poles in Montreal.

Of course there is also the Old Montreal. Some of our hon. colleagues might have come to visit Quebec in the past and spent a few days in the Old Montreal, which is a very important tourism centre.

There is of course another tourism centre that the hon. member for Laval Centre visits regularly: the St. Joseph's Oratory and Mount Royal. That is a very important tourism centre. Another tourism centre that has emerged is the Maisonneuve area, which is comprised of the Olympic stadium, the Biodome, the Insectarium and the Olympic facilities.

In the 1990s, I was personally involved in my community. A few years later, my constituents gave me the pleasure of trusting me with their confidence when they choose me as their elected representative here in the House of Commons. I have always seen it as a privilege that had to be renewed from day to day, always keeping in mind that the only way to live up to that duty properly and carry out our function as members of Parliament was to keep a great proximity with our constituents and remain very close to their concerns.

Within the tourism growth poles that have emerged in Quebec, the district of Hochelaga—Maisonneuve found its place, and we live in the shadow of the Olympic stadium. The Olympic Stadium is located on Pierre-de-Coubertin Street. I had proposed in the 1990's the establishment of a functional link in the south of this neighbourhood, between the Olympic stadium and Ontario, Adam and Sainte-Catherine streets. That strategy has been adopted by the economic decision makers.

Why do I talk about that? First of all, because very interesting things are happening in Hochelaga—Maisonneuve. I take this opportunity, before moving to the substance of the bill, to say that Hochelaga—Maisonneuve is a neighbourhood—and it is in moments like this one that the member for Charlesbourg's hospitality and enthusiasm are precious—a neighbourhood that has a rich industrial heritage.

We have for example the east end art and cultural centre, which is like a flagship for the community groups. During the summer months, from Saint-Jean-Baptiste Day until Labour Day week-end, there are activities on the marketplace. Let me give you a scoop, Mr. Speaker. This is a piece of information that I would like to share with all my colleagues and the viewers at home. This summer, starting on Saint-Jean-Baptiste Day, we will have "la Bolduc" on the marketplace.

I would like to remind members that "la Bolduc" was born on Létourneau Street, in Hochelaga—Maisonneuve. I would be tempted to sing one of her songs, but the presence of the deputy whip in the House prevents me from doing so.

The roaring twenties brought us the wonderful Bolduc. One cannot imagine the impact this singer had on our folklore. She was one of the first artist to penetrate the American market. This summer, in Hochelaga—Maisonneuve, there will be an interpretative tour presenting the life of "la Bolduc" through various monuments and architectural artifacts.

● (1025)

I ask all my colleagues, especially the member for Ahuntsic and the member for Windsor—St. Clair, to visit Hochelaga—Maisonneuve this summer and discover how alive the past is there and how tourism is thriving in a working class neighbourhood in an industrial setting—everyone knows that Hochelaga—Maisonneuve is located between downtown and the end of the island. The interpretation trail, which gives expression to the best of Bolduc's repertoire draws people from New England.

Something happened, and I will digress a little to tell you about it. From the beginning of the 19th century until the 1930s, 500,000 Quebecers left the province to pursue their career in the United States. There are those who say that, if these people had not been forced to leave, to move to the United States, we would no doubt have won the 1995 referendum.

I wanted to point out this fact of history, and I also want to tell you that our premier, Lucien Bouchard, is one of the best to have served Quebec.

Mr. Speaker, you are indicating that I have only a minute left. I have not said even a fifth of what I wanted to say about this bill.

I have to say that we oppose the bill, because we believe there already exist appropriate structures within the provinces and the various communities. This is especially true in Quebec, because the society there has integrated tourism into its economic development. It did so, naturally, because tourism generates revenues of \$5.4 billion.

I do not know if any of you saw the report on RDI yesterday. The member for Charlesbourg, partial to this sort of information, will remember that last year was the best year of the decade for tourism in Quebec. Quebec, with its tourism offices, succeeded in creating stakeholder groups with enough resources so that people in North America and Europe find pleasure in discovering tourism there.

I close by inviting all my fellow citizens, all those watching and my colleagues here to take advantage of the season of tourism in Hochelaga—Maisonneuve, which will be both colourful and lively.

**Mr. Jean-Paul Marchand (Québec East, BQ):** Mr. Speaker, I thank my colleague from Hochelaga—Maisonneuve who spoke on Bill C-5 to explain how well tourism is working in Quebec and our concern that this bill might establish a Canadian tourism commis-

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sion that could create problems for agencies that are now working very well.

In Quebec, the agency known as Tourisme Québec was established and is working very well. Of course, we want to fully encourage tourism because it is now one of the primary industries, if you will, in Quebec. We have considerable attractions.

Quebec City, where I am from and which is in my riding, was recognized by UNESCO as part of the international heritage.

Tourism in Quebec has grown considerably in the last few years, partially because of the attractions, but also because of the involvement of the Quebec government. Indeed, I could mention a series of actions taken and of mandates reinforced by the government for Tourisme Québec.

• (1030)

These actions were successful. I must say that Tourisme Québec has consolidated the efforts. Tourisme Québec is comprised of almost all tourism associations in Quebec and several private interests to take joint action in the development of this sector.

Indeed, this is a sector that does not necessarily require the involvement of the federal government. Of course, since this is an extremely important industry, any effort to improve tourism is appreciated by those who work in this sector. What concerns us is that the establishment of the Canadian tourism commission will be another form of intrusion in sectors that are working well in Quebec.

Not only is this an intrusion into the activities of an agency that is working well in Quebec, but it could also be an encroachment on Quebec's jurisdiction over tourism. Why bother an agency that is working well? I fear that the federal government wants to expand this commission's mandate—because it already exists with more limited powers—and through Bill C-5 to expand its spending powers, among others.

We know very well that its basic purpose is more propagandizing in Quebec. Of course, Quebec is considered as a threat to Canada because of its sovereignist vision. In fact, the federal government has, for some time now, not responded to Quebec's justified demands. Quebec has long been asking for recognition within Canada, which should have gone without saying and should have been given a long time ago, but was refused. On the contrary, a whole series of agencies have been set up essentially to promote the federal government.

That is all this commission is. Certainly, it can have some beneficial effects, but essentially its purpose is to invest more in areas where federal visibility can be ensured.

I would like to make two quotations, including one by Pierre Elliott Trudeau. He said "One way to offset the attraction of

separatism is to use time, energy, and vast sums of money to promote federal nationalism".

Mr. Trudeau believe in using English-Canadian nationalism, federal nationalism, to thwart Quebec's nationalism. He used this attitude, these means at the federal level to counter Quebec nationalism. In fact, the idea was to set up agencies spending as much money as possible to give great visibility to Canada and its flag and to show that, in fact, Canada is working well.

I have another quotation from the current Prime Minister who, quite recently, on February 16, 2000, said "It is very important in every riding in Canada that the people of the ridings know, when there is a subvention coming from the taxpayers of Canada, that the money is coming from the taxpayers of Canada, particularly in areas where some people want to quit Canada because they do not know the good that this government is doing for its citizens".

First, the money that the government is using comes from Quebec taxpayers; it is Quebec's money that the federal government is using. There are huge amounts of money sent back through programs. In this regard, Quebec receives more than its share. If there is one area where Quebec receives more than its share, it is for propaganda on national unity.

It is a well known fact that in other areas, such as research, job creation, industry, et cetera., Quebec does not get its fair share, but in that area we receive a lot.

• (1035)

For several years now, since 1993, the government has worked relentlessly to set up agencies such as the CIO or Canada Information Office, which every year gets \$20 million, most of which, namely 60% to 70%, is spent in Quebec.

There is also the one in a million flag project launched by the Minister of Canadian Heritage. Responsibility for this propaganda campaign focused on Quebec was removed from that minister. The Department of Public Works and Government Services is now responsible for this project and, because of that, the spending authority has been increased in several areas, including in public works.

In addition to this, there are also a series of agencies and offices. It is unbelievable. It is mind-boggling to see all the money spent by the federal government specifically for Quebec. Again, this is money for propaganda. All this money is being spent to create an image, not jobs. This money is being spent by agencies close to this government.

For instance, what does Attraction Canada do? It makes signs that can be seen here and there, such as along highways. These signs, and there are many of them in Quebec, suggest a nice visit to a national park.

In fact, of the \$12 million allocated for 1999-2000, 60% was spent in Quebec. One wonders why 60% of Attraction Canada's publicity was spent in Quebec. It is to attract people to anything that symbolizes Canada.

For instance, the Council for Canadian Unity has spent most of its \$6 million budget in Quebec.

Why was 65% of the budget for Canada Day, which is organized by Heritage Canada of course, spent in Quebec? Of the \$5.5 million spent last year for Canada Day, \$3.5 million was spent in Quebec.

The list goes on and on. We could add the spending by the Canada Information Office, by the Council for Canadian Unity, as well as the one in a million flag project. The amounts are huge. There is also Operation Unity. If we were to add up all the money spent on propaganda in Quebec, the amount would be staggering. It is unfortunate, because that money could have been spent for a good cause instead of being used to create an image in Quebec.

We have the same fear with regard to the establishment of the Canadian tourism commission. By establishing this agency, the government has found another way to spend millions of dollars in Quebec to pitch national unity.

[English]

**Mr. Dennis J. Mills (Broadview—Greenwood, Lib.):** Mr. Speaker, I could not disagree more with the Bloc Quebecois in terms of its assessment of the bill.

Tourism is one of the greatest galvanizing agents in the country which encourages Canadians to travel from coast to coast and to interact coast to coast. It is an instrument that pulls us all together. It is an instrument that helps us to understand each other in a better way. When we think of it logically the separatists would not want to support an enhanced tourism commission, especially one that has had the success of our tourism commission over the last few years. It would work against the separatist ideology.

● (1040)

I want to focus today on tourism as it pertains to my constituency in downtown Toronto. We are going through a massive renewal of the waterfront in downtown Toronto. I have a document in front of me that was recently released entitled "Our Toronto Waterfront: Gateway to the New Canada." I am sure members have read assessments in the papers of some of the work of the author, Mr. Fung, in recent weeks not just in Toronto but in different parts of the country.

This will be the biggest infrastructure renewal project in our country's history. In terms of dollars it will probably be more than what we spent on the St. Lawrence Seaway. Some members of the House might feel a little uncomfortable about the fact that all three

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levels of government are considering a major investment in the centre of downtown Toronto, but at the anchor and core of this thinking is the whole tourism realm.

The tourism industry is the fastest growing industrial sector on the planet. When we talk about tourism we are not only talking about leisure tourism. We are also talking about business tourism. In other words, when a city wants to compete today for trade shows and business events it must have not just the convention facilities and hotels that are part of the business experience, but it must also have all the supplementary activities if the city is to be considered a world class tourist destination location.

I am appealing to the House, as we look into the whole realm of tourism, that consideration in time be given to the notion of revitalizing the waterfront in downtown Toronto. It is not a waterfront that is used exclusively for the residents of the greater Toronto area. It is a tourism destination which economically benefits the entire country.

In other words, there are times when certain cities in our country have to compete on the world stage. For example, when Calgary put in its bid for the Olympic Games, it was not just a benefit to Calgary when it staged the Olympic Games. It was a benefit to every part of our country.

What we are attempting to do in Toronto with our waterfront is primarily a tourism objective, tourism that will serve in an economic sense every region of the country. That is how we have to look at major projects like this one, especially around tourism.

The multiple spinoffs that happen in tourism are something that we tend to forget at times. We will see only the initial capital investment, but we will not see all the ancillary benefits of businessmen and women coming to a city. It might be for a convention or a trade show. Inevitably, if they have the opportunity of to enjoy other components within the particular destination, it can have a dramatic effect on business investment. It can have a dramatic effect on reputation as we deal in a global market more and more, as our life and business experience evolves.

● (1045)

When we look at capital investment today we tend to want the immediate return to be the driving force as to whether we make a decision in terms of investment. It is the responsibility of the House to not just look for the short term, but to look for the long term effects.

In a beautiful city like my own city of Toronto, where it would cost a lot of money to revitalize and renew the Toronto waterfront, the temptation would be to forget about tourism and raise money by selling parcels of land so that we could build condominiums. This

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would do a number of things. It would take a beautiful jewelled location in downtown Toronto and allow only a few people to enjoy it. Whereas, if we think of tourism, not only could all of Canada enjoy it, but as well all of those visitors who want to enjoy not just the hotel room or the convention centre, but all of our community.

One of the models for rejuvenating a downtown area for tourism is the Tivoli Gardens in Copenhagen. As one member of parliament for the downtown area, I would love to see a Tivoli Gardens treatment in our downtown waterfront corridor because when we as a community show all Canadians and anyone who is visiting our country our respect for the environment, our respect for all of our community having access to special areas, that has a profound long term tourism impact.

With this legislation we are renewing our commitment to the Canadian Tourism Commission. I appeal to all members to continue to support the good work that the Canadian Tourism Commission has been doing over the last five years. I continue to urge all members to reinforce not only their budgets, but to use their influence in cities across the country which have the potential to be world class tourism jewels. I urge them to use their experience in tourism to ensure that those spaces are there not only for the good of the whole country, but for the benefit of all those people who visit our cities.

[*Translation*]

**Mr. Richard Marceau (Charlesbourg, BQ):** Mr. Speaker, I am pleased, albeit somewhat surprised, to address Bill C-5, an act to establish the Canadian tourism commission.

As we know, tourism is a rapidly expanding industry all over the world. This is a result of globalization, because as transportation modes become faster and more accessible, people who previously did not have access to international tourism are now deciding to visit various countries, and this is of great benefit to people the world over.

Tourism is also important for various regions of the country, particularly the federal riding of Charlesbourg, which will soon be called Charlesbourg—Jacques-Cartier, after the senators have heard me. I cannot understand why they have summoned me to talk about the name of a riding, as they are not elected, but this is another matter. As I was saying, the federal riding of Charlesbourg is one of the nicest ones in Canada.

It includes eight municipalities and most of the green belt around Quebec City.

• (1050)

From Saint-Gabriel-de-Valcartier in the west to Sainte-Brigitte-de-Laval in the east, this greenbelt is one of the finest assets of the tourist industry in Quebec and Canada, an industry that is in full expansion.

People from all over the world, particularly Europeans but also many Asians, want to come to Quebec and to Canada to see our wide open spaces and to commune with nature, because they often live in countries which, unfortunately, are not as fortunate as Quebec in this regard.

The greenbelt around Quebec City is located just a few minutes from downtown, from the Old City, which is one of the finest world heritage sites. It is only a 15 minute drive on highway 73 from the Old City, with its atmosphere that goes back to the 17th and 18th centuries—my colleague from Québec East agrees with me—to the wilderness. People around the world are increasingly aware of this.

I have had a pamphlet published which I will bring for distribution on my trips abroad. In a few weeks I will be going to Australia to promote the federal riding of Charlesbourg for investors and vacationing tourists.

In my riding of Charlesbourg, tourism has been targeted as one of the most important themes of economic development. Tourism can be seen from different angles.

We have the park along the Jacques-Cartier River, which is really exceptional, with its deep canyons. I formally invite members to visit the canyons in this park. They will be stunned by their beauty. Activities include boating, kayaking, climbing, hiking or picnicking. This is an exceptional site, and I want to point out the excellent work done by Marie-Michelle Parent to develop the park.

There is also the Stoneham ski resort, which is in full expansion and will also be a major tourist attraction for my riding and the whole Quebec City area.

Another ski resort is Le Relais. This excellent resort, which is drawing more and more people, is also just 20 minutes from downtown Quebec.

Work is underway on the Trans-Quebec trail, which is intended to be a northern version of the famous Appalachian Trail in the United States, and which will help us discover, in Quebec, and Charlesbourg in particular, some of the most breathtaking landscapes that a hiking enthusiast may see. In the wintertime, activities such as snowshoeing, skiing and snowmobiling are possible.

The federal riding of Charlesbourg is exceptional for tourism. One of the main attractions in that riding could be the Charlesbourg zoo, the development of which has been considered a priority by social and economic stakeholders in the greater Quebec City area. I notice the chief government whip is nodding in agreement and listening to me intently.

All the stakeholders in the greater Quebec City area have asked the federal government to invest in the Aqua-Zoo project—the aquarium in Sainte-Foy and the zoo in Charlesbourg—as an



important tourist attraction. The Government of Quebec has made a firm commitment to help finance that project, but, unfortunately, the answer from the federal government is late in coming, as always.

I invite the Minister of Revenue, who is responsible for the Economic Development Agency of Canada for the Regions of Quebec, to announce very soon that the necessary investment will be made to revitalize the Aqua-Zoo.

This is just an introduction to show the importance of tourism to us, in the Bloc Québécois, and to myself, as the member for Charlesbourg.

• (1055)

Unfortunately, Bill C-5 does not meet the many demands and the many needs of that growing industry, as I was saying earlier.

The federal government is at war with the Government of Quebec and wants to impose at all costs its vision of a united Canada, or should I say of a standardized Canada from coast to coast. Bill C-5 is just one element of this shameful project on which millions and millions of dollars are spent. Bill C-5 is just aimed at increasing the federal government's visibility. Its sole purpose is to buy the loyalty of Quebecers, whether as individuals or as members of organizations. The backdrop to all this is an incredible fiscal imbalance.

The federal government has already announced a \$95 billion surplus over the next five years. Bloc Québécois members and the rest of the House know only too well that these surpluses will be more on the order of \$137 billion to \$140 billion over five years, while the provinces—all of them, not just Quebec—are having trouble keeping their heads above water.

The federal government has decided to use the huge surpluses it has built up on the backs of the provinces, on the backs of the most disadvantaged and the unemployed, so that it can increase its visibility and invade normally provincial jurisdictions.

Let us be clear that everything this government does is dictated by the desire to stop the rise of the sovereignist movement in Quebec. It is afraid because it is only too aware that the next time Quebecers are asked whether they want their own country, the majority will answer yes. There is one objective behind all the government's actions and that is to put a stop to the inexorable growth of the sovereignist movement, whatever the financial or social cost.

One might wonder why it came up with this particular bill, Bill C-5, when most provinces, and especially Quebec, already have infrastructures, well developed tourist networks and strategies much better suited to their own situation than Bill C-5 could be.

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I must wrap up my remarks because time is unfortunately running out. The Bloc Québécois is firmly opposed to the federal government using Quebecers' tax dollars in order to promote in all areas, including tourism with Bill C-5, its vision of a Canada that is united from coast to coast in order to stamp the maple leaf on everyone's forehead when that is not what Quebecers want.

We are strongly opposed to this bill and never—this government had better listen up—never will Quebecers be bought with their own money, never will they allow their vote to be bought by such a pathetic government.

**Mr. Bernard Bigras (Rosemont, BQ):** Mr. Speaker, like my colleague, it is with some surprise that I address Bill C-5 today. Come to think of it, as I read this bill this morning, it is with great pleasure that I do so.

Bill C-5 aims more particularly at establishing the Canadian tourism commission. It is quite clear that in Quebec's own economic life, tourism has always been an important driving force of economic development.

• (1100)

Tourism is not only an important economic development factor in Quebec, it is also an employment development factor. The jobs are not limited, as they are in other industries, to a few areas or cities. On the contrary, for us Quebecers, tourism is an economic and employment development tool in each of the regions of the province.

Given that Quebec has spent many years developing an expertise in tourism, developing the appropriate infrastructure and putting in place a tourist services supply, and that Quebecers have spent many years developing a foreign marketing network, I find that the government has a lot of nerve to put forward today an act to establish the Canadian tourism commission.

It is important to remind hon. members of a number of things that have been accomplished up to now in the province of Quebec and some of the success stories that have brought tourism development in Quebec where it now stands. In the last 25 years, the tourist services supply has changed considerably in Quebec.

Several years ago, when people were talking about the tourist infrastructure, they meant the big tourist complexes only. However, to respond to the demand of the new clients who are looking for specialized tourist services, Quebec had to adapt its tourist products.

For example, since Europeans are coming to Quebec in greater numbers, we had to develop tourist products tailored to their needs. But what do Europeans and Americans like about Quebec? The great outdoors, which Claude Gauthier described as made up of lakes and rivers. Quebecers have always been proud of the great outdoors, which still constitute an important tourist product.

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Besides the wide open spaces, there is also adventure. Adventure is now an important tourist attraction. This was developed in the regions by small businesses who, through our network overseas, work day in and day out to attract tourists who would like what Quebec has to offer.

The bill is rather odd. Its objective is to establish a Canadian tourism commission but we already have an agency called Tourisme Québec. I worked there for a few years. I know that tourism is a priority for Quebec. Furthermore, the Parti Québécois government established the Department of Tourism in 1994.

At first, there was just a junior minister in charge of tourism policy, but later on a senior minister was appointed to head a full department with all the necessary powers to develop tourist products. Tourisme Québec was given an impressive mandate to promote Quebec's tourist products, including facilities, infrastructure and tourist attractions.

• (1105)

I want to mention one of the mandates of Tourisme Québec. It must, among other things, guide and co-ordinate public and private initiatives on tourism. This is important. Unlike what happens in all other sectors, this does not imply a fragmented marketing strategy.

To attract clients, there must be co-ordination in the marketing of the projects, in the way what is available in the tourist industry is advertised. Tourisme Québec co-ordinates this tourist supply and how it is marketed.

Another important element is to promote awareness of tourist products and knowledge of tourist clientele. We know that we must do more than simply develop tourist products; we must ensure that specific clients are made aware of the tourist products developed in our regions. All the Tourisme Québec advertising campaigns abroad were aimed at ensuring development of tourist products. That is the role of Tourisme Québec.

Another mandate of Tourisme Québec is to support the improvement and development of Quebec's tourist supply. Another is to organize and support the promotion of Quebec and of its tourist products on various markets. This is another important element in the mandate of Tourisme Québec. Tourisme Québec must also inform clients on tourist products in Quebec and build and operate public tourist facilities.

Tourisme Québec has a very clear mandate. It contributes to developing the tourist product, to guiding and co-ordinating the supply, to organizing and supporting the promotion of Quebec as a tourist destination. I fail to see why the Canadian government wants to establish a Canadian tourism commission when Tourisme Québec is doing a fine job promoting tourist products and tourist supply in Quebec, under a well designed marketing strategy.

I remind the House that we have developed what we call in Quebec the Associations touristiques régionales to co-ordinate, to organize and ensure adequate development of tourism in Quebec. For Montreal, where my riding is, the situation is somewhat different. We do not have an Association touristique régionale but we have an office du tourisme, as does Quebec City. Big cities have an office du tourisme to promote them.

In conclusion, I have to say that I am rather worried. There will be overlapping in the activities of this new commission and those of Tourisme Québec. The new commission will duplicate work done by a public organization with a clear hospitality and clientele co-ordination marketing strategy.

The commission's goal also worries me. If Tourisme Québec is doing a good job, why establish the Canadian tourism commission if not to set up a federal promotion and propaganda machine? That also worries me.

Why fix what is working in Quebec? Why establish a new structure when the most recent figures released by the Quebec tourism minister and department are very interesting? Tourism in Quebec is doing well. We have no need for a new structure to reach new objectives when we are already reaching the existing ones.

• (1110)

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

[English]

*And the bells having rung:*

**The Deputy Speaker:** At the request of the chief government whip, the vote will be deferred until tomorrow, Wednesday, May 10

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at the conclusion of the time provided for Government Orders.

\* \* \*

**SALES TAX AND EXCISE TAX AMENDMENTS ACT,  
1999**

**Hon. Hedy Fry (for the Minister of Finance, Lib.)** moved that Bill C-24, an act to amend the Excise Tax Act, a related act, the Bankruptcy and Insolvency Act, the Budget Implementation Act, 1997, the Budget Implementation Act, 1998, the Budget Implementation Act, 1999, the Canada Pension Plan, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Act, the Income Tax Act, the Tax Court of Canada Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I welcome this opportunity to speak at second reading of Bill C-24.

I think most hon. members would agree that few issues are more timely and few areas of action more compelling than taxation. The operation of our federal tax system affects virtually every Canadian and every family, each company and organization. It impacts our standard of living as individuals and our ability to compete and grow as a nation.

*[Translation]*

That is the reason why, having put the country's financial house in order and eliminated the deficit, our government adopted concrete measures to start reducing the personal tax burden of Canadians.

*[English]*

Broad based income tax reduction is not and cannot be the only arena for action. From the start of our first mandate, this government has been active in ensuring that we provide a tax system which is fair, a system which eliminates unnecessary loopholes and confusion, and a system which provides targeted assistance to sectors and groups, such as charities and persons with disabilities, that deserve our assistance.

These are the goals and opportunities underlying the legislation before us to make our tax system more simple and fair not only for individual Canadians but for Canadian businesses as well. Another goal we have consistently pursued is to sustain and enhance our federal tax system in a manner which promotes federal-provincial co-operation and harmonization. This bill does just that.

Hon. members will recall that when the harmonized sales tax, the HST, was implemented in 1997 with three Atlantic provinces, Nova Scotia, New Brunswick, and Newfoundland and Labrador, it

was a successful example of federal-provincial co-operation. It also presented creative solutions to some of the challenges that we as Canadians will face together as we head into a new century. This bill builds on the spirit of that initiative.

*[Translation]*

Even if this bill is specifically designed to improve the GST, the goods and services tax, and the HST, it also contains important proposals concerning the tax on certain products.

*[English]*

In this regard Bill C-24 contains measures with respect to the taxation of tobacco products.

I trust that hon. members are aware of the government's commitment to reduce smoking rates, particularly among younger Canadians. One of the concrete planks in this commitment has been the national action plan to combat smuggling which we launched in 1994. This plan has had a significant impact on contraband such that we have been able to increase taxes on tobacco products in 1995, 1996 and 1998 in co-operation with the participating provinces of Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island.

• (1115)

Today's legislation puts in place another increase of 60 cents in federal excise taxes per carton of 200 cigarettes for sale in Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island, the five provinces that are action plan partners. These provinces are also increasing their taxes on cigarettes by comparable amounts.

Excise taxes on tobacco sticks will also be increased in Ontario, Quebec, New Brunswick and Prince Edward Island, re-establishing a uniform national tax rate on tobacco sticks for sale in all provinces and the territories. Furthermore, the bill proposes to make permanent the current 40% surtax on the profits of tobacco manufacturers.

*[Translation]*

In a related matter, as it was mentioned in the federal budget of February 1999, Bill C-24 contains measures intended to implement a reduction of the tobacco export tax exemption.

*[English]*

The intent of this measure is to reduce the supply of Canadian made tobacco products intended for export but which are potentially available to smugglers.

The proposals contained in the bill relating to the taxation of tobacco products reaffirm the government's commitment to reduce tobacco consumption in Canada while maintaining vigilance in combatting the level of contraband.

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An important component of Bill C-24 is that it reflects the government's responsiveness to the health and social needs of Canadians. For example, the government recognizes that many Canadians are providing care for family members, very often an elderly parent or disabled child.

[Translation]

Bill C-24 proposes an exemption from sales tax for these respite care services. This would mean that services—care and supervision—for persons who have limited capacity for self-supervision and self-care due to disability would be exempted

[English]

This proposal will enhance federal support for those Canadians who are striving to meet the growing demands of caring for family members with an infirmity or disability.

With respect to individuals with disabilities, I trust that hon. members would agree that these Canadians face many challenges. In past budgets the government has introduced numerous measures to assist these individuals. The bill builds on such actions and the significant level of tax assistance that is already available.

The proposals contained in Bill C-24 extend sales tax relief to the purchase of specially equipped motor vehicles for transporting individuals with disabilities. The proposed sales tax rebate will ensure that all individuals and organizations get tax relief on the additional cost of purchasing vehicles that meet their special needs.

Other measures in the area of health care that are contained in the bill include the continuation of the goods and services tax and the harmonized sales tax exemption for speech therapy services. Under the GST and HST, harmonized sales tax, the list of exempt health care providers is limited to those regulated as a health care profession in at least five provinces. The proposals contained in the bill will allow the speech therapy profession more time to meet the eligibility requirements for the provision of tax exempt services.

The bill also ensures that providers of osteopathic services are exempt from sales tax. In addition, Bill C-24 corrects an inequity with respect to providers of psychological services by ensuring that the sales tax does not discriminate against duly qualified psychologists.

[Translation]

As I indicated in my introduction, the government is committed to making the taxation system more equitable for Canadians. Bill C-24 shows that commitment in a number of different areas.

[English]

In recognizing the important role played by charitable organizations in assisting Canadians and enriching our communities, the bill addresses the special circumstances faced by designated chari-

ties whose main purpose include the provision of care, employment, employment training or employment placement services for individuals with disabilities. Specifically the bill provides these charities the capacity to compete on an equal footing when selling goods or services to GST registered businesses.

• (1120)

Bill C-24 also refines the rules for the streamlined accounting method for charities. In addition, it implements the decision by the Government of Newfoundland and Labrador to extend the 50% rebate of the provincial portion of the harmonized sales tax, which is already available to charities in that province and to certain public service bodies such as hospitals that are also charities. The extended rebate would be available to those entities in relation to the activities undertaken in their capacity as charities.

[Translation]

Thus, a hospital board in Newfoundland, operating as a charitable institution, might also manage a care home. The proposed amendment would enable them to apply for a 50% rebate of the HST paid on expenditures relating to the care home.

A number of the amendments proposed in Bill C-24 are aimed at clarifying and enhancing application of our sales tax systems.

[English]

For example, the bill contains amendments aimed at clarifying the sales tax treatment of transactions between natural resource producers and exploration companies. Amendments such as these will ensure consistency and fairness in the application of the goods and services tax and harmonized sales tax in a number of key areas.

I should like to take a moment to point out that the amendments in the proposed legislation were developed in response to representations from tax professionals, business communities and Canadians. As I mentioned earlier, this reflects the government's ongoing commitment to making the tax system fairer, more efficient and easier for businesses to comply with.

As a result of the collaborative process between the federal government and businesses in the energy sector, the bill proposes a number of changes which streamline the operation of the goods and services tax and the harmonized sales tax in that sector.

[Translation]

For example, the measures proposed facilitate export transactions which involve exchanges of gas and oil between Canadian and foreign suppliers.

[English]

These changes will help to ensure that Canadian businesses remain competitive in the international marketplace. With respect to other international commercial transactions, the bill also pro-

poses to make air navigation services provided to carriers tax-free in relation to international flights and refine the rules for exports of goods by common carriers.

[*Translation*]

I would like to take this opportunity to state that the federal government acknowledges the importance of the travel and tourism industry to the Canadian economy.

The government has contributed to promoting Canada as a tourist destination and to supporting the tourist industry as a source of employment.

[*English*]

Hon. members are no doubt aware that the federal government provides rebates of the goods and services tax and harmonized sales tax to non-residents on eligible goods exported from Canada, short term accommodation and certain goods and services used in the conduct of a foreign convention.

In consultation with the tourism industry the visitors rebate program was reviewed. These consultations highlighted the fact that the program is generally seen as an important tool in promoting tourism, in particular the accommodation and convention measures.

As a result of the review the 1998 budget contained several proposals to improve the visitors rebate program. Bill C-24 proposes further enhancements to the design and delivery of the visitors rebate program to better promote Canada as a destination for tourists and a site for conventions, for example by reducing the the GST and HST costs associated with providing conventions to non-residents.

On the subject of tourism the bill also proposes changes aimed at providing consistent tax treatment between tax-free international transportation services and various separate charges that relate to such transportation.

[*Translation*]

Another change will eliminate the requirement that payment for air travel from the United States to Canada be tendered outside Canada for the transportation service to be tax free.

[*English*]

I emphasize that the federal government will continue to consult with the business community to improve the operation of our sales tax system.

• (1125)

In that regard Bill C-24 contains a number of proposals to improve the rules relating to certain business arrangements and

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ensure that the legislation is consistent with the policy intent. As well as clarifying certain sales tax issues in the area of financial services, Bill C-24 provides a more level playing field in the retail debt sector by repealing bad debt relief for closely related financing companies.

In response to industry concerns, the bill also proposes an important measure that will correct an inequity with respect to multi-employer pension plans. The bill proposes that a rebate be provided to trusts governed by such pension plans, which will place them on a comparable footing with single employer pension plans in relation to the sales tax they bear.

[*Translation*]

Our government is continuing as well to improve the administration and application of our sales tax system. Bill C-24 amends a number of provisions in these areas to ensure their conformity with existing administrative practices.

In addition, the bill proposes greater harmonization between certain administrative and application provisions in the various laws on taxes and charges.

[*English*]

It also contains proposals to improve the efficiency and effectiveness of the assessment, appeals and corrections provisions overall.

I mentioned earlier that Bill C-24 contains measures relating to other specific levies on certain products. In accordance with the 1997 decision of the World Trade Organization, the bill contains the amendment that repeals the provisions relating to the excise tax on split-run editions of periodicals.

With respect to customs tariffs the bill implements proposals to increase certain duty and tax exemptions for persons returning to Canada after a minimum period abroad. These proposals will make it more convenient for travellers to clear Canadian customs. This is just another example of the steps we have taken to improve service for visitors and for Canadians returning to Canada.

The government remains committed to enhancing aboriginal self-government and has often reiterated its willingness to put into effect taxation arrangements with first nations interested in exercising tax powers. In this context through the budget implementation acts of 1997, 1998 and 1999 the government introduced legislation enabling certain first nations to impose GST-like taxes on specific products such as alcoholic beverages, fuel and tobacco.

[*Translation*]

This bill proposes that technical amendments be made to the laws I have just mentioned to increase the harmonization of the sales tax of first nations with the GST and to ensure the definitions

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in these laws are consistent with the definitions used in other federal laws.

[English]

In closing, the measures contained in Bill C-24 I have outlined today propose to refine, streamline and clarify the application of our tax system.

[Translation]

This bill also tackles social issues that are important to Canadians.

[English]

I therefore urge hon. members to consider the bill and give it their full support.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I am honoured to stand to give my point of view with respect to Bill C-24. It is important for everyone who is listening, both in and outside the House or perhaps someone who may be reading *Hansard* some time in the future, to know what is going on here.

Bill C-24 is actually a budget implementation act. I begin my speech by saying that a very strange thing happens in Canada when it comes to the implementation of budget measures. There is the day when the Minister of Finance stands and there is a bunch of hoopla. All the media come and set up their big tractor trailer units with their dishes. The cables that run into this place are twice as thick as usual. It is called budget day. On that day, the minister announces all the determinations that are going to appear in the new budget rules which, for all intents and purposes, means this is how we are going to collect money from Canadians and this is how we are going to spend it for them. That is the big picture of the budget. Of course, everyone pays close attention to it and wonders how it will impact on them.

• (1130)

What I find difficult to understand and accept is that the budget is announced prior to any real input from Canadian people or from parliamentarians. I know that all the Liberals in the House would protest that if they were so inclined. They would say that we have had prebudget consultations, we have listened to the people and we are implementing the things that the people of Canada want. I think most of the members in the House presently would probably be silent.

I would however point out that this really is a very one-sided affair. The Minister of Finance in conjunction with the top people in the finance department actually write that budget speech and determine the budget provisions well in advance of the budget being made. When it is announced in the House of Commons instantly becomes *de facto* law. We can call that a democratic

process if we want to but I seriously question that because of two things.

First, the one I have already mentioned, is that there is no meaningful input or debate in the House prior to the budget. We go through some machinations of doing that but we very seldom see the actual minister or his departmental officials. How it is transmitted to them I do not think is much beyond some political considerations. These decisions are made behind closed doors and then it becomes *de facto* law.

The second part, which shows that this is very one-sided and dictatorial, is that there is to my knowledge no record of a parliament ever reversing anything that the Minister of Finance has said on budget day. In other words, what he says is then law. When we come to vote on the budget, the government members are all whipped into voting for these measures. Whether they agree with them or not and whether they understand them or not, they just do it. We have new rules imposed on Canadians without any real input.

Traditionally the members on the opposition side will speak and vote against those parts of the budget that they find objectionable, and in our party, we will speak in favour of the things that we support. We are then asked to vote, usually on its entirety.

One of the dilemmas we face with the bill before us today is that with one vote we will have to either vote for some of the things we agree with, thereby giving our assent to those that we profoundly disagree with or, on the contrary, we will vote against Bill C-24 because of the objectionable parts of it. The political spin from our opposition on the other side will be that we voted against giving a tax break to people who have extra expenses because they are handicapped.

I have a great dilemma. I in fact would like to say yes. I am in favour of those provisions in the bill that provide for reduced taxation for those who have special costs because they are physically or mentally handicapped or whatever their needs. However, it is as if I had gone to a restaurant where the waiter brings me a beautiful steak and instead of having it surrounded with potatoes and vegetables, it is surrounded by gravel.

• (1135)

I now have a beautiful steak with gravel around it and I have to ask myself "Am I going to take it or not?" As good as the steak may appear and as hungry as I may be, I can look at the plate and say "That steak is so appealing. Yes, I would love to eat it but the gravel, the sand and the other garbage around it makes it unpalatable. I have to send it back to the kitchen and maybe the cook can try again". That is probably what will happen with Bill C-24.

As I have said, there are some admirable and commendable things in this bill. I would like to be on record as being in favour of it but I do not think that will be an option because of the objectionable things.

About 1994, if I remember correctly, the third party, as we were called at that time, brought forward a motion on the budget. During that parliament, as in this one, the Liberals had a majority and could do pretty well what they wanted to do. The Reform Party at that time moved some amendments to the budget which were truly not substantive but very symbolic.

One of the motions we moved would have reduced the expenditures of several departments by a small amount. As I recall, our motion called for the expenditures to be reduced by \$20,000. I hesitate to say that is a small amount because people in my riding and elsewhere in Canada are being taxed to death by the government and to them \$20,000 is by no means a small amount. However, in comparison to the billions that the government taxes out of Canadians and spends, sometimes very foolishly, \$20,000 is a very small proportion of the total budget.

We therefore moved a motion that one or two departments have their total expenditures reduced by \$20,000 as a symbolic statement simply to demonstrate that parliament did have control over the budget. We thought that was an important first step. If that could have been established, we would have proceeded to the next step and taken some real control as parliamentarians over the budget process. We would have been able to tell the bureaucrats how much money they could spend instead of them telling us how much they were going to take from Canadian taxpayers and spend in government departments.

I believe that every Liberal member at that time voted against our motion. We gave the Liberals an opportunity to demonstrate that parliament had control over the budgetary process but they chose to vote against it. They said that they would not reduce departmental budgets even by \$20,000 because they wanted to continue the dictatorship that comes from the Minister of Finance.

There is another reason that it is very difficult to hold the government accountable. I will illustrate this by taking one of the cases in the particular act that we are studying today. We have an issue in Bill C-24 where the government proposes to exempt from taxation part of the accommodation costs made by people who come into Canada as visitors. This simply exempts and adds to the exemption people who are coming in as tourists and who are using the campgrounds as accommodations. Up until now campgrounds were not included in this.

• (1140)

I want to read this clause in the bill because it illustrates to Canadian taxpayers, and to people who happen to be listening to this debate or who will be reading it later on, how difficult it is for us to keep the government's feet to the fire so to speak because of the convoluted language that is used even in such a simple matter. I refer to section 252 of the act which is being amended by clause 68 of Bill C-24. It states that section 252 of the act is replaced by the following:

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"camping accommodation" means a campsite at a recreational trailer park or campground (other than a campsite included in the definition "short-term accommodation" in subsection 123(1) or included in that part of a tour package that is not the taxable portion of the tour package, as defined in subsection 163(3))—

That is how it starts. I will go back and read the first part again but I will miss the brackets this time. It reads:

"camping accommodation" means a campsite at a recreational trailer park or campground—

And then we have this parenthetical phrase:

—that is supplied by way of lease, licence or similar arrangement for the purpose of its occupancy by an individual as a place of residence or lodging, if the period throughout which the individual is given continuous occupancy of the campsite is less than one month. It includes water, electricity and waste disposal services, or the right to their use, if they are accessed by means of an outlet or hook-up at the campsite and are supplied with the campsite.

"tour package" has the meaning assigned by subsection 163(3), but does not include a tour package that includes a convention facility or related convention supplies.

That is how this thing starts but then it becomes convoluted. Perhaps I should not read all this but it now begins to define "non-resident". I previously said that this is the part in Bill C-24 that proposes to exempt from taxation the taxes on camp fees that are charged to non-residents. It states:

a non-resident person is the recipient of a supply made by a registrant of short-term accommodation, camping accommodation or a tour package that includes short-term accommodation or camping accommodation,—

It further states:

a particular non-resident who is not registered under Subdivision d of Division V is the recipient of a supply of short-term accommodation, camping accommodation or a tour package that includes short-term accommodation or camping accommodation.

Mr. Speaker, do you know what I said? Do you understand what I just read? I hate to admit this publicly but I am not sure I know what this means. However, I will vote on it and so will all the Liberal members afterwards. Of course it is easy for them because they will just stand when their string is pulled. However, as a member of the opposition I have to somehow try to make sense of this and figure out whether this is a good thing or not.

I would like to urge people out there in the real world to get on the Internet and call up Bill C-24. They just have to go to the parliamentary site, [www.parl.gc.ca](http://www.parl.gc.ca), look for government business, look at the bills, pull up Bill C-24 and try to read it. I defy them to read it.

I know there are not many Liberals listening to me right now but maybe there is an accountant listening. Maybe that accountant could phone me back and say "I read that and I understood it perfectly". I would like to meet that person. That is only one example. It goes on and on. I hesitate to punish our interpreters,

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whom I value so highly, by reading more of this. These are really strange things. It goes on and on for four or five pages.

• (1145)

There is another strange thing that happens. Different parts of the bill come into effect on different dates. Subparagraph 252.1(13) states that subsection (1) is deemed to have come into force on February 24, 1998, which is a little over two years ago. There are other parts of the bill which I scanned through while I was sitting here that have implementation dates all the way back to 1990. Even though this is a bill that primarily implements the provisions of the budget in the last year or two, or three, there are some sections which go back further than that. For example, the top of page 98 states:

(5) Subsection (2) is deemed to have come into force on November 26, 1997".

(6) Subsection (3) is deemed to have come into force on April 1, 1997.

(7) Subsection (4) is deemed to have come into force on December 17, 1990.

That is over 10 years ago. We are implementing a budget provision that, when the bill is passed, will retroactively be deemed to have come into force on December 17, 1990. Most of us cannot even remember where we were on that day.

I do this to illustrate how convoluted the Income Tax Act is. The whole bill is full of this.

If there is anything that has urgent need, it is the simplification of the Income Tax Act. I despair of a government which has as its goal to fleece Canadians of as much money as it can and then selectively, through all of these different provisions of the Income Tax Act, make provisions from which one person or another is exempt.

I resent the tax exemption on camping facilities. I resent the fact that non-residents can come into Canada and rent the same space that I and my fellow Canadians can rent and pay a lower price for the same space. If the space is worth it, we should all pay the same amount. Non-residents are exempt because it helps to make us competitive in the travel industry. It is ironic that the bill discussed prior to this was the tourism bill. Tourism is very important to Canadians. It is a large part of our economy and it must be competitive.

In Bill C-24 we have a move to make it more competitive, but what about Canadians who choose to travel in their country, to enjoy their parks? They are priced right out of it. After they have finished paying their income tax, property tax, sales tax and their daily expenses, Canadians scarcely have enough money left to even consider going on a vacation. If they do go on a vacation they pay taxes on everything that happens when they go to different places, including parks. They pay huge fees now to the Government of Canada to enter a national park and then they pay the GST on top of that fee.

• (1150)

Speaking of the GST, I distinctly recall that the Liberals, when campaigning for the 1993 election, made some statements about not liking the GST. In fact, there were some members of the Liberal team who campaigned on trying to get rid of it.

I do not know if you were one of those, Mr. Speaker. I know that you ran under the Liberal banner and, of course, due to the neutrality of your position I am not able to draw you into these partisan debates. However, I think of all those other Liberals. Should I call them the green foreheaded Liberals over there? At least I see a lot of green, so that must reflect their foreheads.

Many of them ran under the campaign which said "We will kill the GST. We will eliminate it. It will be gone". In fact, the hon. member who is now the Minister of Canadian Heritage, who in the last parliament was the Deputy Prime Minister, was actually forced to resign because day after day the press and the opposition kept reminding her of how she had said she would resign if the GST did not disappear. Finally, one day she had that critical moment when she went to her banking machine and it gave her a tinge of conscience. It said to her "You had better resign because you said you would if the GST was not gone, and it is not gone". The Canadian taxpayers in her riding got to fork out another approximately \$100,000 to run a byelection. They paid for the fact that she and all of her colleagues broke that election promise. They paid again. They paid for the election campaign.

Of course, it was well reported at that time that prior to her making this decision which showed that she had such a deep conscience there was some polling done, paid for by the taxpayers, which determined in advance that if, having resigned, she were to run again that she would be re-elected. Then she was able to fulfil her tinge of conscience and resign.

I sometimes wonder what would have happened if that poll had said that if she had resigned over this GST issue she would not have been re-elected. I wonder if she still would have followed through on that deep pang of conscience. I wonder if maybe she would have just invented more excuses in order to hang on to power.

The point I making is this. There was a commitment to kill the GST, to eliminate it. It would be gone, the people were told, if they voted Liberal. I sometimes wonder how many Canadians voted Liberal in the 1993 election based on that promise alone. I think there were many of them.

The Conservatives brought in the much hated GST in 1990. I have never before in my life—and I have lived quite a long time—seen a tax which has gained such enduring hatred of Canadians.

Every week there are advertisements in the papers in Alberta where one store or another has a big sale and the biggest banner on



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the sale announcement is that there is no GST, but in smaller letters it says that the store will have to pay the GST because it is a legal requirement.

Instead of saying there will be a 7% reduction in prices, which would bring in only a few people, they put up a big banner that says "No GST" and the people flock there to avoid the GST. The stores find that they get more people coming to storewide sales when they have a no GST event than if they were simply to say they would reduce the prices by 7%.

The GST is a very much hated tax. I sometimes think that the Liberal government sits in the position of power in Ottawa based on, dare I say it—and it is not attributed to any individual—based on a fraud.

• (1155)

The people on the government side in the election campaign said they would eliminate the GST if elected. That is why Canadians voted for them. The government turned around and not only kept the GST, but harmonized it in those provinces participating. It is now a 15% tax instead of a 7% tax. We all know it is a harmonized tax and some of the revenue goes to the province, but I think it is also fair to say that instead of eliminating the GST in the participating provinces the government effectively doubled it.

That is the Liberal record on the GST. Bill C-24, which we are debating today, has included in it a number of GST provisions. I said at the beginning of my speech that I am not opposed to some of those provisions. There is an increase in tax on cigarettes, which is another topic. Bill C-24 reduces or removes the GST on a number of health care related services.

I would like to share this with hon. members. We recently had a funeral in our family. My beloved sister passed away about a month ago and we had the funeral. We did not pay much attention to this issue that I am now going to mention at the time of my sister's funeral, but I had a grieving constituent phone me because his wife had just passed away and he said "In the middle of my sorrow, I go to buy a casket for my wife, and the casket is \$3,000 and the government wants another \$210 in taxes, in GST, on the casket." He was very upset. I was not able to comfort him in his loss, nor was I able to promise him that there would be no GST on caskets tomorrow, because there is, the government has arranged it.

I noticed in Bill C-24 that there is a change concerning burial plots and the GST as well, but I do not quite remember what it is. It is one of those convoluted things that I tried to read, but could not really figure out from the bill whether the GST will be increased on burial plots or whether it applies to non-residents, or what it was. However, there are some revisions.

The GST is everywhere. It is there when you are born, it is there when you live, and it is there when you die. The government has no

intention of reducing or removing it. It loves the revenue. There is nothing that the government does not like to tax.

Here is an interesting one. I want to say a bit about the tax on cigarettes. It was about three, four or five years ago that cigarette smuggling was a huge issue, so the government decided to reduce the taxes on cigarettes to make the price differential between smuggled cigarettes and those purchased at the store less so there would be less demand for the black market, thereby reducing smuggling. The government tells us that this has had some effect.

Bill C-24 will once again increase cigarette taxes. It also provides for a rebate system to retailers in the cigarette marketing industry, but I will not go into that detail. However, I have to ask the question: If high taxes were part of the reason for developing the smuggling industry in the first place, would it not be possible that by increasing these taxes, as Bill C-24 will do, the problem will return? I think that is something the government should think about.

• (1200)

I want to talk a little about some of the other provisions in Bill C-24. One that comes to mind has to do with non-residents, cross-border transactions and the work of conventions. This bill talks about provisions for collecting taxes on gas and other utility transmission and generation. The bill also provides for a tax rebate for charities. Charities can get a tax rebate on the money they raise in bottle drives and things like that.

The real thing happening is that we are meddling. We are once again increasing the complexity of the Income Tax Act. There is no real change here. Nothing here will substantially change the tax level of Canadians. That is what is regrettable.

I would like to see the Liberals actually implement their election promise. Perhaps we should have a motion again in the House calling for the elimination of the GST. As a matter of fact, Mr. Speaker, I think that if you were to ask for it right now, perhaps we could get unanimous consent that the GST be eliminated. I would ask for that. Sure, why not?

**The Acting Speaker (Mr. McClelland):** The hon. member for Elk Island has requested unanimous consent to move a motion. Does the hon. member for Elk Island have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Ken Epp:** Mr. Speaker, I am surprised. When I tried to fulfill their election promise, Liberal members came out of the bushes and said they did not want to do it. I am really surprised. They ran on that election promise. I thought they would be quite

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willing to accept the motion that the GST be eliminated because that is what they ran on. It would have been done and they could have gone home and said, "Look, we have fulfilled our promise", just by staying in the bushes behind the curtains when a member of the official opposition moved that motion.

I also have a general statement about Bill C-24. It is illustrative of the things the government does. The budget is much more of a PR exercise than most people are aware. The announcements made in the budget every year by the Minister of Finance are numbers which are really designed to make people feel good.

There were announcements in last year's budget for example restoring \$13.5 billion to health care. Canadians felt so good about that. Wowie, after all the money that has been taken out of health care. We all know how our health care system is suffering and now the government is putting back \$13.5 billion. That is the messaging the Liberals do. What people do not know, and I guess it is the job of the opposition to point this out to Canadians and we need to repeat it over and over again, is that is a cumulative total over five years.

In my humble opinion it is bordering on dishonest in a one year budget to use numbers like that. It implies that \$13.5 billion per year is being restored to health care when that is not true. It is \$2.5 billion in the budget year, \$2.5 billion the next year, \$2.5 billion the year following, and then a couple of other payments in the next two years. Over five years the government will manage to put \$13.5 billion into health care.

It makes us wonder why the government did not say \$20 billion spread over 10 years or \$40 billion spread over 20 years. Why did it not do that? The government could have got a bigger kick out of saying \$40 billion instead of \$20 billion or \$13.5 billion.

• (1205)

Bill C-24 very much illustrates this because over and over it talks about implementing measures that were introduced in the 1999, 1998 and 1997 budgets. By voting in favour of this bill, if anybody does, they are simply saying to the Liberal government that it is okay for it to lie to the Canadian people and to totally misrepresent the budgetary facts by putting these things into place and talking about them.

Way back in 1997 there was the announcement of the millennium scholarship fund. The government got three years of kick out of it but did not put any money into it. The students' lives were not made any easier; their tuitions and costs did not go down. Meanwhile the government had this \$3 billion millennium scholarship fund and all of the young people said, "The Liberals must truly be wonderful because they are giving us \$3 billion". But they did not. Over the objections of the auditor general, they billed it to that year's expenditures but they are simply taking it, hoarding it and putting it aside somewhere to spend in the future.

The same thing is true with many of the other issues the Liberals come forward with. What about the tax cuts? In this year's budget the Minister of Finance said that there would be \$58 billion of tax cuts. Even Canadians like me feel like jumping up and kicking our heels because \$58 billion of tax cuts is pretty exciting. Those are the words they used.

Let us look at our pay stubs. Is there any effect there? No. Our total taxes have actually gone up because the CPP premiums went up. The reductions are way down the road, five years from now. It is very presumptuous of the finance minister to do things like that. How does he know if he will even be in power five years down the road? The Liberals' mandate ends in the next year or two. It is very presumptuous of him to make promises of accumulated tax cuts. However, he gets the PR kick out of it and people feel good.

Unfortunately, feeling good does not affect our economy. It is only when we physically leave more money in the pockets of the taxpayers that our economy gets the real kick. Only then can Canadians buy the things they need for their families thereby promoting the economic well-being of businesses in their communities and the economy takes off. That only happens when they actually get the tax cut.

Meanwhile the Liberals are so interested in all of this spinning that we end up on May 9, 2000 implementing parts of the 1997 budget speech. Finally we are implementing the things that they promised three years ago.

The conclusion is simply that Bill C-24 is not good enough. It is a bill that has one or two good provisions as I said. I would love to vote in favour of them, but I cannot because of the other things.

The overriding issue of course is that in many areas we are revisiting and revising the implementation of the GST provision when in fact the government promised that it would eliminate, kill and destroy the GST. It has not happened. The Liberals who stand up and vote in favour of Bill C-24 will once again be standing in front of Canadians and saying "You cannot trust us. You cannot really believe what we say because we are implementing exactly the opposite of what we promised in the election campaign".

• (1210)

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I am going to pick up on the conclusion of the Canadian Alliance member. We too are unable to support Bill C-24, which implements the 1997, 1998, and 1999 budgets, or certain important measures contained in them, for reasons similar to those of the Canadian Alliance member.

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I would like to go over the key features of the three budgets mentioned in Bill C-24. First, we characterized the Minister of Finance's 1997 budget as lazy and blatantly election-minded. We do not normally resort to this sort of vocabulary over nothing.

With respect to the 1997 budget, we said that the Minister of Finance could have done much more than he actually did to combat the unemployment and poverty at the time, particularly when he rose in the House, placed his hand over his heart and said that he was full of compassion for the thousands of Canadian children living in poverty and that he was prepared to do all sorts of things for them.

In the 1997 budget, with forecasts already pointing to large surpluses, we expected the Minister of Finance to immediately take stock of the increasing poverty, especially of Canada's children, and use these surpluses to help these children and particularly their parents.

We kept telling the Prime Minister that in 1997 the federal government would not be facing a deficit as large as he was saying, but rather a surplus. I remind the House of what the Minister of Finance was saying at that time. He said he was anticipating a \$14 billion deficit for 1997. Guess what he got at the end of the fiscal year. We were telling him that the surplus could be close to \$4 billion, and that is in fact what happened. At the end of the 1997 fiscal year, the surplus was \$3.5 billion.

By hiding the truth behind the figures, by hiding the surplus, the Minister of Finance could say "Listen, we still do not have the means this year to relieve poverty and to improve conditions for the unemployed, to substantially lower employment insurance premiums and also to increase benefits. We will wait till next year".

In reality, and this is why we had called the 1997 budget a blatantly election-minded budget, all the good news announced in the 1997 budget were for the 1998-99 fiscal year. A few weeks after the Minister of Finance brought down the 1997 budget, the Prime Minister and member for Saint-Maurice called an election. This demonstrated that the criticism we voiced on budget day was right. The Bloc Quebecois' contention that this was a blatantly election-minded budget was confirmed, as we were entering an election campaign.

The Liberals fought their election campaign on promises to reduce taxes, to improve the employment insurance plan and to reduce EI premiums. They said that they had to be re-elected.

The 1997 budget gave us a preview of what this government intended to do in the following years with the huge surpluses generated by making cuts at the expense of the provinces, particularly in the Canada social transfer, which is designed to allow the provinces and the Government of Quebec to fund social assistance,

higher education and health, and also with the money that the government had been collecting year after year in the employment insurance fund, to which it contributed nothing. The EI surpluses were generated by the contributions of employers and workers.

We began to see how the Minister of Finance would behave once he had all these surpluses.

The 1997 budget was also a lazy budget, as the minister had promised a tax reform. He had told us in this House "Wait. I am setting up a committee that will make recommendations and I will start a review process of all the Canadian tax provisions, which have not been reviewed since 1967".

We expected the Minister of Finance to come up with something in the 1997 budget. But no.

● (1215)

True to his proverbial laziness, the Minister of Finance preferred to stay put, to miss an opportunity and do nothing to eliminate the existing inequities in the tax system, particularly for low and middle income earners. Incidentally, these inequities still exist, even though the minister announced in the last budget that full indexation of tax tables would be restored.

We are being asked to support Bill C-24, to support measures that will implement large parts of the 1997 budget. Members will understand that we cannot support this bill, since we soundly rejected the 1997 budget, which was a smoke and mirrors budget, a blatantly election-minded budget, and also a lazy budget.

Let us now turn to the 1998 budget. We cannot support the measures this budget implements either. I remind the House of what the Bloc Quebecois said about this budget "Once a Liberal, always a Liberal." Why did we say that?

In 1998, budget surpluses began to grow a bit, even if the Finance Minister did not yet acknowledge the existence of staggering surpluses and was bold enough to make a real farce of this budget by referring to a balanced budget, or zero surplus for the following three years.

The government was beginning to have quite interesting surpluses, which could have been used to restore the Canada social transfer payments to provinces in order to finance social assistance, post-secondary education and health, which had been drastically cut by the Minister of Finance two years before in a plan, in effect until 2002, which provides for annual cuts of several billion dollars in social transfer payments to the provinces.

Instead of giving back the money which it had stolen from the provinces, the Minister of Finance, who had also robbed the poorest, the sick and students, preferred to start implementing

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policies which were then seen and still are seen as unacceptable encroachments on provincial jurisdictions.

In other words, they rob provinces of their money and they use it to duplicate, overlap and encroach on provincial jurisdiction. There was a gross example of such an intrusion in the 1998 federal liberal budget, and that was the famous Canada millennium scholarship fund, worth \$2.5 billion.

Never before had a federal government dared to encroach so blatantly and on such a way on an area, namely education, which is clearly a provincial jurisdiction.

The Liberal government decided to encroach in a heavy-handed way on an area which was clearly Quebec's jurisdiction, a jurisdiction recognised in the constitution. They seem to have acted in this manner to flatter the Prime Minister's ego.

Everybody has an ego; some have a big one, some have a smaller one, but generally we all have one. The Prime Minister's ego is gigantic. He wanted to leave his mark with the millennium scholarships and chose to interfere in an area under provincial jurisdiction, thereby creating endless quarrels. I think this is typical of this Prime Minister, whose career is based on quarrels between the Quebec government and the federal government, constitutional and jurisdictional quarrels, quarrels about the federal government's interference in areas under provincial jurisdiction.

With the millennium scholarships, which were introduced in the 1998 budget, the Prime Minister showed that he was on an ego trip. He wanted to leave his mark. I suppose he is hoping that his face will appear on a bank note one day.

Negotiations with the Quebec government lasted several months. The quarrelling lasted several months. At the end of the day, the students are the ones who had to wait and who had to pay because of this interference by the federal government and because of the Prime Minister's ego trip.

No distinction has been made between the situation of students in Quebec and of students in Canada. There has not even been any recognition of the existence of a loans and scholarships system, which was consolidated at the 1964 constitutional conference between Mr. Pearson and Mr. Lesage.

• (1220)

The benefits of this thematic system of loans and grants in Quebec were not even recognized. The Prime Minister claimed that the federal government had a say in the education sector.

That budget also reinforced the federal government claims on surpluses accumulated in the employment insurance fund. That year, surpluses were over \$6.4 billion. And the federal government,

and particularly its Minister of Finance, who wants to be the leader of the Liberal Party of Canada, shamelessly took this money and put it in their pockets, as though it belonged to them. The government did something else instead of compensating the unemployed, which would normally be the ultimate objective of this fund.

I remind the House that we started getting quite disturbing statistics that year about the employment insurance coverage, with fewer and fewer unemployed people being entitled to employment insurance benefits. More and more people were marginalized from the labour market and were driven to poverty, although they had been employed before being laid off, because they were not entitled to any benefits.

The following year, statistics were appalling: 43% of the unemployed were entitled to employment insurance benefits. I repeat it, and the Bloc has also said so numerous times and has fought an extraordinary battle in that regard, when a system does not serve the majority of the clients it is supposed to serve, we must toss it out and start all over again, go back to the drawing board and take our responsibilities. This important system is supposed to help workers temporarily affected by the economic conditions who need help and support. It is not intended to push them aside, marginalize them or threaten them as abusers.

Let us not forget that it is not only because the EI qualifying criteria have been tightened that 43% of the unemployed now qualify and, more importantly, that there is a \$6 billion dollar surplus. It is mainly because, since 1997 and particularly 1998, the unemployed have been considered as potential abusers. They have been hunted down. Some even received calls as early as 5:45 in the morning, checking if they would be available for an interview that same day, to see if they were ready to re-enter the job market. They have been hunted down like criminals.

This is what the 1998 budget was all about. And now the government is asking us to support the measures that give effect to this budget. We will never do that. It would be a shame and we would lose sleep over it. If the Minister of Finance can still look at himself in the mirror after the drastic cuts that he has made in the social programs and after the role that he has played in exacerbating the problem of rising poverty in Canada, good for him. But on this side of the House, we have too much social conscience and sense of duty to be able to do so. We will never support this budget, nor others of the same ilk, nor any Liberal party measure that is not in the public interest.

Let us move on to the 1999 budget, for Bill C-24 contains some measures which concretize part of the 1999 budget. It goes from bad to worse. I will repeat the main thrust of our analysis from that time. When the Minister of Finance introduced his budget, we described it as being evidence of one thing: the federal Liberals were not ones to keep their word. Why such a severe judgment once again? As I have already said, we in the Bloc Quebecois do

not make such statements lightly. This is a documented fact. This time there was no shortage of documentation.

As we said back in 1999, the Liberals do not keep their word. Why? Because, with no warning, the Minister of Finance decided to change the formula for determining the distribution of funds under the Canada Social Transfer to the provinces and the Government of Quebec. He did so unilaterally, without any warning, without any advance notice.

So, contrary to what had been the practice in the past, when provincial need was the main criterion, when for instance a poorer province was entitled to more funding for welfare and the criterion of provincial need was self-evident, the decision was made to change this, with the stroke of a pen, in favour of solely population size.

It is ridiculous, shameful—if somebody could die of shame, the Minister of Finance would be long dead; of course, I do not wish anyone dead, this is just a figure of speech—to have changed from this method to a strictly population-based approach, which will mean that, in the next few years, Canada's most heavily populated province.

Ontario, which is also richest province, will receive approximately 47% of the new transfers allocated by the Minister of Finance in the 1999 budget and the 2000 budget. Of the additional \$11.2 billion dollars allocated in 1999, 47% will go to Ontario, while Quebec will get 8.3%, because the formula takes into account adjustments in cuts already planned, as well as various criteria that will evolve between now and 2002.

• (1225)

So, under the new formula, which takes into account the relative population of the provinces instead of other criteria, which balanced population with the needs of the provinces, Ontario will end up with 47% of this new funding and Quebec 8.3%.

With this unilateral change in the method of allocating funding, we have the following situation. Quebec will absorb about 50% of the unilateral cuts planned by the federal government between 1995 and 2001, 2002. In addition to not getting any new funding from the federal government and having a proportion corresponding to one-third of its demographic weight, Quebec will absorb about 50% of the cuts announced by the Minister of Finance and the Liberal government.

This decision reinforces our opinion that the Liberals are not true to their word, that they honour neither their word nor their signature, and that we are witness to a real attack against the Government of Quebec. I remember very well that the President of the Treasury Board, sometime in 1997 or 1998, said, as reported in

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*Le Soleil* that what the federal government most do is hurt the Government of Quebec.

The President of the Treasury Board said, speaking for his government, that “when Bouchard has cut in health care, social transfers and education, the federal government will come along as the protector and show itself to be the great social democrat in this country, full of compassion and having a better fate for the most disadvantaged at heart”.

This is what lies behind the three budgets of the Minister of Finance. All of this was behind that, nothing more, nothing less.

The 1999 budget is also the budget of shame, because in 1999, the Minister of Finance had the means to immediately initiate a reform of the tax system so that the people and families who should be in the middle income bracket did not find themselves below the poverty line, once federal income tax was paid. He could have corrected this injustice. He could have had the tax thresholds raised. Let me explain.

He would have had the means in 1999 to ensure that a single income family of two adults and one child, paying federal tax on an income above \$13,700 only, would pay income tax when it had an acceptable income. In Quebec, a family pays taxes only on an income of over \$30,000. At the federal level, it is \$13,700.

• (1230)

The Minister of Finance could have corrected that situation in 1999. He could also have corrected it in the last budget, the year 2000 budget. He did not do so. Why? Why do we have a situation where federal taxes in this supposedly wonderful country are so high that they turn what should be a middle income into a low income, an income below the poverty level? This does not make any sense.

In the 1999 budget, the budget of shame, the minister told us “A tax reform is underway. I can already tell you that there will be tax cuts”. Yes, but what exactly are these tax cuts? This is what we have to look at.

The Minister of Finance is a millionaire and a shipowner who passes laws that benefit him, or at least we suspect so. He proposes tax cuts that benefit his buddies, that benefit the millionaires of this country. He told us he would eliminate the 5% surtax on personal income. He was very proud to announce that measure, because it was going to provide relief to taxpayers, who would have a little more leeway.

But those who have more leeway are not the taxpayers who are experiencing real problems. Rather, it is those who earn \$250,000 or more annually. In 1999, these people enjoyed a \$3,800 tax cut. They are the lucky ones.

By comparison, that same year, those who earned \$30,000 or less got a \$90 tax cut. There is talk of fair taxation, there is great pride

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in announcing tax cuts to benefit the most disadvantaged, when in fact the target group is the millionaires. Is this normal?

Is this a budget whose implementation could be acceptable, when it is totally unacceptable as far as its main principles are concerned, condemnable and fit for the trash can?

Very few people here recall the latest statistics on the increase in poverty in Canada, which came out in 1999. At that time we learned that there were no longer in excess of one million poor children in Canada, as there had been in 1993. The number had increased to 1.4 million, that is 400,000 additional cases because of this government, because of the harsh measures taken by a harsh and heartless minister, the Minister of Finance, and his shameless government.

There have been three shameful budgets: 1997, 1998 and 1999. Any others could have been described in the same way. It was clear that there was only one way the Minister of Finance could find to put this country's finances back on an even footing: the provinces were asked to contribute 60% of the effort via deep slashes to the transfer payments used to fund health, higher education and social assistance.

The taxpayers of Canada were asked to contribute 30%. As hon. members are aware, in four years, 1994, 1995, 1996 and 1997, by not reforming the tax system, the Minister of Finance ended up with close to \$25 billion extra in taxes in his coffers, among other things by not indexing the tax tables. That is how the country's finances were put back on an even footing.

It was not his talent or intelligence. A puppet could have done the same thing. It is easy to sit down and watch the train go by, to do nothing to correct the injustices in the tax system and to see that these injustices translate into billions of dollars in revenue going into the federal coffers.

It is easy to sit on one's fanny, watch the train go by, pinch, steal, money from the employers and the employees in the employment insurance fund, to stuff that in one's pockets and to create a good impression. It is easy to sit and keep the expected adjustment of the government machinery, the talk was of 19% in reduction of the machinery, to 8%.

That is the supreme intelligence of the federal Liberals in the management of public finances.

No one is to be congratulated on these three budgets. We certainly do not have to support them. If I did, I could never sleep, I could not look at myself in the mirror, because I would always be ashamed. I wonder how they manage.

I would now like to give a little dry and somewhat technical demonstration, which is worth the trouble. It represents \$2 billion for Quebec.

• (1235)

In Bill C-24, there is also a clause that implements the agreement reached April 23, 1996 between the federal government, the Minister of Finance in this case, and three maritime provinces—New Brunswick, Nova Scotia and Newfoundland.

On April 23, 1996, the Minister of Finance signed a memorandum of understanding with these three maritime provinces so they would harmonize their provincial sales tax with the federal GST. In this process of harmonization, it was clear that some would have to adjust their tax system, because in some provinces the sales tax was 12% or 14%. They had to bring this provincial tax down to 8%.

In direct terms, looking at the tax revenue from provincial sales tax, these three provinces came up short. The Minister of Finance therefore decided that they should be compensated. Admittedly, this is a political decision. Nevertheless, it is a decision which, based on the formula used, is unfair to Quebec, and I will explain.

In 1991, the Government of Quebec, which did not wait for Canada's other provinces to make the move, decided to harmonize the GST with the TVQ for reasons of operation and cost to businesses in Quebec. Ultimately, it was about making Quebec's businesses competitive.

In fact, the then Progressive Conservative government had appealed to the provinces to harmonize their PST with the GST so that all Canadian businesses could face the music, be competitive and efficient, as well as enjoy the benefits of a harmonized regime, which is less difficult to manage. In short, there were all sorts of good reasons.

The Government of Quebec did not wait, and immediately began the process of harmonization. But when it did so, it had to adjust its tax structure. How did the Government of Quebec do that? By increasing certain taxes payable by businesses in Quebec. Let me give an example.

Following the harmonization of the GST and the QST in 1991, the tax on profits generated by small and medium size businesses rose from 3.45% to 5.75%, a rather drastic increase of 66%, because of the shortfall suffered by the Quebec government as a result of that harmonization. Taxes on the profits of these businesses had to be adjusted. That was a necessary measure to maintain a stable tax base.

Taxes on profits in general were also increased, from 6.3% before harmonizing the GST and the QST in Quebec, to 8.9%. Taxes on gasoline and cigarettes also had to be adjusted. If that new tax had been added to the existing excise tax on cigarettes and gasoline, the rate would have been so high for gasoline that it would have been too big a shock for the Quebec economy.

So, because of the adjustments that had to be made to the Quebec government tax structure, some costs were absorbed partly by

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Quebec and partly by the companies, through the tax increases to which I referred.

These adjustments are estimated at about \$725 million a year for the Quebec government and businesses. That was achieved by using the same bases for calculation that the Minister of Finance used with the maritime provinces, but by looking at all the adjustments that had to be made to the whole tax structure, and not only the adjustment at the provincial sales taxes level.

This is where the fundamental difference lies. When the Minister of Finance signed the MOU, he looked at the shortfall directly related to the reduction of provincial sales taxes in the three maritime provinces and determined a compensation on that basis.

• (1240)

As far as compensation is concerned, they were saying that any shortfall in excess of 5% between provincial sales tax receipts as they existed in the maritime provinces before harmonization and afterward was compensated for by the federal government, but only when it exceeded 5%. When the calculations were done for the maritime provinces, the figure reached was \$964 million for the next four years.

When we do the same calculation, taking into consideration that the federal government would have to compensate for 100% of the shortfall in excess of 5% the first two years, followed by 50% for the third year, and 25% for the fourth, the figure we get for the first year is a loss of \$725 million, taking into account the whole adjustment to the taxation system. The second year, taking into consideration the payment that should come from the federal government, which is again 100% reimbursable by the federal government after the first 5% of the harmonized tax as compared to the original tax, the figure would be an additional \$725 million. The third year it would be \$363 million and the fourth, corresponding to 25% of the shortfall, would be \$181 million, for a grand total of \$1.9 billion, or very nearly \$2 billion.

These calculations were presented to specialists outside of the federal and Quebec governments, and they agreed with us. As well, in 1997, the provincial premiers supported the Government of Quebec in its crusade to obtain justice in this matter. The federal government turned a deaf ear. At the 1996 summit in Quebec, there was unanimity. Along with talk of the battle against the deficit, there was also talk of the \$2 billion the federal government was obstinately refusing to pay the Government of Quebec.

This led to another problem. The fact that we were not entitled to compensation to which we were legitimately entitled—and our calculations are above reproach—had another result. When harmonization of the GST with the Quebec sales tax was carried out, the harmonization was not complete. This would have cost the Government of Quebec and the businesses of Quebec too dearly, given the

shortfall, and given the lack of federal government contribution to this harmonization.

Even though the Government of Quebec manages the collection of its harmonized provincial taxes and the GST for the federal government, and Quebec businesses have only one form to complete, they have, however, different calculations to do when the time comes to claim the input tax credit at the federal level or in the harmonized provincial sales tax system.

The list of input credits for some industries is not the same as the list of items that permit a return for federal government input tax credit. So that Quebec businesses cannot fully benefit from the harmonization of the GST and the provincial sales tax.

If the federal government would stop being obtuse, if it paid attention to our analyses, our demonstrations, if it acknowledged we were right—because we were right and it was wrong—we could conclude this harmonization. Quebec businesses would be a lot more competitive in an environment where the talk is of liberalization and globalization. This is an important factor when we are talking about taxation and red tape and especially when we are talking about returns for input tax credits that Quebec business is entitled to.

We are therefore not pleased to support a measure that treats Quebec and, more importantly, Quebec business, unfairly and unjustly in connection with the harmonization of the GST and the QST, with the provincial sales tax of these three maritime provinces.

We support the principle of harmonization since Quebec was the first, oddly enough, without asking for anything, to harmonize or at least to try to harmonize its provincial sales tax totally with the federal GST. Afterwards, when the time came to claim some support for this adjustment, like it did with the three maritime provinces, it sent Quebec packing. How are we supposed to support Bill C-24, which implements this memorandum of understanding of April 1996? We cannot.

• (1245)

It cannot be said that businesses from the maritime provinces increased their competitiveness compared to their Quebec counterparts, in spite of the help of federal funds to which we did not have access, even though we had a right to such funds. We have no choice but to oppose this provision of Bill C-24, just like we were opposed to the Liberal mismanagement displayed in the 1997, 1998 and 1999 budgets, for the reasons that I mentioned earlier.

I want to say a word on the year 2000 budget. That budget did not solve any of the problems that I mentioned. The federal government turned a deaf ear, in spite of the fact that opposition parties in the House were unanimous in asking for employment insurance reforms, for leaving the employment insurance surpluses in the EI fund for the unemployed, for respecting contributors by

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not stealing their contributions, particularly since the government contributes nothing. The federal government also turned a deaf ear in spite of the unanimity among opposition parties regarding the level to which social transfers should be restored.

In the year 2000 budget, the government announced the elimination of certain cuts. However, by the year 2002, the cuts that were originally expected to total \$40 billion will be around \$33 billion. And we should thank this government for cutting social transfers, transfers for education and health, when it continues to make cuts and when it is making election-minded announcements about bogus increases in transfers.

The government did not solve any taxation problems in Budget 2000, any more than it did in the 1997, 1998 and 1999 budgets. Since our arrival here in 1994, since the first budget, we have been calling for this taxation reform. We have good reasons for doing so. Federal taxation is antiquated, unfair to low and middle income earners and too generous to certain big corporations, which take advantage of loopholes. These corporations have the resources to hire the best tax experts, who know the ins and outs of taxation and who put them to work for their clients.

If we look just at the clause having to do with taxes deferred by these large corporations, and at another clause concerning the accelerated depreciation of technological inputs, we find ourselves with a situation where businesses will never pay any taxes. These businesses are proud of the fact.

However, the money that they do not contribute in taxes is squeezed out of individual taxpayers, the families I mentioned earlier, with two adults, one child and a single income, who start paying federal taxes at \$13,000. This is the family that is making up for what big corporations like Bell Canada or Bell Canada Enterprises, Mr. Monty's business, are not paying. I keep thinking about Mr. Monty and I do not know why. Probably for a number of reasons, but for that one in particular.

I was looking at the latest statistics available on Bell Canada Enterprises compiled by the CTC, which show that BCE has deferred taxes owing and unpaid. Normally, over the years, it should have paid these taxes, but it owes around \$2 billion or \$2.5 billion. BCE owes \$2.5 billion in back taxes, which it will likely never pay, because of the clause to which I have referred: accelerated capital cost deduction and tax deferral.

That \$2 billion is precisely what it took to acquire CTV. Hon. members will recall that Mr. Monty made a \$2.3 billion offer to acquire CTV. This prompts me to comment that, if Bell Canada Enterprises were to acquire CTV, it would belong to everyone. It would belong to the families made up of two parents and one child who pay federal tax starting at \$13,000. They would own a piece of it because they are the ones paying to compensate the big guys, BCE and the like.

This is unfair. The minimum taxation levels are unfair. The Government of Quebec did an excellent job in this area. In the last three years in particular, we have brought the minimum tax level down to a reasonable level. A family of two adults, one of them the wage earner, with one child will start paying taxes at the \$30,000 annual income level. The federal cutoff is \$13,700.

• (1250)

Our millionaire financier, and manager of the state, he whose pockets are overflowing, finds himself in the situation of being too lazy to initiate a true tax reform in order to bring about fair taxation.

For all these reasons, we are going to continue to speak out against this Liberal government management and we will most certainly vote against Bill C-24.

[English]

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, it is with pleasure that I rise today to speak to Bill C-24, an act to amend the Excise Tax Act, the Budget Implementation Act, 1997, the Budget Implementation Act, 1998, the Budget Implementation Act, 1999 and the Income Tax Act.

Here we are in May 2000 debating amendments to the budget implementation act dating back to the 1997 budget. It should be noted that in reviving parliamentary democracy the Liberal plan for the House of Commons and electoral reform from the 1993 Liberal platform stated:

In addition, the credibility stretching tradition of not passing actual tax measures until many months after a budget, often even after the measures have come into effect, must, within the context of a suitable system of consultation, be ended.

What we have here is another example of a broken Liberal promise. In this case it is one of parliamentary reform to provide a more reasonable time period within which budgets would be implemented, as opposed to talking about these changes three years after an actual budget is presented by the Minister of Finance.

Another area of the specific legislation which magnifies some of the broken Liberal promises is the fact that we are discussing some measures relative to the changes to the GST. Everyone in the House remembers, particularly the Liberal members opposite who ran in the 1993 election, campaigning on a Liberal commitment to get rid of the GST.

The current government promised at various points during the 1993 campaign to eliminate, to scrap, to abolish the GST. The finance minister in 1989 once said in the House of Commons that the GST was a stupid, inept and incompetent tax. As a candidate for the Liberal leadership he was quoted as saying that he was



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committed to scrapping the GST and replacing it with an alternative. Since then the Prime Minister during foreign travels has not just embraced the GST but has actually told foreign dignitaries that it was his idea in the first place and that it is a great tax.

For the Liberals today to embrace the GST after campaigning vociferously against it qualifies them for the award of the patron saint of hypocrisy in the Canadian parliamentary system. For Liberals to have fought against the GST and now take credit for it and benefit as a government from the proceeds of the GST is one of the reasons Canadians are so skeptical and cynical about politics in general.

The *Economist* magazine 1998 year preview stated quite clearly that credit for the deficit reduction in Canada belonged largely to structural reforms made by the previous government. The *Economist* magazine went on to list them. They included free trade, the GST, deregulation of financial services, transportation and energy. If I remember correctly, the Liberals campaigned vociferously against all those policies in previous elections. The current government has utilized those policies to eliminate the deficit.

I am not suggesting that I would have been happier had the government reversed those policies. In fact I am quite pleased that it maintained them. The only thing worse than the Liberals blatantly stealing Conservative policies and taking credit for the results would be if they were to implement Liberal policies which would probably be far more deleterious for the Canadian economy. Instead of trying to creatively develop Liberal policies we are pleased that they had the good sense to embrace and support the sound policies of the previous government.

• (1255)

I could go further and say that this is a government of sound and original ideas. Unfortunately its original ideas are seldom sound and its sound ideas are never original.

Although the GST was an appropriate tax measure and appropriate tax reform at the time, we have not seen any meaningful level of tax reform under the current government. We could look at other countries with which we are competing and the degree to which they are using tax reform and tax reduction as vehicles to create greater levels of economic growth. I suggest that we look at what Izzy Asper, former leader of the Liberal Party in Manitoba, the CEO of CanWest Global Communications Corporation and head of the Global Television Network, said when he spoke recently at the BCNI meetings in Toronto.

He said that the Canadian tax system we were living under was last reformed 32 years ago, that it was obsolete and that the world it was designed to deal with no longer existed. He went on to say that the system was a nightmare of complexity and a sea of uncertainty, and that the tax system was anti-business, anti-private sector and anti-entrepreneurial.

He asked a question of the Minister of Industry who spent some time speaking to corporate leaders. The Minister of Industry responded by saying that there could be no significant level of tax reform in Canada and that tax reform would require a complete consensus.

Obviously we will never have complete consensus on tax reform or on any other major public policy reform or issue. The industry minister and the whole government are so focused on poll driven incrementalism and focus group economics that they cannot really embrace the courageous visionary changes and steps toward the more competitive economy which is necessary now because it would involve political risk.

We have an industry minister who is credited by some as being one of the most commonsensical in terms of his recognition that the private sector plays a role in the economy. He actually believes there cannot be any tax reform unless there is 100% complete consensus on tax reform issues. I think that is a sad state of affairs.

Canada needs a significant level of tax reform. Such reform should be used as a vehicle for tax reduction. It is not just personal taxes. We need a significant level of corporate tax reduction.

The most recent budget reduced corporate taxes somewhat over a period of years. However, prior to this budget we had the second highest corporate taxes in the OECD. After the full implementation of budget measures over a five year period we will still have the fourth highest corporate taxes of 31 OECD countries.

It is not really a very significant step in the right direction, particularly given that 27 of the 31 OECD countries have stated plans to further reduce their corporate taxes. While we are taking baby steps in the right direction on some of these issues, other countries with which we are competing are taking gigantic leaps.

On the hypercompetitive global information highway upon which individual Canadian companies are trying to compete and succeed, we run the risk of becoming road kill unless the government actually embraces some of the realities of the future as opposed to always dealing with reforms around an economy that no longer exists. That is part of the difficulty in discussing and making these types of changes so long after a budget is introduced.

• (1300)

Right now the rate of economic change has never been greater. Now is probably the worst time in Canadian history to have a caretaker, cruise control kind of government that is more focused on next week's polls than on the challenges and opportunities for the next 20 or 30 years. My fear is that Canadians will continue to be held back by this weak leadership that is not focused on the real issues facing the private sector and all Canadians.

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We should be moving more significantly toward reducing and ultimately eliminating capital taxes in Canada. The taxation of capital in itself is of dubious benefit. It creates significant disadvantages to accumulating capital in Canada and some significant competitive disadvantages for our Canadian financial services sector and banks. Some 7.5 million Canadians are shareholders of those banks directly or indirectly.

The capital gains tax issue needs to be addressed. The government's recent budget would reduce capital gains inclusion rates from 75% to 66.6%. That is a step in the right direction but it still leaves Canadian entrepreneurs with a 13% disadvantage in terms of effective capital gains tax rates over the U.S. A 13% disadvantage is certainly not something to crow about.

The capital gains tax issue particularly in the new economy is important because of the degree to which stock options are used as compensatory assets. There is no reason to suspect this will not continue to be the case even with the recent volatility. The new economy is going to continue to depend on stock options as a very important compensatory vehicle.

As such, when we maintain a 13% disadvantage over the U.S. in terms of the way we tax capital gains, the resultant gain from exercising a stock option, we are driving entrepreneurial talent from Canada. We are sending the risk takers and the great minds who are capable of building better companies and better opportunities and thus a better country, somewhere else. That better country may not be Canada. It may be the United States of America or somewhere else because of the wrong-headedness of the government and its inability to get with it in terms of embracing the realities of the new economy.

There are several revenue neutral changes in Bill C-24 which relate to the goods and services tax, the GST, and the harmonized sales tax, the HST. These measures were announced on March 20, 1997. Most of them relate directly to Atlantic Canada and Nova Scotia in particular. It is notable that these were introduced on March 20, 1997, just a few short months before the Liberals were turfed from Nova Scotia. I am not suggesting that the unanimous decision in ridings across Nova Scotia to remove the Liberal representatives from their seats was a reflection of this issue specifically, but I think it did play a certain role.

By and large the measures are revenue neutral changes. Some of them are positive. Assistance to charities that employ individuals with disabilities and charities that are involved in bottle recycling, enhancements to visitor rebate programs and changes benefiting small businesses that sell products to direct sellers are positive measures and we in the Progressive Conservative Party can support them.

The general tax direction not just of this legislation but of any Liberal government legislation in recent years has been so flawed by a fundamental lack of vision and initiative that it is very difficult to support almost any tax package brought forward.

• (1305 )

There have been some changes on the tobacco tax regime and also the tax regime on split run magazines.

I would like to speak to some of the things that are not addressed in this legislation and which I would like to see more of in Liberal fiscal and economic policies.

It is time to significantly raise the basic personal exemption in Canada. It is absolutely atrocious how much people are being taxed. The most recent budget would have raised the basic personal exemption to \$8,200, the amount at which the government feels it is appropriate to start taxing Canadians. In the U.S. the basic personal exemption is not hit until someone earns approximately \$11,000 Canadian. Here we are in Canada which supposedly is a less harsh country and we actually tax people at \$8,200 per year. That seems fundamentally unfair and needs to be addressed, but the government clearly has not set that as a priority.

Canada needs to redefine its middle class. Currently the top marginal tax rate is hit at \$60,000. The most recent budget would increase that to \$70,000. The fact is in the U.S. an American does not hit the top marginal tax rate until he or she is making \$420,000 Canadian. As a result, we are taxing at \$60,000 and the government with the full implementation of the most recent budget would increase that to \$70,000.

Using \$70,000 as the amount, at \$70,000 the government feels it is appropriate to tax Canadian families as if they are rich. That creates immense pressure for those people earning \$70,000 to \$100,000 to be drawn south of the border to greater opportunities and lower taxes.

For example a software designer or a knowledge based worker in Vancouver making \$70,000 per year will pay 52% of his income in combined federal and provincial income taxes. Less than an hour and a half away in Seattle, a software worker or a knowledge based industry worker making the same amount of money, about \$70,000 Canadian, will pay 26% of his income in combined state and federal taxes. An hour and a half away in the United States, the same individual in the same industry will pay half the level of taxes that he would pay in Canada.

The argument that is used quite frequently, and to a certain extent there is some validity to it, is that of medicare. That argument has been reduced significantly in recent years as the government particularly since 1993 has cut, slashed and decimated the Canadian health care system which for a long time defined Canadians. The health care system played a large role not just in protecting the health of Canadians but also in defining to a large extent the Canadian psyche.

The government through its draconian cuts since 1993 has created immense havoc in every province in the country. Every

province has had to deal with the significant level of cuts for health care funding that the government has perpetrated. As a result of the cuts, the percentage of federal commitment to health care has declined steadily to a point that some estimates are that the federal government is paying around 13% of every dollar spent on health care in Canada. Clearly that is unacceptable and that is part of the problem.

On the tax side, the Canadian advantage with medicare really does not exist any longer. What we have seen develop in Canada is a fairly mediocre system for everybody. While it is egalitarian, it is a poor system. As a result, those who can afford it are increasingly being drawn toward making the choice of seeking health care elsewhere or to actually live elsewhere. Many of the professionals who have been drawn away by the brain drain work for companies that provide health care insurance so it is less of an issue.

• (1310)

We have to consider this from a competitiveness perspective. We have to ensure that we are not allowing economic symbolism to define us. Economic performance is more important than economic symbolism.

We have to get our fundamentals right. We need a sound tax structure which is more reflective of the current realities. We also need a more effective health care system which recognizes the current realities.

The fact is that Canada already has a two tier health care system. Around 30% of our health care costs are in the form of costs covering pharmaceuticals, much of which is already paid for privately.

The changes in health care which have occurred and to a large extent the rising costs of pharmaceuticals, the increased level of sophistication in biotechnology and the pharmaceutical industry have already led to rising costs and an increased level of participation by the private sector. Add to that the fact that many Canadians are drawn to the U.S. for health care treatments in private sector facilities.

We need significant levels of economic reform on the fiscal front. We need sound and firm debt reduction targets. We need lower taxes, better tax reform and a better health care system. That is only going to be accomplished with a more visionary, courageous government. Unfortunately, I have lost faith in the members opposite to provide that type of leadership.

[Translation]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I listened with great interest to the comments of the Progressive Conservative Party member. Like him, I am worried.

I cannot understand this talk about inventing tax reform. Mr. Charest, a former Progressive Conservative who has come to

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Quebec, seemed to want to get away from the equation whereby government revenues, whether from individuals or corporations, are spent on services and generally the revenues pretty much balance out the services provided to the public.

There is another phenomenon where work must not contribute to poverty, so that the more you work, the poorer you get. This is another given. Reducing corporate taxes because it is the combination of the two, the corporate and the individual taxes. Of course, there are by-products of taxation such as sales tax, duties and taxes and so forth, but the fact remains that the government weighs the necessary balance between revenues on the one hand, and expenditures on the other. Expenditures are services.

The last tax reform was in 1971. That was the last, as far as I recall. Of course, there was the GST, which was introduced in 1984, I believe.

But the fact remains that this is the sort of thing governments must face. In the tax reforms to date, whether the government digs into the right pocket or the left, it is still the same pair of pants.

Despite all my efforts, I cannot see what these new sources of revenue would be. If we are speaking of individuals, it would be a disincentive to work. If we are speaking of businesses, it would discourage investment, entrepreneurship and so forth.

So perhaps the government has to decide to take an approach other than tax reform. I do not know what. We might be faced with worse choices, including in the health care sector and other sectors that are important to us, such as education. It must not come to that. I ask the member to tell me what the magic formula is.

• (1315)

Perhaps he has already had a chance to speak with the current leader of the opposition in Quebec City, Mr. Charest, who was in his party at one point. I wish he would enlighten me. I am honestly confused. I cannot imagine anything other than what we have now.

I am not a tax expert and I humbly ask him to enlighten me. I am open to his comments.

[English]

**Mr. Scott Brison:** Mr. Speaker, I thank the hon. member for his excellent points and questions. He has raised a couple of very important issues.

First, the last significant overriding tax reform was around the time of the Carter commission back in 1971. The changes were introduced by the Carter commission which reported in the late sixties, approximately 30 years ago. Since then we have seen amazing changes in the Canadian economy. It is clear that we do need some level of reform.

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The GST was a significant change as well. The Minister of Industry said in a speech at the BCNI that tax reform was a non-starter for the government because it could not get consensus on tax reform. There was a consensus on the GST. Unfortunately it went against the governing party and resulted in not just significant tax changes but significant political changes in 1993.

The question the hon. member had was relative to how we balance tax reduction and the other needs. Ideally, there should be tax reform and it should be based, in my opinion, on growth and not greed. We should be looking at tax reform from the perspective of what taxes can we reduce to create the greatest level of economic growth and opportunities here in Canada.

I can point to a few examples. In Ireland much of the tax reduction that has occurred has been in corporate taxes. By reducing corporate tax rates, Ireland has actually increased corporate tax revenue by attracting companies from around the world.

There are examples closer to home. I would argue that Quebec has been very successful under Bernard Landry with many of his tax policies, particularly those focused on the new economy. One of the most innovative aspects of the Quebec tax policy has been on the provincial income tax not being paid by research scientists, the Ph.D.s coming from other places to Quebec to participate in research. The new economy, whether it is in e-commerce or biotechnology, needs those Ph.D.s and researchers. As a result of the policy by the Quebec government, it has effectively been able to reduce the personal tax rates for these minds that Quebec and Canada need to U.S. levels, which has been very innovative.

I would argue that we can reduce some types of taxes without reducing revenue overall. Another example of that is capital gains taxes. When we reduce capital gains taxes there is often a resultant unlocking of capital which actually leads to a greater level of capital flow and a greater level of taxes being paid.

Unfortunately tax reform is usually based on political criteria as opposed to economic criteria. We often build tax reform around what is politically palatable or what is popular and do not think of what will lead to the greatest levels of economic growth. It is not always the same thing, but in many ways the Quebec government has pursued some policies that have been quite innovative in terms of attracting the type of industries that are necessary.

I would like to see the national government be a little more amenable to that kind of thing. Some of these successes have resulted of course in the recent move of NASDAQ to Montreal.

• (1320)

While I disagree with the policies of the Parti Quebecois in terms of its position on federalism, I have to express some level of

admiration for some of what the Parti Quebecois has done on economic policy.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I listened to the comments by the member for Kings—Hants and I heard a different interpretation and variation of history.

One interpretation I found particularly intriguing, although I forget his exact wording, was when he said that the former Progressive Conservative government built the architecture for the fiscal results of this government. In reflecting upon that, I looked at the growth in the deficits. In fact, when we came into office in 1993 the deficit was at \$42 billion. There had been no action on the deficit whatsoever. The public debt had increased significantly. Taxes had been increased, the EI premiums to name one, and other taxes.

I wonder if the member could actually describe the architecture that was built by the former Progressive Conservative government that lead to the very good fiscal results of this government since 1993.

**Mr. Scott Brison:** Mr. Speaker, I thank the hon. member for his question. I look forward to being on that side of the House and having him lob similar softball questions across to us once we are back in government. That was indeed a softball question.

The Mulroney Progressive Conservative government was successful in reducing the deficit as a percent of GDP from 9% when it took office to 5% by the time it left office. It was kind of like that old country and western song, *Give Me 40 Acres and I'll Turn This Rig Around*. That previous government inherited an 18-wheeler that was going down the road at 200 miles per hour in the wrong direction. Somebody had to slow it down and somebody had to implement the types of structural economic changes that were necessary to enable this visionless government to effectively cruise through the last several years and, through no fault of its own, to have fairly decent economic results.

Those were not my words crediting the Progressive Conservative for the reduction and elimination of the deficit. Those were the words of the greatest news journal in the world, in my opinion, the *Economist* magazine out of the U.K., which said very clearly that credit for the deficit reduction in Canada belongs largely to structural reforms made to the Canadian economy by the previous government. I would not be so audacious as to say that myself. I was just quoting a wonderful news publication that brings a very objective view to the situation here in Canada.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, thank you for the opportunity to get back into the order and the flow of things. I missed my opportunity at the end of the Bloc Quebecois

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speech to add our contribution to this debate. I appreciate the latitude shown to let me speak to this now.

It should come as no surprise to anybody here that the NDP caucus is in opposition to Bill C-24. Members look shocked that we do not fully concur with the Liberal Party tax policy. I want to use my time to point out just how strongly we oppose Bill C-24 and other recent developments from the most recent budget that dealt with tax relief and tax reform, if one can call it that. We have been calling for true tax reform since we have been in the House but we have yet to see it. Frankly, we have seen more in the same direction and a continuation of the same economic policy and philosophy which we think does not serve ordinary Canadians and does not serve working Canadians well.

By way of beginning my remarks, it is useful to look at a direct quote from the majority report of the finance committee. It is just a few short lines so I will read it. The majority report of the finance committee states:

The Committee has chosen to use tax reform/relief as the primary vehicle for promoting increased productivity not because we know that there are very specific and definitive links between productivity and taxation, but primarily because of what we don't know.

The Liberals are almost jumping into this avenue of economic policy by virtue of what they do not know will be the predictable results and consequences. That should not give Canadians any comfort. It should worry Canadians very much if that is the sort of research that has been done.

• (1325 )

I will read this again because a lot of Canadians will probably not understand how significant and indicative this is. It says:

The Committee has chosen to use tax reform/tax relief as the primary vehicle for promoting increased productivity not because we know that there are very specific and definitive links between productivity and taxation, but primarily because of what we don't know.

That sounds like nonsense. It is also very worrisome for ordinary Canadians who may pick that up and read it.

One thing I can say is that there is no empirical evidence anywhere in the country that proves tax relief creates jobs. That is a myth that has been perpetrated. It is something that we might like to believe, because it would give us some sense of surety that we are confident about the direction in which we are going, but there is no empirical evidence anywhere. There has been no academic study. There has been no proof that tax relief, as such, creates jobs.

There is also no proof anywhere, as the committee admits, that tax relief per se increases productivity. We do not know if the two are related, and the committee readily admits that in its paper.

These words of the majority report of the finance committee delivers its empty rationale for recommending \$46 billion in tax cuts for high income earners as a priority for upcoming budgets. It can only be called blind faith in the virtue of tax cuts for the wealthy. We believe it is typical of the Liberal government's position in the debate about what to do with the predicted federal surpluses. It is the worst form of trickle-down economics, blind faith in an obsolete ideology.

Frankly, ordinary working Canadians are used to being trickled on. We have been trickled on a lot in recent history and it is not water that is trickling down from above and it certainly is not revenues and pennies from heaven. We are being trickled on in the most mean-spirited ways often and frequently. These trickle-down economics are a continuation of the same line of thinking.

When it comes to tax cuts, the debate we should be having should be about setting goals for improving the quality of life for all Canadians not just tax cuts for the wealthy. We should be taking steps that move us forward. A lot of us believe that society does not move forward unless we all move forward together. It is one of the basic tenets of the NDP philosophy that society does not move forward unless we all move forward together. We are against anything that further builds that gap, the great divide, between the rich and the poor.

Having set and met financial targets on eliminating the deficit, one would think that the prospect of large surpluses would now allow Canadians and the government to meet such emergencies as the crisis facing the homeless, for instance. That would be a laudable pursuit. We would have liked to have heard more in the budget about the crisis facing the homeless in the country. That would be worthwhile and we would stand up and applaud budget initiatives in that regard. Another crisis would the family farm crisis in the province I come from. Those are the types of missed opportunities that we believe the government is taking part in with its policy on how to deal with the generous surpluses it is looking forward to.

Another idea I have is that we could try to meet the target we set for ourselves 10 years ago to eliminate child poverty. That would be a laudable concept. Giving tax breaks to the wealthy does not do anything to eliminate child poverty in the country. I defy the government to show me the connection, unless it is relying strictly on that famous old trickle-down theory of an economic system with lots of millionaires and surely some of that money will spill over from their coffers and fall onto ordinary Canadians. It is a cruel myth and a lot of people are tired of being the brunt of that myth.

What about taking steps to ensure that all our children are given the best possible start in life? In the newspaper today there was a very interesting article about how youth crime and youth violence can be so directly connected to the problem of fetal alcohol syndrome, FAE/FAS children. This is an emergency in our schools. It is an emergency in our criminal justice system. It is an

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emergency in the inner city of our big cities, in small communities and on reserves right across the country. We have seen nothing to address that issue specifically in this budget or in any policy that we have debated in the House of Commons. This is a worthwhile emergency on which we could in fact be spending some of our surplus instead of on tax relief for the wealthy.

There is a growing movement and concern in Canada that we are losing our cherished not for profit public health care system. We are losing it to the spectacle of a two-tiered American style health care system which we know does not work. Instead of using this flourishing, blossoming surplus on protecting and strengthening our universal public health care system, again we are seeing the idea of tax cuts for the wealthy. I guess if the wealthy had more of their disposable income left in their pockets they could afford to buy the health care they need when they need it. That is fundamentally contradictory to the NDP philosophy and I am glad to be able to express that today.

• (1330)

There is another worthwhile initiative that we are completely ignoring and that is to provide Canadians access to world class post-secondary education. One would think in this high tech age, or the age of e-commerce, et cetera, that we would value more and make access to post-secondary education a number one priority for Canadians instead of burdening students with debt that is paramount to carrying a small mortgage when they finally graduate from university. That is not a priority. We have not heard it expressed here. Instead, again, we are talking about the implementation of bills that give tax cuts to the wealthy.

There are all kinds of other worthwhile spending initiatives, whether it is our infrastructure, our roads or our transit systems. We need these things to assure the continued growth of our economy and we are not hearing about it. To offer, in balance of these priorities, needed tax relief, we would not mind having that debate.

Let us list these priorities and address ways to deal with them and talk about tax relief. Frankly, there is nothing contradictory to the NDP talking about tax fairness. We have been talking about tax fairness since day one because we believe that working people pay too much tax. We believe that working people pay too much tax because others are not paying their fair share of taxes and it is an inequitable situation. One tax relief initiative that we would welcome, endorse and support is the gradual reduction toward the elimination of the GST.

We believe that if the government were serious about universal tax relief which would benefit all Canadians, that to reduce the GST by 1% this year would be a good first step in at least making some effort to keep the promise made in 1993 to eliminate the GST. We would certainly welcome that, but we are not hearing that today in the debate on Bill C-24, we did not hear it in the budget

speech and we did not hear it in the majority report of the finance committee.

The finance committee preferred the message of the Business Council on National Issues, the BCNI, that the real urgency was to give more and bigger tax breaks to those who need them the least. It was completely 180 degrees backward to any conventional thinking on true equality, or to flattening the gap between the rich and the poor, or to addressing many of the urgent social issues I have outlined.

There is a quote from the report of the Business Council on National Issues to the Standing Committee on Finance which states that the greatest economic gains will be achieved when marginal tax rates, especially the highest ones, are reduced. In other words, we are allowing the BCNI to set social and economic policy for the country. It is an unelected body. I am surprised, frankly, that my colleagues from the Canadian Alliance are not up in arms about this. We are taking specific direction from unelected representatives of corporate Canada over the opinions and the economic outlines of elected officials like those of us in this Chamber.

People call Thomas d'Aquino the unofficial prime minister. Those of us who are cynical are certainly starting to think that, given the access that the BCNI has to power and the fact that the Liberal government is charting policy based on the needs of Bay Street and certainly not based on the needs of Main Street.

The NDP caucus rejects the committee's unbalanced approach. We recommend that a key priority be to make the investments necessary to help reverse the erosion of Canadian living standards, the growing divisions in Canadian society and the growing gap between the rich and the poor. That would be a laudable pursuit for the government, but that is not a key objective. It is taking steps today, even with Bill C-24, that will expand the gap between the rich and the poor. It will make that rift even wider. It is completely contrary to NDP policy and philosophy. We believe that society moves forward genuinely when we all move forward together.

We include in Canadian living standards investment in our children, investment in our communities, investment in our health care and education systems and investment in the environment. Has there ever been a more ample opportunity to finally do something about cleaning up the environment in Canada? We have a surplus budget situation. The Minister of Finance is in the enviable position of having money to spend on important priorities for Canadians. What could be more important than to act now to clean up the toxic waste sites in this country and to deal with small communities that still need basic sewage and water treatments centres?

• (1335)

For instance, my colleagues from Sydney—Victoria and Bras d'Or—Cape Breton live near what is arguably the worst toxic waste

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site in the world, the Sydney tar ponds. Is there money budgeted and allocated to clean up, finally, the Sydney tar ponds? Have they started to scrape the toxic effluent off Frederick Street so that people can live there again? Or, are we satisfied to have a Cape Breton version of the Love Canal? Is that one of the legacies the Liberal government wants to leave in Atlantic Canada, that even though it had the money to prevent it, it allowed this toxic site to poison more Nova Scotians? I do not think so. I think the Liberals will pay a political price for being that negligent to the real needs of Canadians.

It is useful to look at where the government's budget surplus actually came from. There is a lot of debate going on about how the budget surplus should be spent, but people are forgetting where this fantastic pile of money came from. One of the most significant sources, I would like to remind Canadians, is the EI surplus.

The employment insurance system is broken. It is completely defunct. The wheels have fallen off. It does not work any more. It is only a cash cow for the government. Working people have to pay into it, and yet working people have a less than 40% chance of actually receiving any income maintenance should they become unfortunate enough to find themselves unemployed. What kind of an insurance fund is that? Who in their right mind would design an insurance fund like that?

Mr. Speaker, what if it was mandatory that you had to pay insurance on your house. You had to pay it every month. Yet if your house burned down you would have a less than 40% chance of collecting any dividend. You would think you had been cheated. You would think you had been robbed. You would be outraged. Mr. Speaker, you would be standing in your place and screaming bloody murder that you had been cheated. That is exactly the situation in which working people find themselves.

In fact, the figures are worse than that. The average worker has a less than 40% chance of collecting any EI benefit. The average woman has a less than 25% chance of collecting any EI benefit. The changes to EI disproportionately affect working women because there are more part time working women. Youths under 25 have a less than 15% chance of collecting any EI benefits at all. Yet faithfully every paycheque those people have to pay the premium, and faithfully every paycheque their employers have to pay 1.4 times the amount that the employees pay.

No wonder there is a surplus. If the government takes and takes and never pays anything out, of course it will have a surplus. That surplus is \$600 million per month; not per year, per month. There is \$7 billion per year in EI premiums alone that the government takes in and fails to pay out in benefits. To use that money for anything other than income maintenance for unemployed workers, I suggest, at the very least, is being dishonest. At the very worst it is fraudulent. To take something from a person's paycheque for a specific purpose and to use it for something else is a breach of trust.

To take it one step further, to take money away from those most vulnerable in society, unemployed workers who paid into the fund, and hand it over as tax cuts to the wealthy is nothing short of a perverse version of Robin Hood. To rob from the poor to give to the rich is absolutely unconscionable and somehow the government is getting away with it without a huge hue and cry.

Tonight there will be a vote on this issue. The member for Acadie—Bathurst has a private member's bill on EI reform which will be voted on tonight. Liberal members of parliament will have to stand to say whether they agree with this absolute cash cow that is the EI fund, and they will be counted. The public will notice them and they will pay a political price for voting against EI reform. We know where the money came from that gave this budget its surplus. It came out of the pockets of working people. It came out of the benefits that should have been paid to unemployed people in this country.

• (1340)

The whole issue of tax reform is a necessary debate. As I said, it is nothing against NDP policy to talk about true tax reform. It is frustrating to some of us that some would deny the fact that the NDP is concerned about tax fairness. We are very concerned about it. We believe that the tax system is one of the great economic instruments we have to redistribute wealth.

I can give an example of what a difference fair taxation can make. I can give the House the state of the nation in terms of the way we use taxation in the country to try to make a more equitable society.

If we look at the distribution of market income in 1997, the ratio of the top fifth income earners to the bottom fifth is 24:1. That is grotesquely unfair. The ratio is 24:1 of the top fifth income earners to the bottom fifth income earners. After taxes and transfers, that ratio falls to 8:1. It is still obscene by anybody's standards, but a huge improvement.

If we factor in the value of public services, which we equally enjoy and do not have to dig into our pockets to purchase, the ratio of income in equity falls to less than 4:1. Starting out at 24:1, we now have it down to 4:1. Some would still say that is fundamentally wrong, that we should be a lot more equitable than that. We believe that changes should be made in that direction.

It points out how the tax system can be used as an instrument for economic fairness, justice and equality. Yet we have chosen to go in the opposite direction. The changes in the current budget take us further in the opposite direction; not toward tax fairness, but growing the inequality between rich and poor. We have been sold a bill of goods that has told us it is necessary to let the wealthy keep more of their money and ignore the situation of the lowest fifth of the economic scale.

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It is a very cynical point of view, and the same is true in American politics, but there is no point in targeting a political message or an economic policy to people in the bottom fifth of the economic social scale because they do not vote. They are so marginalized and disenfranchised that they do not vote at election time. Why would government waste its largesse on 20% of the population which, frankly, would not vote for it anyway? They have given up on the electoral system as a vehicle or a means by which to improve themselves.

That might sound cynical, but I accuse the government of having gone through that thought process, in the same way the Americans have in their political system, that there is no sense in wasting messaging on people who really need it because they are so disenfranchised and marginalized they do not vote.

I want to voice our strong opposition to Bill C-24. It takes us further away from the idea of tax fairness. It will accentuate and augment the inequalities in our tax system and further institutionalize those inequalities for another couple of years until we can do something to convince the government to take steps otherwise.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I would like to comment on two matters raised by the member for Winnipeg Centre.

First, is the member aware that in 1985 the auditor general told the government of the day, when the EI had a deficit of about \$5 billion, that it would distort the public accounts if the deficit was not included in the consolidated accounts of the government? The auditor general said that the deficit must be included in the consolidated accounts and the government of the day did that. The EI surplus of today, if he wants to call it that, is really incorporated within the consolidated revenues of the government.

Does the member also know that the EI notional account has been in a deficit for 11 years of the last 17 years? Does he understand that the Canadian taxpayers supported that deficit for 11 years? Therefore, when the account has a surplus, why should the Canadian taxpayers, generally, not be able to use that notional fund for the benefit of all Canadians?

The member talks about tax relief for rich or wealthy Canadians. Is he confusing this with the tax policy proposals of the Alliance, which talk about a flat tax, which would clearly move the tax burden from the high income earners to middle and low income earners? The government in its last three or four budgets has delivered tax relief to low income and middle income Canadians.

• (1345)

From where did the member pick up the notion that the government was providing massive tax relief to high income,

wealthy, rich Canadians? The facts do not support that. Is he mixing it up with the flat tax proposal of the Alliance Party?

Could the member opposite clarify his understanding that the EI notional surplus has been in deficit 11 out of 17 years? How can he justify not using that surplus today to benefit middle income and low income Canadians?

**Mr. Pat Martin:** Mr. Speaker, I am happy to be able to answer a very good question that has its basis in actual fact. The EI fund was in deficit. The Canadian taxpayer propped it up over that period of time by a total accumulated backfill of \$13 billion. The total accumulated surplus will exceed \$39 billion at the end of this year. In other words, we paid back the original debt of \$13 billion and another \$26 billion is being hived off, again going into consolidated revenue.

The member is absolutely right again. There is no separate EI fund. All the money goes into general revenues. Our point is that any surplus above and beyond what we owe the consolidated revenue fund should be used toward income maintenance for unemployed workers, as it was intended.

If an amount is deducted from a person's paycheque for a specific purpose and then used for something completely different, at the very least it is a breach of trust. In the worst case scenario it is out and out fraudulence. We believe there has been a structured and deliberate abuse of the EI program that went far beyond paying back the \$13 billion and now is being used as a cash cow.

The hon. member asked if I understood the nature of the tax cuts being proposed by the government. I do. I understand the finance committee recommended four major components: reducing the capital gains tax, dropping the middle income tax rate, eliminating the 5% upper income surtax and raising the threshold for the top two tax rates. I wonder if the hon. member realizes that these four measures would make a difference in various income brackets.

Those making \$475,000 a year would get \$11,650 in tax breaks with these measures. Those making \$42,000 a year would get \$1,140 in tax breaks with these measures. Those making \$20,000 a year would get a \$3 tax break. Who is this benefiting the most? Obviously the high income earner.

The hon. member from Surrey spoke to me before I gave my speech. He pointed out that his daughter made \$8,000 last year. At the end of the year she received a bill for \$200 for taxes owing. The kid made eight grand and still owed \$200, even after paying taxes on her paycheques.

My mother makes \$21,000 a year from all her sources of income such as old age pension, her husband's CPP and widow's pension. She pays \$600 per quarter in taxes every year. At the end of the



*Government Orders*

year she owes \$1,500. Something is fundamentally wrong, I would put to the Parliamentary Secretary to the Minister of Finance.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, it is very clear to many Canadians, particularly young summer employees and so on, that this is not an insurance. It is a tax and it goes into the federal coffers.

I should like to inform the NDP member who just spoke that a terrible thing is happening with EI payments. There is a large oil well operation in my constituency. It is a cyclical industry. When it is up, it is hiring, and then it goes down. If a young person from the city of Weyburn or Estevan hires on in the oil industry and then gets laid off, he can draw EI insurance. However, if someone is laid off and returns to the family farm to live with his parents, he collects zippo. I am quite used to seeing farmers being abused, but when the government taxes them and they have to pay the taxes it is wrong that they cannot qualify. It should be corrected. I brought it to the government's attention but it made no difference. I would like the hon. member to comment on that.

• (1350)

**Mr. Pat Martin:** Mr. Speaker, I could not agree more with the hon. member. If one is forced to pay into something one should have a reasonable expectation of collecting what was promised.

The example I used before was of people with mandatory fire insurance on their homes. They have to pay into it. They have no choice. Yet if their houses burn down there is less than a 40% chance of being able to collect. They would think they had been cheated, that they had been robbed. That is fundamentally wrong.

The hon. member pointed out some kind of geographical discrimination in a sense. There are other inequities in the program which are just as glaring. For instance, an unemployed woman has less than a 25% chance of being able to collect employment insurance because women are more likely to be in part time work, and part time workers are disproportionately affected.

A youth under 25 years of age, and the young people listening today should be aware of this, has less than a 15% chance of collecting any benefits, even though it is mandatory to pay into the program. The hon. member is right. It ceases to become an insurance program. It is really another tax on the paycheque.

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, in listening to the government talk about projected GDP and since we are on fiscal matters, would my colleague be prepared to comment on the way we measure the wealth of the country in terms of taxation?

For example, we do not ever talk about the real cost of production. We do not talk about environmental degradation when

we talk about growth. We do not talk about the effect on poor families when we talk about social housing. I think there are questionable ways in terms of how the government measures growth.

**Mr. Pat Martin:** Mr. Speaker, I agree that the GDP is a flawed instrument to use in trying to measure the growth of the country. If there is a hurricane or a tornado the GDP blossoms in the area. That does not mean it was good for Canadians. It just means that a bunch of economic activity had to take place. We can tie GDP to disasters, for heaven's sake.

To say that Canadians are not productive because of the ratio of workers to GDP is a complete misnomer. Productivity is not the issue. Canadian workers are some of the most productive in the world. Productivity as a ratio to GDP and employment is a flawed way of viewing our economic well-being. It is misleading and I would say intellectually dishonest.

**Mr. Eric Lowther (Calgary Centre, Canadian Alliance):** Mr. Speaker, I am pleased to participate in the debate on Bill C-24 which deals with some tweaking and fiddling the Liberal government is planning to do with regard to the GST and the HST.

As is typical with the government opposite these changes were actually announced in 1997. Finally it is getting around to exempting a few items from the GST. It is interesting that in the last few months, just before it brought in the bill, it added a few other items that will now be taxed at an increasing level which were not taxed before.

Overall the particular bill points out a credibility shortfall on the other side. It was mentioned by the previous speaker. The actions on the particular bill and on the GST by the Liberal government have eroded public confidence in elected officials.

Let me refer to some comments made by the current Prime Minister regarding the GST years ago. The bill before us is a fine tuning or a tweaking of certain aspects of how the GST and the HST are applied. It is amazing so many years after these election promises by the current Prime Minister and his government that we are still doing this dance with the GST.

• (1355)

In 1990 the current Prime Minister said that he was opposed to the GST, had always been opposed to it and will always be opposed to it. In 1992 the thinking was, according to the Deputy Prime Minister, that they wanted to get rid of the GST. On January 23, 1992, they said that there was no doubt they would replace it. Also the Prime Minister said that we would know they have replaced the GST when we see their budget. All the way through I have many quotes from the Prime Minister who said that it would be gone in two years, just before the election in 1993.

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Here we are some seven years later and we are still looking at the GST. We had an election promise in the red book. Canadians were led to assume that they would not have the GST. They voted often on that basis. Many people may have voted a different way but had promises and guarantees from the leader of that party that the GST would be gone.

When that is the platform, when that is the promise, it is not unreasonable for Canadians to have the expectation that when the government comes in with a majority it will implement one of the key pillars of its platform. We can understand that may not be in the first year or the second year. Maybe there has to be some time to consider how to phase it in. For goodness' sake, we are seven years past those promises and there has not been one real movement dealing with the GST. We expected to see some results from that election promise.

It is not surprising that Canadians feel overburdened by taxes from the government. It throws lots of optics around some small tax relief. On the other hand it is taking more and more out of our pockets.

The GST is a good example. I met with the mayor of the city of Calgary who told me that out of all the services Calgary gets from the federal government and all the money it sends to Ottawa there is a net outflow every year to Ottawa from Calgary of \$4 billion.

**The Speaker:** The member has 16 minutes remaining when the debate continues later.

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## STATEMENTS BY MEMBERS

[English]

### ORGANIZATION OF AMERICAN STATES

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, the 30th General Assembly of the Organization of American States will take place in Windsor, Ontario, from June 4 to June 6. The OAS is the premier political forum for multilateral dialogue and decision making in the Americas. Foreign ministers from 34 states will take part in the session.

Canada will be hosting the general assembly for the first time. This reflects the new pluralism in our foreign policy and our recognition of common policy interests with our Central and South American neighbours in such diverse areas as corporate social responsibility and control of the illicit drug trade.

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### JUSTICE

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, marriage breakdown is often a difficult and sad occasion

and even more so when children are involved. Listen to the story of a non-custodial father who lives in my riding.

A few years ago his former wife took their two children and moved to the east coast. Subsequently he was laid off from his job and it took three full years for the courts to acknowledge the change in his employment status. In this case the court system pushed this father to the edge of financial ruin and dropped him into the abyss of deep emotional anguish, often aggravated by the fact that his wife repeatedly denied any access to his children.

For many, the emotional trauma brought on by inefficient, expensive and sometimes unfair court orders proves too much to bear. Darrin White from Prince George, B.C., committed suicide in March after a court gave him limited access to his children and ordered him to pay his estranged wife twice his take home pay in child support and alimony each month.

All legislators at all levels of government, all family law practitioners and all family court systems realize their decisions have human consequences. Too often, however, the court system fails to deal adequately and quickly with changing home situations.

\* \* \*

• (1400)

### WOMEN OF DISTINCTION

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, I am proud to rise today to honour the eight recipients of this year's Women of Distinction awards in Guelph—Wellington.

Manusha Janakiram, Barb Topolsek, Krista Adlington, Gwen Revington, Martha Jakowlew, Sue Richards, Dr. Ruth Tatham and Kim Iezzi are some of the exceptional women who call Guelph—Wellington home. As students, educators, businesswomen, artists and community workers, these women have all contributed to their community in a distinct and lasting manner.

I would like to extend my thanks and congratulations to these eight women for their hard work and dedication ensuring that Guelph—Wellington remains the greatest community in the world.

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### TEAM CANADA ATLANTIC

**Hon. Andy Scott (Fredericton, Lib.):** Mr. Speaker, I rise today to bring to the attention of the House the recent Atlantic Canadian trade mission to New England. Our Prime Minister has joined the Atlantic premiers and more than 50 Atlantic companies, all part of Team Canada Atlantic as they give New England a chance to catch the rising Atlantic Canadian wave.

The Atlantic Liberal caucus recently produced “Catching Tomorrow’s Wave” which called on the federal government to take the lead in economic development in our region. Our Prime Minister boasts of the extraordinary work that the Atlantic region has done to make itself a great place to invest.

The people of Atlantic Canada expect their government to provide leadership. That is exactly what our Prime Minister is doing. He is helping foster a dynamic relationship between Atlantic Canada and New England for the 21st century.

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#### ADVENTURE IN CITIZENSHIP

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, each year Rotary Clubs throughout Canada sponsor over 200 young Canadians to take part in the Adventure in Citizenship program.

Since 1951 over 10,000 students have come to Ottawa to explore the governmental process and institutions at the federal level. Designed to develop potential leaders, the program explores our nation’s identity, shared values, freedoms and history of tolerance and compromise.

This year Chelsea Zylstra from my riding of Cambridge is taking part in this important learning experience.

I join all members in welcoming these future leaders from all ten provinces and the three territories. I wish them success as they learn about the common bonds that unite all Canadians.

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#### AIRLINE INDUSTRY

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, the Minister of Transport thinks he can protect Canadians from Air Canada if he is provided with more regulatory powers. I hate to disillusion the minister but there is a better way.

The Canadian airline industry is in its current predicament because previous government regulations did not provide healthy competition. Last fall the competition commissioner stated that the best way to protect the Canadian travelling public was by fostering competition.

While the minister wants to cast himself as the white knight doing battle with a dominant Air Canada, the solution is much simpler. Ensure that Canadians have a choice. If the minister is truly concerned about the Canadian consumer, he will take the necessary steps to foster competition in the airline industry and give Canadians the power to regulate the industry themselves by exercising their right to choose.

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[Translation]

#### PUBLIC SERVICE ALLIANCE OF CANADA

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, on Friday, Nycole Turmel was elected president of the Public Service Alliance of Canada to replace Darryl Bean, who is leaving the position after over 15 years of devoted service to his members.

With the support of a large majority of delegates to the triennial congress of the Alliance, Ms. Turmel is not only the first woman to hold the position, but the first francophone as well. Before her election as president, Ms. Turmel had been the vice-president of the Alliance for nine years.

I would like today to congratulate Ms. Turmel on her election to the presidency of the Public Service Alliance of Canada and wish her every success in her new duties.

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#### PREMIER OF NEWFOUNDLAND

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, Premier Brian Tobin of Newfoundland shamelessly broke the provincial consensus on health care by saying that he had no objection to Ottawa’s having a say on the management of the health care system in the provinces. Captain Canada even tried to catch two other maritime premiers in his net.

Facing serious shortages of resources in health care, the provinces have for months been asking the federal government to return its transfer payments to 1995 levels. Ottawa claims that it is keeping this money so it can have its say in health care.

But we know, perfectly well why Brian Tobin is behaving this way. Captain Canada is working on a double play. On the one hand he is playing the role of courtier and indefatigable ally of the Prime Minister of Canada and on the other as the increasingly unsteady pretender to the throne of Prime Minister, he is trying to weaken the position of the provinces on the health issue in an effort to prepare the place he hopes to occupy soon.

We are not fooled by Captain Canada’s double play. Mark my words.

\* \* \*

● (1405)

[English]

#### FORESTRY

**Mr. Réginald Bélair (Timmins—James Bay, Lib.):** Mr. Speaker, forestry has been the mainstay in the lives of a vast number of residents in the Timmins—James Bay riding. The forest industry has created close to 4,000 jobs in the riding and has helped

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establish dynamic communities like Kapuskasing, Smooth Rock Falls, Hearst and Timmins.

This week we are celebrating National Forest Week. It is a time to reflect on the vital role forests play in our daily lives, as well as their significant benefits. We are also celebrating the 100th anniversary of the Canadian Forestry Association, a federation which has been dedicated to the wise use and conservation of our forests.

As Canadians we must continue to be persistent in preserving the health and vitality of our forests since they are equally important to the health of the local, national and global environments.

[*Translation*]

We have a duty to protect that wealth, so that our forests can continue to meet the social, economic and environmental needs of future generations.

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[*English*]

#### ST. JOHN'S WEST BYELECTION

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Mr. Speaker, the current byelection in St. John's West gives Newfoundlanders the opportunity to strengthen the new voice in parliament, the Canadian Alliance. This new and exciting movement is positively changing the face of politics in Canada. Concerned citizens in St. John's and Placentia have told me they are voting for change. They are sick and tired of the games that the Liberals and Tories play.

The Liberals are trying to resurrect their candidate's floundering campaign by pumping millions of dollars of public money into St. John's for the election.

They have seen it all before when John Crosbie ruled the roost for the Conservatives. They are demanding a change. They are all voting for Frank Hall, the Canadian Alliance candidate, to send a message to Ottawa. He will be joining 57 dedicated members of Canada's official opposition, Canada's government in waiting.

Newfoundlanders are going to start a saltwater wave that will sweep from the east coast across Canada and will remove the old parties and tired old politics.

Congratulations, Newfoundland. You are leading the way with Canadian Alliance.

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#### ENVIRONMENT

**Hon. Christine Stewart (Northumberland, Lib.):** Mr. Speaker, I would like to acknowledge today the presence in Ottawa of the Environmental Audit Committee, the newest scrutiny committee of the British House of Commons. Its purpose is to assess the

contribution of all government activity to progress on sustainable development and to audit the government's performance against relevant targets such as reducing greenhouse gas emissions.

The committee has come to Canada to discuss our unique system of departmental strategies and to meet with the office of the Commissioner of the Environment and Sustainable Development.

I had the chance to meet with these MPs last evening. I welcome them here in Canada and hope that this is just the beginning of a fruitful dialogue between our respective governments.

The members of parliament here today are Chairman John Horam, Helen Brinton, Neil Gerrard, Dominic Grieve, Jon Owen Jones, Paul Keetch, Tim Loughton, Christine Russell, Malcolm Savage, Jonathan Shaw, Simon Thomas, and Mrs. Joan Walley. Welcome all.

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#### HIBERNIA

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, this year alone Newfoundland and Labrador will take in more than \$20 million in royalties from the long awaited Hibernia oil and gas project, a full \$8 million more than what was originally projected.

With that kind of news one would think the people of Newfoundland and Labrador would be overjoyed. But they know that this Liberal government and the previous Conservative government adopted policies that increase rather than help to eliminate regional disparities across the country.

Equalization is supposed to help the seven have not provinces catch up, not keep them down. But today, because the government claws back 70%, each royalty dollar is worth a mere 30 cents.

That is why the federal NDP supports amending the equalization program to increase the amount of money that have not provinces are allowed to keep.

Under this government, the province of Newfoundland and Labrador continues to be resource rich but royalty poor.

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[*Translation*]

#### FOREST BIODIVERSITY

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I wish to congratulate Nathalie Perron and Marc Plante, who are both residents of my region, for being recognized under the Forest Stewardship Recognition Program of Wildlife Habitat Canada.

That program seeks to recognize the concrete actions taken by people to support forest stewardship and the conservation of forest biodiversity.

• (1410)

In a world whose fauna and flora are increasingly threatened, it is important to change our forestry operations, to make the best decisions and to use proven ways to manage and conserve forests.

Nathalie and Marc were rewarded for organizing two forestry-wildlife forums held in Jonquière, in 1997 and 1999. These two events allowed participants to review the latest information on the impact of forestry operations on wildlife and its habitat, in addition to promoting innovative practices to protect forest biodiversity.

Bravo and congratulations to Nathalie and Marc. Continue your excellent work for sustainable development.

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### CANTONNIERS DE MAGOG

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, I want to congratulate the hockey team les Cantonniers de Magog, following their spectacular victory at the Air Canada Cup tournament, held in Montreal in late April.

This is a first national Midget AAA title for the team. These young players deserve recognition for showing discipline, determination and remarkable talent throughout the season. Their efforts paid off, since they are now the best midget hockey team in Canada.

I wish to mention the work of coach Mario Durocher, who led his team like a true leader, and of all the others who contributed to the success of les Cantonniers.

Congratulations to les Cantonniers. The residents of Brome—Missisquoi are very proud of you.

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[English]

### MANITOBA

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, it is my pleasure to draw the attention of hon. members to Manitoba's 130th birthday on Friday, May 12. As Manitoba celebrates its first birthday of the millennium, it is an appropriate occasion to reflect on our beautiful province and our people.

Manitobans are people of tremendous perseverance who do not give up in the face of adversity. Throughout our history Manitobans have come together to build, to share and to dream of a better future for our children. We have witnessed and overcome many challenges of our time, such as the Great Depression, floods, storms and drought. On Manitoba Day it is especially important that we salute all Manitobans for their strength, determination and hard work that has given us our greatest successes and our greatest achievements.

### S. O. 31

The people of Manitoba can congratulate themselves for living in a province of economic prosperity, social diversity and cultural richness.

Happy birthday, Manitoba.

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### YOUTH

**Mrs. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, as part of the celebrations marking international youth week the Government of Canada is supporting a number of diverse locally sponsored events to acknowledge the many contributions our young men and women make to the country.

I especially wish to share with the House that under the aboriginal human resources development strategy, the government is contributing nearly \$1 million to assist aboriginal youth in the Northwest Territories and Nunavut in their efforts to fulfill their educational potential and gain access to meaningful employment. As well the youth employment strategy earmarks another \$25 million annually to first nations and Inuit organizations across the country to deliver a host of youth initiatives. These programs give youth valuable work experience and skills training through summer employment, science and technology camps, community service, entrepreneurship and internships.

In collaboration with our provincial, territorial and aboriginal partners—

**The Speaker:** The hon. member for Portage—Lisgar.

\* \* \*

### OPERATION DECODE

**Mr. Jake E. Hoepfner (Portage—Lisgar, Ind.):** Mr. Speaker, on Saturday a constituent was told he would end up dead, like murdered RCMP decode agent John McKay.

In 1998 I requested an independent judicial investigation into operation decode. The RCMP operation involving liquor and tobacco smuggling resulted in a highly paid dead RCMP agent, internal leaks from D Division to the target's lawyer, death threats, missing evidence, and conflicting testimony of RCMP officers in court. The most astounding action was when the RCMP stayed an arrest warrant against the Americans supplying the contraband because one of the witnesses was dead and they could not find their paid agent.

No wonder other countries claim Canada is a safe haven for criminals. How many more people will have to die before the government takes action and orders an independent investigation into operation decode?

*Oral Questions*

[Translation]

**PUBLIC SERVICE ALLIANCE OF CANADA**

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, I wish to draw the attention of the House today to the election of Nycole Turmel as the first woman president of the Public Service Alliance of Canada.

Ms. Turmel, a native of Quebec, was elected on the first ballot with a very comfortable majority. As well as being the first female president in the 34 years of PSAC's existence, she is the second francophone to hold the position. The 140,000-member Public Service Alliance of Canada is the main federal public service union.

• (1415)

Nycole Turmel has been active in her union since 1979 and on its executive since 1991. She distinguished herself through her extensive knowledge of the issues she was involved in defending.

I had the good fortune to come to know her and to work along with her on the pay equity issue, which culminated in a great victory for 200,000 federal public servants. This energetic and warm woman has announced that her presidency will be open, transparent and accountable.

I wish to express my personal sincere congratulations, as well as those of the Bloc Québécois, and our best wishes for success.

**ORAL QUESTION PERIOD**

[English]

**ACOA**

**Miss Deborah Grey (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the veterans affairs minister's worst fears have been realized. ACOA has already become the Atlantic Canada overblown agency.

Let us look at who got some cash: the Royal Bank, Canada Packers, Bombardier, Irving Pulp and Paper, CP hotels, IBM, General Dynamics Corp. and McCain Foods. These are not exactly small fries.

Why is taxpayer money being used to subsidize these massively profitable corporations?

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, the federation's report today looks somewhat similar to the Reform-Alliance agenda. It wants to cut all regional funding agencies. It agrees with the flat tax. It says that medicare is too expensive. It says that EI should be done away with. In fact, if

we asked the federation or the Reform-Alliance to pass judgment on ACOA it would be like asking Count Dracula to manage the blood bank.

**Miss Deborah Grey (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, let me make it clear. What we would like to do is end the abuse and let Atlantic Canadians oversee their own situation and not send money to Ottawa. This government confiscates Canadians' money through high taxation. It assigns the money to one department. It transfers it to another department, like the Business Development Bank, then it kicks it out to companies that do not need it and calls it job creation.

Why is this government's job creation limited to bumble, fumble and boondoggle?

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, the hon. member listed off a group of large businesses that received grants under ACOA. This is absolutely correct but it was under the Tory administration when all those grants were given to all the companies listed. I wonder if the Leader of the Reform-Alliance today still wants to unite with the Tory Party when it has a record like that.

**Miss Deborah Grey (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, he said that I listed off businesses. I would now like to list off some labour unions. It seems that the federal government would like to spread the cash around. It is not just limited to huge corporations and more government.

How about the Canadian Auto Workers? How about the New Brunswick Federation of Labour? How about the teacher associations and the teamsters. Jimmy Hoffa would be proud of that.

Why is the government handing taxpayer money out to groups that do not need it?

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, here they go again. They want to cut out all regional development agencies in rural Canada. They are opposed to any assistance at all to our fishermen. They are opposed to assistance to our farmers in western Canada, not one penny.

This Liberal Party will fight this anti-rural Canada attitude on the part of the Canadian Alliance Party.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I do not think that minister would know a farm if he saw one.

Yesterday the minister responsible for ACOA told the House that the first thing the Liberal Party did with that agency was to discontinue the practice of giving out grants. Access to information documents show that ACOA handed out 123 grants totalling \$12 million between 1996 and 1999; grants, not loans.

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Does the minister not know the difference between a grant and a loan? Maybe he should spend more time looking after his department and less time on his drama lessons.

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, I want to reiterate to the hon. member that when the Liberals took over the first thing we did, on the suggestion of the auditor general, was to change all grants and all forgivable loans to simply loans.

• (1420)

For the last five years we have been giving only loans which have to be paid back. That has been the case for every business, every commercial enterprise. The grants were given under the Tories.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, that is very interesting. Under access to information, I have a list of 123 grants given out by this government in 1996, 1997, 1998 and 1999.

According to the Canadian Taxpayers Federation, 72% of the funds disbursed by ACOA were in the form of non-repayable grants and contributions. What is more, 35% of the loans the minister talks about issued by ACOA have been written off over the past 10 years. It only gets worse. In the last two years the default rate has risen to 50%.

Why has the minister continued the abuse of taxpayer money under ACOA under his watch?

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, on the write-off question, which the hon. member says is 34%, the actual write-offs contained in the public accounts show that since 1995 the write-off of loans by the Government of Canada is 0.4%. Since 1987 the write-off has been 4.2%.

If the opposition party does not start doing its homework it will be written off in the next election.

\* \* \*

[Translation]

#### HUMAN RESOURCES DEVELOPMENT

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday, the Minister of Human Resources Development said that she had had audits done in the Modes Conili file and that all was perfect.

We have here two letters from the two companies concerned, namely Paris Star and Modes Conili, which prove beyond a doubt that jobs were indeed transferred.

How can the Prime Minister justify his government's wasting \$700,000 in public funds for the simple transfer of jobs?

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, we had allegations about this project and it was investigated by officials. As a precaution, payments were halted as we conducted the investigation. Ultimately the allegations were shown to be unfounded, the project continued and 162 people are working today because of this project.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, this is the same treatment they gave the file of the transfer of a project from the riding of Rosemont to the riding of Saint-Maurice, the Prime Minister's. They said "Those are allegations. We have checked. Everything is fine".

How can the Prime Minister tolerate ministers saying such things here in the House when there is evidence to the contrary and, inevitably, there is a police investigation, very often in his own riding? What is going on?

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, for two days in a row we have explained what happened within the department on this project. If the hon. member opposite has other information I urge him to bring it forward.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the fact of the matter is that \$719,000 was paid out for no reason to the firm Modes Conili Star, since 100 of the 118 employees covered by the job creation grant were transferred to the firm Paris Star.

How can the government once again waste over \$700,000 of public funds to subsidize the creation of jobs that do not exist, when a memo from the department shows that the same people were transferred from Paris Star to Modes Conili Star, their names and social insurance numbers being the same?

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, it is my understanding that the Paris Star company went bankrupt and those workers were laid off. Naturally another company will pick up experienced workers rather than have to train others.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, last week, the Prime

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Minister reiterated his total confidence in his Minister of Human Resources Development.

Should he not be eating his words today, since, once again, it appears that the Minister of Human Resources Development has for no reason paid out \$700,000 in public funds to a firm for jobs that already exist?

• (1425)

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, that money was not spent on jobs that already exist. That money was spent to hire 162 workers who did not have jobs and who are working today because of this program.

\* \* \*

**NATIONAL DEFENCE**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, an independent report released today documents shocking incidents of intimidation, cover-up and harassment of women on Canada's military bases.

These women face not only abuse, but military officials who, in too many cases, will not help them.

What will the government do to help abused military spouses? Will the government act urgently on the report's recommendations to make sure that military spouses receive the support they deserve?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, the reports are disturbing. The violence that is talked about in these reports is unacceptable. I know that the vast majority of the men and women in the Canadian forces are good, family supporting, law-abiding people. However, we must ensure that these particular cases are dealt with.

We do have family resource centres that help people in stressful situations and help to weed out domestic violence. We will make it quite clear, up and down the chain of command, that this abuse will not be tolerated.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, these women are under attack and the government refuses to take decisive measures to help them. These women are in crisis. Their families are in crisis. These communities are in crisis.

Will the government put an end today to the policy of containment and concealment? What will the government do to ensure that officers recognize their duty to protect not those who would shame the Canadian military but to protect these abused women?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, there is no such policy of concealment. We

want to make sure that there is fully accountability in the system and that these people are given the kind of support they need.

We have family resource centres with social workers who deal with these issues. The boards of directors of these family resources are controlled by the spouses. We put some \$17 million a year into these 42 resource centres.

We must make it clear. The chief of defence staff and I will be meeting soon to develop an action plan so that it is quite clear that this abuse will not be tolerated.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I was informed yesterday that there is a Canadian soldier stationed at CFB Cold Lake and possibly 13 other soldiers on base who have contracted tuberculosis.

Will the Minister of National Defence confirm in the House that there is presently an outbreak of tuberculosis at CFB Cold Lake, Alberta?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I am not aware of that but I will look into the matter and give the House the appropriate answer.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, the source that got in touch with me was both clear and firm in stating that tuberculosis was spreading across CFB Cold Lake.

The men who are at Cold Lake, Alberta were at one time stationed at CFB Borden with the Kosovo refugees. The minister should have been briefed some time ago about the very serious TB threat in Kosovo.

Why is the minister not 100% certain that there is not even a single case? He should know—

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

**The Speaker:** The hon. Minister of National Defence.

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I would expect, if there is the kind of condition that the hon. member is talking about, that I would be fully informed of the matter. However, I will ensure that I get the information to the hon. member's question.

\* \* \*

**ACOA**

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, ACOA's folly does not end with big business and big government. It has wasted millions all over Atlantic Canada on yacht clubs, golf courses and even for something called the Friends of Hank Snow Society. It has wasted money in Shediac, Shelburne, Summerside, Corner Brook and Cardigan. Suffice it to say, it has wasted money everywhere.



*Oral Questions*

• (1430)

Does this minister not understand that when ACOA spends it is taxpayers who are singing the hurtin' songs?

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, it is correct that we did give a grant of \$15,000 to the Friends of Hank Snow Society because it is a non-profit organization promoting tourism in Liverpool, Nova Scotia.

Mr. Speaker, you will notice that the Alliance is not criticizing any assistance to orchestras or operas. I want to remind the member that in Atlantic Canada Hank Snow and the Grand Ole Opry have more followers than the grand opera.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, let me make it very clear that I am criticizing the puppet show over there. That answer, as Hank would say, has the minister going 90 miles an hour down a dead end street.

He should know that Canadians are a little unhappy. The government has paid \$1.5 billion to ACOA over the last seven years since it has been in power. Instead of trying to buy votes, why does this minister not trust Atlantic Canadians and leave that money in their pockets in the first place, instead of trying to fund ACOA?

**Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, the hon. member claims that this government has spent money under the ACOA business program and under ACOA assistance on golf courses.

We have had a policy for years that not only are there no loans given for the capital costs of golf courses, neither are there loans or grants. There has been assistance for golf courses under the infrastructure program and under federal-provincial programs. The hon. gentleman has bogeyed again.

\* \* \*

[Translation]

#### HUMAN RESOURCES DEVELOPMENT

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the government spokesperson for human resources development just told us that the action was justified, since Paris Star had gone bankrupt.

Three minutes ago, Paris Star was still in business. We phoned Economic Development Canada. Everyone is assuring us that Paris Star never went bankrupt.

I have a question for the parliamentary secretary. What does she have to say to justify the \$700,000 in grants? I have here with me a document entitled "Letter to Reassure Employees". That letter,

which is dated March 25, 1997, and signed by the president of Paris Star, confirms what we are saying.

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I qualified that statement by saying that it was my understanding that the company went bankrupt. Perhaps it was that those workers were laid off. What I do know is that they were unemployed and the other company hired them.

It is always our intention to bring jobs to Quebec. If that party opposite is not interested in that and is interested in overturning logs to look for trouble, then that is its business. We want to put people back to work and 162 people are working because of this company.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, instead of justifying the use of \$700,000 like it should, the government is accusing us of not wanting jobs. This is ridiculous.

What does the government have to say to justify the \$700,000?

The same letter says "Each employee and supervisor will have the same job at the new location. Your paycheck will be under the name of the new partnership and will be paid as usual with the indication Paris Star. You will remain under the authority of the joint board. Your seniority at Paris Star will be transferred to the new partnership".

And we are told—

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

**The Speaker:** Order, please. The Parliamentary Secretary to the Minister of Human Resources Development.

• (1435)

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, for days now these people have been dropping allegations about this file. They have been invited on many occasions, as a matter of fact they have been urged to bring forward information to the House. The reading of that letter shows that they have information which they have not shared. They are not serving the House well by hiding information and simply exposing it at Oral Question Period instead of bringing it to the authorities who can investigate.

\* \* \*

#### EXPORT DEVELOPMENT CORPORATION

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, it looks like the Liberal government has been hit by the love bug. You know what the love bug is. It is when the Liberals love to give untendered contracts to close friends.

*Oral Questions*

The Export Development Corporation struck an exclusive, untendered, multimillion dollar deal with London Guarantee to offer export insurance to Canadian customers. It turns out that London Guarantee is owned by Power Corp. of Montreal. Need I say more? Furthermore, the EDC's board is dominated by Liberals, including a political organizer, Liberal donor and close friend of the Prime Minister.

Why is it that the Liberals love to give untendered contracts to their friends but hate playing by treasury board guidelines?

**Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I am glad to see that the opposition has finally reacted to the March 29 communique in which EDC announced this strategic alliance with London Guarantee.

EDC stated very clearly that it had established 10 criteria and studied all potential candidates. KPMG provided an independent assessment of the criteria. In EDC's opinion, London Guarantee was by far the best candidate for this strategic alliance.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, that is no surprise, considering that it was never put out to tender and other insurance companies wanted to have a try at it.

It is interesting that the spokesperson said "The most critical element in putting together this deal was to find a firm with a compatible culture. That is not something which can be put out to tender".

What kind of compatible culture is this spokesperson talking about? Is it the culture of "You scratch my back and I'll scratch yours"? Is it the culture of "Give early, give often and the cheque is in the mail"? Or, is it merely the culture that says "Hey friend, have I got a deal for you"?

Why is it that there are so many untendered contracts that go to the friends of the Prime Minister?

**Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, we are talking about a strategic alliance. We are talking about a firm that was selected on the advice of KPMG because it was compatible to do the task. This has been in the air for six weeks. It was in the March 29 press release of the EDC.

I knew that Conrad Black owned a lot of newspapers in this country. I can tell now that he owns his own political party as a mouthpiece.

\* \* \*

[Translation]

**HUMAN RESOURCES DEVELOPMENT**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, really, there are some limits.

The government representative says things are being concealed. Information on social insurance numbers and names comes from access to information, files held by her own department. If they started doing their work, perhaps they would begin to understand things.

The two letters: the president of one company and the president of the other. I want to know who is hiding what here? Who is hiding invoices here? Who is hiding the truth? Why is there this smell of corruption from the other side?

• (1440)

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, the fact of the matter is that the party opposite is reading part of a letter to which I am not privy. If in fact they have had that letter over time, they are withholding information that we have been urging them to bring forward.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the letters were made public yesterday. There is always someone from the government that takes them at our press conferences. They should wake up.

Should the Prime Minister not be a bit worried, because this is the same strategy as the company moving from Rosemont to his riding, with the help of intermediaries who are funding the Liberal Party, who found the perfect name for their dubious project: Golf and Grants? Does golf and grants not ring a bell with the Prime Minister? He should know about that; it is close to home.

[English]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, once again I would urge the party opposite that if it has any evidence of impropriety it should bring it forward so that we can investigate.

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**HEPATITIS C**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, actions speak louder than words. Today the Ontario government announced that it will compensate all innocent victims of hepatitis C, regardless of the date they were infected.

The Liberals arbitrarily chose January 1986 to July 1990 as their dates for compensation, with little compassion or responsibility. These victims contracted the disease through no fault of their own.

When will the minister act responsibly and follow the leadership of Mike Harris?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, for the very reasons given by the hon. member, we provided for all

innocent victims of hepatitis C through the blood system. The difference is that we provided it through care, not cash; treatment, not payment. Because that, in the last analysis, is what people need when they are sick: \$300 million for treatment and for care.

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, the health minister says that he cares. We have heard that over and over again, but he should talk to some of the victims of hepatitis C to see how they feel he has treated them.

Two years ago the federal government announced that it would send out compensation. The only people who have been paid to this point are the lawyers. The forms just went out last week to the actual victims.

This minister and his government have no conscience. How can the minister be so callous as to ignore the suffering of those victims?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the government has paid a total of \$1.3 billion for the compensation of people infected with hepatitis C.

We have managed to save probably 10 years of litigation by resolving cases before the courts. In relation to those infected outside that period, there is \$300 million for the treatment they will need, including \$75 million which will be available this year alone. That is not only sensible, that is compassionate.

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[Translation]

### SIERRA LEONE

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, yesterday, the Minister of Foreign Affairs assured us that everything will be done to help facilitate the departure of the approximately 40 Canadians and Quebecers in Sierra Leone. He then criticized the lack of resources of UN troops on the ground.

Will the minister tell us what position the Government of Canada intends to take at the security council with respect to the action that will be taken to bring about a lasting peace in Sierra Leone, as well as ensure better logistical support for the blue berets in the region?

[English]

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, on the specific question of support for Canadians, I spoke with Robin Cook, the foreign secretary of Great Britain. He gave me the assurance that the paratroopers are there and that the organization they put in place to ensure the withdrawal of people is in fact available to Canadians when they avail themselves of it, and some of them are doing it.

• (1445)

As to the larger question, which is a very large question, as I pointed out yesterday we are taking initiatives specifically at the

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security council to make sure that the UN forces there get the kind of support they need, that we begin to pursue the whole question of the diamond trade that is going on to snuff out the conflict, and that we begin to look at the whole question of accountability of those who carrying out the crimes.

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### THE ENVIRONMENT

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, in many areas the Great Lakes basin has experienced its greatest drop in water levels since records have been kept. Low water levels affect everyone one way or another. At this time it is especially true for marina operators.

In view of the tremendous economic activity which this industry generates and the communities that depend on it, and in view of the need for access to harbours of safe refuge on the lakes, how will the Minister of Fisheries and Oceans deal with the emergency situation in the Great Lakes?

**Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I thank the member for Essex as well as members of the Ontario caucus who put this issue forward to me. They made me and the government aware of the difficult situation of the low water levels.

That is why last week I announced that the federal government is prepared to make a \$15 million contribution on a cost shared basis to emergency dredging of marinas most severely affected by the current low water levels in the Great Lakes basin. I think this is good news for Ontario. It could not have been done without the strong effort of Ontario members of parliament.

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### NATIONAL DEFENCE

**Mr. Jim Hart (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, the foreign affairs minister continues to oppose the national missile defence program. Canada's ambassador to the U.S., Raymond Chrétien, said at a meeting that I attended that it would harm Canada-U.S. relations if Canada did not participate in the missile defence program.

My question is for the Prime Minister. Does he agree with the foreign affairs minister, or does he agree with Canada's ambassador to the U.S.?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, if the hon. member had been paying attention, even though there has been no request made for participation the United States has not decided on its own participation at this point in time. All that is being done is a series of very important questions that are being raised, questions about the participation in NORAD and equal questions about the importance that it has to the broad question of arm's control and nuclear disarmament. I suggest the

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hon. member engage in the debate rather than ask spurious questions.

**Mr. Jim Hart (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, as a matter of fact I am paying attention. It is the minister who is not listening to the United States whose signals are very clear that it wants Canada in the missile defence program.

Professor Jim Fergusson, an expert on defence issues from the University of Manitoba, has confirmed what I heard the ambassador say. He testified before the defence committee last week that not participating would harm Canada-U.S. relations. Does the Prime Minister agree with Ambassador Chrétien, or does he agree with the rantings of the foreign affairs minister?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I am afraid that when the hon. member talks about ranting it is simply reflecting his own party's approach to parliamentary debate.

The reality is that a number of experts have been asked to testify before the defence committee, before the foreign affairs committee. They all have different points of view. We are listening to them. Unlike the Alliance-Reform or whatever they are, we do not have an ideological vision. We listen to Canadians.

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**HEALTH**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Minister of Health. Some time ago the minister wrote to the Alberta government saying he was concerned about the potential NAFTA implications of bill 11. Then he said there might be problems and they were studying it. Most recently he says that there is no problem and he apparently takes this view on the authority of the minister of trade who said that there is no problem with bill 11.

Would the minister share the documentation, the study, the evaluation, the analysis? Would he share with Canadians whatever it is that has caused the government to come to this particular view of bill 11? We would like to see the argumentation.

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the Canadian right to regulate and protect our health care system is not affected by NAFTA. I did express concern to the Alberta government about bill 11 not only in relations to NAFTA but in relation to the Canada Health Act and whether the implementation of bill 11 would affect the principles of the Canada Health Act.

• (1450)

I will tell the member today, as I have in the past, that if and when bill 11 is adopted we shall be vigilant to monitor what happens on the ground to make sure that nothing in the practice imperils the principles of the Canada Health Act.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, we will see about that. We hope they are a little more vigilant than they have been with the eye clinics up until now.

The question I asked is about the NAFTA implications. The people who contend that bill 11 is a problem with respect to NAFTA have been willing to share the legal opinions which they have had developed.

Why is the government unwilling, either the Minister of Health or the Minister for International Trade, to share with the House the argument that has come out of the Department of Justice or the Department of International Trade or wherever to show us the reasoning behind the view that they now take, which they did not only weeks ago, that bill 11 is not a problem as far as NAFTA is concerned?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, what we have shared with the Canadian people will be shared with the House. It is our determination to ensure that nothing happens which will imperil our Canadian health care system. In particular, if bill 11 is adopted nothing in its implementation will imperil the principles of accessibility and universality that we cherish so much. We will monitor what happens on the ground to make sure it does not.

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**NATIONAL DEFENCE**

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, I received a call yesterday from a Valcartier soldier's family expressing concern that soldiers exposed to TB in Kosovo will soon be back on base. Could the Minister of National Defence tell the House if there are any plans to give medicals before they arrive on base?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, there is frequently a medical examination of our personnel both before and after return and various debriefing consultations take place to determine whether there are any illnesses physically or mentally of any kind.

I might add that the hon. member's colleague asked an earlier question about TB cases in Cold Lake. I am now informed there are no active TB cases in Cold Lake.

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, that is strange. We have a mother calling saying that her son has it. Also the war in Kosovo has given rise to outbreaks of many other diseases such as TB, of course. These diseases have been kind of forgotten by Canadians. Therefore they are not being immunized for them.

Our soldiers on the ground in Kosovo are being exposed to these diseases. What exactly has been done to protect them in theatre?

*Oral Questions*

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, we take great care in terms of our personnel going overseas to check the environmental conditions. We have environmental experts that go over to check the area that they are to operate in and the areas where they are to set up camp. Full medical services are provided for them.

There are numerous things which we have changed and improved over the years because the quality of life of our personnel, of our troops, is vitally important to us.

**Mr. Art Hanger (Calgary Northeast, Canadian Alliance):** Mr. Speaker, a report released this week claims spousal abuse at military bases is being covered up. This is a very serious allegation. I believe statements like those offered in the report would require immediate reaction on the part of the government. The report obviously is based on specific cases of abuse.

My question is for the defence minister. Will the government investigate any of the specific allegations of abuse made or referred to in the report?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** The short answer is yes, Mr. Speaker. Any allegations that deal with any wrongdoing in the Canadian forces will in fact be investigated.

This report raises some disturbing incidents. We do not find them acceptable. We will not tolerate violence. We will not tolerate domestic abuse.

It is not exhibited by the vast majority of the people in the Canadian forces who are good, dedicated, decent people, but in cases where it does exist we will deal with it and make sure that the entire chain of command is accountable. We will continue to provide services to the family support centre for abused wives.

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**THE ENVIRONMENT**

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food. This spring the Ottawa-Carleton region launched its rural clean water program to improve our local water quality.

Could the minister assure the House that on land farmed by Agriculture and Agri-Food Canada south of Ottawa the department uses best practices to reduce pollution in the waterways that run through the land?

• (1455)

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I am certainly pleased by the program the

Ottawa-Carleton region has put in place for sustainable agriculture. It follows the work that the Minister of Agriculture and Agri-Food does on sustainable agriculture and environmental soundness.

The land to which the hon. member refers is about 300 acres of land used for doing corn research. On that land they practise all sound management practices to reduce erosion, to minimize use of fertilizers, to get maximum crops and to detain runoff of anything from that property.

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[Translation]

**IMMIGRATION**

**Mr. Bernard Bigras (Rosemont, BQ):** Mr. Speaker, today we have learned that Immigration Canada has just refused to issue visas to 24 African business people who have been invited to the 5th Salon africain et créole Desjardins to be held in Montreal, in which CIDA and the Department of External Affairs are involved, among others.

Do Immigration employees have nothing better to do than to hassle business people who have been invited to an international salon organized by Desjardins and supported by a number of federal ministers?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the information is not accurate.

[English]

The information I have is that at this point in time applications have not fully been completed in their review. Many applications have not been fully completed and filled out as they should be. A number of requests are under consideration at this time.

I want the member to know that the Department of Citizenship and Immigration takes very seriously the request for visitors visas and people are expected to—

**The Speaker:** The hon. member for Saskatoon—Rosetown—Biggar.

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**AIRLINE INDUSTRY**

**Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP):** Mr. Speaker, people all across Canada are becoming increasingly upset by their air service cutbacks. The Atlantic premiers complained to the Prime Minister earlier this week. My own city of Saskatoon is losing 40 flights a week this year, and those cutbacks are already beginning to do serious harm.

During the airline merger talks the transport minister promised that he would not allow Air Canada to use its monopoly to the

*Point of Order*

detriment of smaller centres. What is the minister prepared to do now to ensure that Air Canada maintains adequate service to Saskatoon and to other smaller cities?

**Hon. David M. Collette (Minister of Transport, Lib.):** Mr. Speaker, the government has brought in a very tough bill that will regulate Air Canada and make sure consumer interests are truly looked after.

I am told by the chairman of the committee that clause by clause consideration will be completed this afternoon. There will be a special commissioner at the Canadian Transportation Agency to oversee all the complaints. That came from the members of the committee.

The Competition Bureau has brought in tougher amendments on predatory behaviour. These are things that parliament is doing to regulate the airline industry.

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**FISHERIES**

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, my question is for the minister of fisheries. The minister is well aware of the difficulties some small boat fishermen are having with the regulations pertaining to boat lengths and how they affect their abilities to catch their quotas and earn livings.

At this moment fisheries officers in Newfoundland are actually telling fishermen that they have to cut a piece off their boats to meet the boat length regulations if they want to fish. Will the minister put an end to these costly and insane regulations and allow fishermen to harvest their quotas in the boats of their choice?

**Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, one of the things that is extremely important is boat safety. This is an area we are looking at very closely.

We as a government made a huge number of commitments to reduce the capacity so that we would have a sustainable fishery. We do not want to increase the capacity. We spent large amounts of taxpayer dollars to reduce it so that we would have a sustainable fishery. Safety is an important concern. It is something I am looking at to ensure that when fishermen fish safety can be an important component.

\* \* \*

**IMMIGRATION**

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, my question is for the Minister of Citizenship and Immigration. Response from constituents to the minister's proposed once in a lifetime family repatriation plan has

been extremely positive. I have received more feedback from constituents on it than on the right of landing fees and immigrants. When does the minister expect to carry out this once in a lifetime proposal and does she have any additional details on how it will work?

• (1500)

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I thank the member for his interest in this matter.

It is the policy of the government to see an expansion in the family class. During the discussions on Bill C-31 we are proposing an expansion to the family class.

However, immigration is a shared jurisdiction with the provinces. I am already having discussions with the province of Manitoba to discuss a pilot project on the once in a lifetime sponsorship proposal. Manitoba has a provincial nominee agreement and it may be possible to attempt to see how this would work. It is important that all of the provinces participate with us.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I would like to bring to the attention of the House the presence in the gallery of a delegation led by His Excellency Li Ruihuan, chairman of the Chinese People's Political Consultative Conference of the People's Republic of China.

**Some hon. members:** Hear, hear.

**The Speaker:** We have another guest, Robert Sturdy, Esq., member of the European Parliament and president of the Canada-Europe Parliamentary Association.

**Some hon. members:** Hear, hear.

\* \* \*

[Translation]

**POINT OF ORDER**

AMENDMENTS TO BILL C-3

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, you must understand that I have tried to obtain a response from those in authority before bringing the problem to you.

• (1505)

I even tried to contact the main person involved, but she is on sick leave. I have a series of questions but no answers. I hope you are going to be able to enlighten me, Mr. Speaker.

Once again, these questions involve the confidential nature of the work of the legislative counsel. This will not take long, and I know it will be of interest to you.

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During the months of March and April, I introduced a series of amendments to a bill that has not yet reached the report stage, but my purpose was to prepare for that stage. The bill in question is Bill C-3, the Young Offenders Act. It has not yet passed the committee stage and the clause by clause examination has not yet begun. In order to provide the legislative counsel with some assistance, I tabled several hundred amendments through Mr. Louis-Philippe Côté.

In late April, legislative counsel Richard Dupuis—

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

[*English*]

**The Speaker:** Order, please. I would like to hear what the point of order is.

[*Translation*]

**Mr. Michel Bellehumeur:** During the months of March and April, I gave hundreds of amendments to Louis-Philippe Côté, the legislative counsel, to have him prepare them in due form for me to then table them. Perhaps I will not table them, but I want to be sure I have everything going for me. I gave them to Mr. Côté, so he could prepare them for report stage.

At the end of April, I got a call from Richard Dupuis, the procedural clerk. He called my office to discuss the amendments I intend to table pertaining to the Young Offenders Act at report stage. He even sent me by fax, in proper form, at report stage, amendments that I tabled with the legislative counsel.

My question is still the same: How is it the procedural clerk of the House of Commons has the amendments I have yet to table, which are at the drafting stage and which he is discussing with heaven knows who. One thing is sure, he has them, because he faxed them to me. He is discussing them with people to find out the point of my amendment, how I want to go about it or whatever.

This is what I would like you to answer, Mr. Speaker. Given that a committee is already studying this question, what relationship of confidentiality do I enjoy at the moment with my legislative counsel?

**The Speaker:** My hon. colleague is questioning the Chair, but it seems to me that all members must know that is precisely what was moved for debate here three or four weeks ago. It is now before the Standing Committee on Procedure and House Affairs. We must wait for the committee to table its report in the House.

Like you and all the other hon. members, I am waiting for the committee to present its report to the House. All the members will hear the same response.

[*Translation*]

**SALES TAX AND EXCISE TAX AMENDMENTS ACT,  
1999**

The House resumed consideration of the motion that Bill C-24, an act to amend the Excise Tax Act, a related act, the Bankruptcy and Insolvency Act, the Budget Implementation Act, 1997, the Budget Implementation Act, 1998, the Budget Implementation Act, 1999, the Canada Pension Plan, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Act, the Income Tax Act, the Tax Court of Canada Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

**Mr. Richard Marceau (Charlesbourg, BQ):** Mr. Speaker, I am pleased to once again take the floor today, but on a different topic, namely Bill C-24.

I am especially pleased since today is the birthday of my father-in-law, Paul Jacobson, and he is surely watching CPAC, the parliamentary channel. I salute him.

• (1510)

I would be remiss if I passed over the comments by the member for Kings—Hants just before Oral Question Period. He praised the Government of Quebec's fiscal policies, rightly so I might add, mentioning the benefits of the policies the PQ government has put in place to attract high-tech industries, among others, to Quebec. We know that the City of Montreal and his region, of which we have a proud representative in the person of the member for Hochelaga—Maisonneuve, is now one of the centres of the new technology, not just in Canada and North America, but worldwide, of course.

I would be remiss if I did not mention what the member said, and quite rightly, about the fiscal policies of Bernard Landry, one of the greatest finance ministers Canada or Quebec has ever had, provincially or federally.

Obviously, Bill C-24 is a bill which we vehemently oppose. One of the main problems—I would even say the main problem—of the Canadian federation right now is fiscal imbalance. While the federal government is swimming in enormous surpluses, and the Minister of Finance talked about surpluses of \$95 billion over five years, our view, which is shared by most of the experts—the member for Sherbrooke agrees with me—is that it will be more like \$137 billion to \$140 billion.

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The tax imbalance is such that while the federal government is enjoying huge surpluses, all the provinces have trouble just keeping their heads above water. Ottawa and the provinces have needs to meet. For example, because of the ageing population, we know that expenditures can only increase in the health sector.

But, since 1993, the federal government has been cutting the transfers to the provinces for health. What is the result of these cuts? The result is that the provinces are feeling the crunch. Then the federal government acts like a saviour and says "Here, we will give you more money, but we are the saviours of Canada's health system", when, in fact, it is the federal government that axed health all across Canada. It is only through the heroic efforts of all the provincial governments that we are managing fairly well. But the primary source of the problems in health is the federal government.

We could go on like this in several areas. Worse still is the fact that the federal government's surpluses were generated not only at the expense of the provinces, as I pointed out, but also of the poor. For example, six out of ten people no longer qualify for employment insurance.

Yet, the term insurance implies that if we have a problem, we are protected, we have a safety net. But no, the federal government organizes things so as to get the money out of the most disadvantaged, the unemployed for instance, to fill up its pockets and then to use their money for purposes other than those intended.

When most Canadians and most Quebecers look at their pay stubs, they can see that a certain amount has been taken off in the employment insurance column each month. Anyone looking at it can say to himself "If I lose my job, I should be able to access employment insurance", but no. No, because this government is stealing from the unemployed to fill its coffers with money that ought normally to go back to them.

We find ourselves therefore in a somewhat unbelievable situation in which transfers to the provinces are being cut, in which the provinces are doing their best to deliver the services for which they are responsible, and then Ottawa comes along saying "Come now, dear provinces, I can give you some more money, but you will have to adhere to this or that national standard".

• (1515)

The Canadian federation is more centralized than ever, and one symptom of this massive centralization is the agreement on social union which the provinces, with the exception of Quebec of course, the only one to stand up for itself, felt obliged to sign.

This is serious. The provinces are obliged to sign off, to abandon huge chunks of the sovereignty in order to get their hands on some few million dollars temporarily. Unfortunately for them, they have been bought off. That is what has happened. Only Quebec had the

honour, the dignity and the courage to stand up for itself and to say no, but that is the way Canadian history has always gone.

There have already been other instances of this type of dirty financial dealings by the federal government. For example, there is the harmonization of the GST with the QST. We know that the Government of Quebec had harmonized its sales tax with the GST. A few months later, the maritime provinces reached an agreement with the federal government and were compensated for harmonizing their sales tax with the GST, something the Government of Quebec was not. This is another example of the perverse desire of this government to see that Quebec does not get its due.

For example, in order to compensate the Atlantic provinces for the financial losses they will suffer by harmonizing the sales tax, the federal government paid \$961 million in compensation to them. This aid represents \$423 per inhabitant. In Quebec, this would mean a figure of \$3.1 billion.

This is not what Quebec is asking. The Government of Quebec rightly said that it would accept \$2 billion. However, if the criteria used with the Atlantic provinces were used, the Government of Quebec would be entitled to ask for \$3.1 billion.

The Government of Quebec asked for \$2 billion in compensation. The harmonization cost everyone a lot, not only the Government of Quebec, but businesses in Quebec as well.

The reform of the QST occasioned by the harmonization, resulted in significant financial costs that necessitated increases in corporate taxes and the retention of certain restrictions on refunds of taxes for corporate input.

Quebec businesses have not benefited and are still not benefiting from the harmonization with the GST, because, once again, of the ill will of the federal government. The federal government's compensation to the maritimes adds to the economic and fiscal competition these provinces represent for Quebec, since Quebec does not receive comparable assistance.

In addition, Bernard Lord's predecessor in New Brunswick, Frank McKenna, who is of the same political stripe as the government, took out full-page ads in newspapers and economic reviews in Quebec inviting companies to set up business in New Brunswick, saying that his province's fiscal policies were competitive and that they would be better treated than in Quebec. Of course, because, among other things, they are entitled to compensation from the federal government, while the Government of Quebec is not.

Quebec taxpayers subsidized, as it were, the Government of New Brunswick's attempt to steal jobs from Quebec. It is a completely ridiculous system. It is utterly surrealistic, but it is the way Canadian federalism works. This is just one example of why we want to get out and are fighting to do so.



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In addition, at the suggestion of the Bloc Québécois, the government said “Perhaps we are not right. We think we are, but we are prepared to submit the dispute to arbitration”. The federal government and the Government of Quebec could have jointly appointed an arbiter, a judge, call him what you will, to determine who is right. The government completely refused this overture from the Bloc Québécois because, of course, it knew that the request from the Government of Quebec, and the Bloc Québécois in particular, because it was the Bloc Québécois that introduced the idea, was right. It was reasonable and it was right.

• (1520)

I am delighted to see the Liberal member nodding his approval. Through you, Mr. Speaker, I tell him “Ask the Minister of Finance to submit the dispute to an unbiased person. That is what he should do instead of pitting the Quebec government against the federal government”. I would bet, I was going to say \$1,000, but thanks to the Bloc Québécois, \$1,000 bills are being withdrawn.

I would bet \$100, Mr. Speaker, that the Quebec government would be proven right. I do hope that you will accept the challenge, which I throw out in all friendship, to you and to the two members who are hanging on my every word, because they, too, know that the request of the Bloc and of Quebec is legitimate.

I ask them to put pressure on the Minister of Finance to have him submit this issue to arbitration.

Another issue on which the Bloc has worked hard concerns the increase in the price of gasoline. Such issues show how a party sticks to reality and listens to people. The Bloc Québécois has launched a vast campaign throughout Quebec to help consumers affected by the drastic increase in the price of gasoline in Quebec and Canada last winter.

Like my colleagues from Témiscamingue and Sherbrooke, we ask that the federal government temporarily waive the excise tax of 10 cents per litre on gas and 4 cents per litre on diesel fuel until such time as the price of gas has returned to an acceptable level.

Whether we lower the taxes or not, this increase in gas prices will have been very costly for Canadian and Quebec households. Anyone who has a car—and most people need one—or has to buy heating oil for their house, their apartment or their condominium is affected by that increase. The federal government took advantage of that increase to fill its pockets, raking in 10 cents per litre of gas and 4 cents per litre of diesel fuel.

Many times, the Bloc Québécois asked repeatedly that the federal government waive the application of its tax but, again, it preferred to rake in the money instead of giving it back to the Canadian and Quebec taxpayers to whom it belongs.

Those who drive to work or heat their homes are affected. But, heartless as it is, the federal government decided to ignore the request of the average citizen defended by the Bloc.

I personally circulated a petition, which was very popular in my riding. It was circulated to gas stations, community groups and several people. It is incredible how sensitive people are where their money is concerned.

Why give tax breaks when they do not mean anything? Why should the government say that it is reducing taxes for Canadians, as the Minister of Finance is bragging about, when it is raking in more money with the increase in gasoline prices? It does not matter whether the money comes from the right pocket or the left pocket, it still comes out of the same pair of pants.

Again, this shows how this government is completely out of touch with reality, and it is just one more reason why we will strongly oppose Bill C-24. I call upon all my colleagues, including the two Liberal members who are here, to put pressure on the Minister of Finance to get him to listen to Quebecers.

Mr. Speaker, in closing, I will ask you to make sure that there is a quorum for the next speaker.

• (1525)

That quorum should be made up of Liberal members. Out of respect for the next speaker as well as for the Chair, I ask that members be called in.

[English]

**The Acting Speaker (Mr. McClelland):** The hon. member for Charlesbourg has called quorum.

*And the count having been taken:*

**The Acting Speaker (Mr. McClelland):** We do not have quorum. Call in the members.

*And the bells having rung:*

**The Acting Speaker (Mr. McClelland):** We now have quorum.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, I thank my colleague from the Bloc for being kind enough to get an audience for me which is now dispersing. Maybe I should call quorum.

**An hon. member:** Stand up.

**Mr. Ted White:** Somebody is calling “stand up”. Members on that side of the House claim to have the world monopoly on tolerance. Listen to them calling things like that. They really need to rethink their approach entirely.

It took three or four minutes to get a quorum which illustrates very well that this is not a place of the people. It is not the place it is supposed to be, a place where the people of Canada have their laws passed, where the people of Canada have their will passed. This is a place of the parties. People do not even have to be here because they know the debates are meaningless. As one of my colleagues

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said years ago when we first came here, the outcome of every vote is non—

**Mr. John Bryden:** Mr. Speaker, I rise on a point of order. I draw your attention to the fact that the member opposite, who was the only person on his side over there, is calling attention to numbers on this side. The pot should not call the kettle black.

**The Acting Speaker (Mr. McClelland):** What a testy group we are today.

**Mr. Ted White:** Mr. Speaker, it does not change the situation I was describing, which is that this is a place of the parties. It is irrelevant whether anybody is here at all because the fact is we know the outcome of every vote before the debates begin. They are not true debates. The things that are being said here today have no impact on the final vote. We know that. When Bill C-24 comes up for the vote, everybody knows exactly what is going to happen.

Perhaps one of the most distressing things is that some of our constituents out in the real world, the people who actually pay our salaries, truly believe that we do something democratic here, that we have real debates, that we talk about what is good about a bill and what is bad about a bill, and that we actually make sensible decisions about the content and vote on that. Mr. Speaker, you have been here long enough to know that is not the case. I can see you smiling and frankly, it is almost a joke. This place is almost a joke. It is a house of illusions rather than a House of Commons. I certainly hope I can stick it out long enough to see some changes that make this place truly democratic.

Moving a little more to the point of Bill C-24, just to remind the members who are here and people who are watching on television, Bill C-24 is the sales tax and excise tax amendments act, 1999. The purpose of the bill is to implement measures relating to the GST and HST announced in previous budgets. It also increases the excise tax on cigarettes.

• (1530)

As soon as I read that, it took me back to 1994. In February 1994, when the Deputy Prime Minister was the solicitor general, he said that 700 RCMP officers would be dedicated to the anti-contraband tobacco smuggling operations and that anyone participating in the tobacco smuggling trade in any capacity whatsoever would be subject to the full range of sanctions and penalties provided under the law.

I would like the Deputy Prime Minister to stand in his place right now and tell us why not a single person has ever been charged in connection with the cigarette smuggling which took place that year through the Akwesasne Indian reserve. Will he stand in his place right now and answer that question? I can see that he just sits there and does absolutely nothing.

I want to mention to him that in late December 1998 an affiliate—

**The Acting Speaker (Mr. McClelland):** I am sorry but I need to interrupt the member. It is not proper to refer to the absence or presence of any particular member of the House.

I recall that in the United States senate something of the same nature was done. When the person did not respond because they were not there to respond, it created an ugliness and meanness that has persisted to this day.

While we can have fun, we should not put people in a position where they cannot respond if they are in fact not able to respond. I know the hon. member for North Vancouver would not want to do that.

**Mr. Ted White:** Mr. Speaker, I would then ask the Deputy Prime Minister to take under advisement that in late December 1998 an affiliate of R.J. Reynolds Tobacco Company plead guilty in the United States and was fined \$15 million for helping smugglers to slip exported Canadian cigarettes back into Canada across the Akwesasne reserve.

How much longer will it take the Deputy Prime Minister's 700 RCMP officers to get around to charging someone in Canada? Is it that the RCMP are incompetent? Is it that we need more than 700 RCMP officers to find the people responsible in Canada? Is it perhaps that the government side does not want anyone charged because all these executives are actually golfing buddies of the Prime Minister? I just hope the Deputy Prime Minister can give us an answer to that question.

It would be helpful, instead of just going ahead and increasing taxes on cigarettes, if the government could explain what it has done to prevent the smuggling that may start again as a result of its increased taxes.

In California about six weeks ago there was a set of referendum questions on the ballot on which voters had an opportunity to vote at the same time as the primaries. One of the questions had to do with cigarette taxes.

The Californian people had an initiative in November 1999. They put a question to the people as to whether or not there should be an extra tax on cigarettes to be used for education purposes for young people. That was passed strongly with about a 75% or 80% pass rate.

The interesting thing about these referendums is that they force the government to use the money for the purposes designated. It is not appropriate and in fact it is impossible for the government to take that money exerted as a tax on the tobacco companies and spend it on something else by popping it into general revenues. It actually has to spend it on education.

That makes me think of certain promised plans that came from the government side when it was reducing the cigarette taxes back in 1994-95. It promised this huge educational program to keep

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young people from smoking. It never happened and the smoking rate for young people has climbed steadily since that time.

In looking at what happened in California, it was a 50 cents per pack tax which was passed in November 1999 by the people of California. There was an attempt by the tobacco companies in March, about eight weeks ago, to repeal that. They managed to get an initiative on the ballot. It was voted on and defeated by 72.1%. This is a good example of big business trying to reverse the initiative that was taken by ordinary people in California.

• (1535)

When we look at some of the questions that were on the ballot in California in March, we can see that it is really the way for people to get things done. It is a darn shame that in Canada citizens do not have the right to citizens' initiatives and referendum.

Let me give the House an example of some of the things that were achieved by California taxpayers in their referendum ballot questions. There were actually 20 separate referendum questions but it gives us the idea that there is compassion and common sense that went into their decisions.

For example, they allowed the state to borrow up to \$150 million to renovate the state's two existing veterans homes and to build three new facilities. This is an example of the people of California voting for a tax increase in order to support an area of their community that they felt required support. The present veterans homes were getting rundown. They needed to be replaced and additional facilities were required. That passed by 63%, a very clear majority, and it went into action.

Let us look at tribal gaming. Voters were asked whether the state constitution should be amended to allow the state's 22 Indian bands to operate Nevada style casinos, beginning with 350 slot machines and then expanding to a maximum of 2,000 over several years. Any band that did not want to operate casinos would be entitled instead to annual payments of up to \$1.1 million from tax receipts. That passed by 65%. This is another example of where people were willing to both help Indian bands to support themselves and to also guarantee a payment from the public coffers, if it was necessary.

They got tough on juvenile crime. They passed an initiative by 63% that would increase the punishment for gang related felonies, home invasions, carjackings, witness intimidation, drive-by shootings and gang member recruitment, all associated with youth violence. Among other things, it would require more juveniles to be tried in an adult court and ensure that some of the offences were counted under the already passed three strikes and you're out law.

I know that *60 Minutes* had a program on last Sunday about the three strikes and you're out law. It had people arguing that it was outrageous because now the prisons were full of people who had stolen bicycles or minor offences of some sort. I do not believe, as the California voters do not believe, that is a reason to squash the three strikes and you're out law. It may be a reason to adjust it so

that it does not capture certain categories of crime. The crime rate in California has dropped dramatically since the three strikes and you're out law was introduced. It appears to be doing its job down there.

In another initiative where they got pretty tough on crime, California voters voted by 72.4%, a very strong majority, on expanding the circumstances that would lead to the death penalty. I know that is pretty controversial up here, but 72.4% of Californians voted that those who kidnapped for a premeditated murder, lie in wait for victims and take them to a secluded spot to kill them, or commit arson for the purposes of killing a person would lead to the death penalty or life imprisonment without parole. Does that not sound an awful lot like what just happened in B.C. in the last few days?

I hear calls from my constituents for a much tougher approach to criminal activity. Nobody has been found guilty for what happened to that nine year old girl in B.C. in the last few days. If the circumstances being explained so far turn out to be correct, I know there will be a lot more people in my community asking for tougher penalties from the government. It was a terrible shame when we saw section 745 initiatives disappear in this parliament. The issue to scrap section 745, the early release initiatives, has not been brought back. Bill C-24 involves the GST. It has been a while since I have had the opportunity to remind the Prime Minister of what he said prior to the last election. On October 29, 1990, almost 10 years ago, the Prime Minister said "I am opposed to the GST. I have always been opposed to it and I will be opposed to it always". He is still supporting it after all these years.

• (1540)

On December 21, 1992 the Deputy Prime Minister was quoted by the *Toronto Star* as saying "The thinking is that we want to get rid of the GST". It is a shame he did not put a date on it at the time. In the *Regina Leader Post* on January 23, 1993, when we were getting close to the 1993 election, the Prime Minister said "We will replace it, no doubt about that". Unfortunately, again no date was given. On January 29, 1993 the Prime Minister said "They will know about the GST when we have a budget". On and on it goes, quotation after quotation stating that the Liberals were getting rid of the GST.

Perhaps the most famous statement was made on May 2, 1994 right here in the House of Commons when the Prime Minister said "We hate it and we will kill it". The GST is still alive and kicking and collecting billions of dollars for the government. I may be corrected by members, but I think it is collecting somewhere around \$20 billion a year now. While that is only half of what we pay in interest on our debt, it contributes quite a lot toward the debt payment.

I have here a booklet that was sent to me by one of my constituents, Mr. Ted Dunn. It is about Canada's debt. The title on

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it is "Budget '89". That was 11 years ago. The preface of the booklet states that Canada's large and growing public debt is a serious threat to the future of all Canadians. It also states that at \$320 billion and rising—this was in 1989 and we all know now that it is close to \$600 billion—the debt is putting an enormous strain on the economy and on our ability to afford vital social and other programs.

Each year more and more of every dollar of revenue the government collects is spent just to pay interest on the federal debt. We cannot go on spending more and more on the interest on the public debt and still afford to maintain services such as health care, training and environmental protection, services Canadians value and count on.

Here is the real kicker. The booklet also says that the April 1989 budget takes the necessary action to ensure that the debt and its costs will be brought under control. That was in 1989 and it was signed by the Hon. Michael H. Wilson who was minister of finance at the time. As we all know, he did an abysmal job. The debt continued to mushroom. It also mushroomed under this government. I know it claims all the credit for finally balancing the budget but it has been done at the expense of taxpayers through huge tax increases. The government also had a huge spending spree in 1994. It blew that deficit right up to the \$45 billion level while it spent and spent on its friends and cronies, I assume.

This 1989 budget document also asks why we should be concerned about the debt. It concerns all Canadians. If we fail to get the public debt under control, everyone stands to lose with higher interest rates, weaker economic growth, fewer jobs, lower living standards and less money to maintain social, cultural and regional programs.

Let us look at what is happening here in Canada today with \$40 billion a year being spent on interest on the debt. The Lion's Gate Bridge in Vancouver, just on the edge of my riding, is presently undergoing refurbishing. This is costing approximately \$200 million. This means we could build 200 brand new or refurbished Lion's Gate bridges every year just with the money we pay on the interest on the debt. We could probably build 100 brand new ones. The interest on the debt is enough to build that much infrastructure. No wonder Canada's spending on infrastructure, on the Trans-Canada Highway and our roads, has deteriorated so much over the years. It has dropped from the percentage of the budget it was in 1979 to an abysmal less than 1% now. It is all because of this terrible debt. The Liberals cannot claim to have kept that under control when they first came to office. That huge spending spree they had when they first were elected added \$45 billion to the debt that year.

• (1545)

Because of that our social programs are under stress. There is a lot of talk in the House about the medicare system and how it is

deteriorating. The attacks I have heard from some members in this place on Ralph Klein, the premier of Alberta, for trying to help reduce the waiting lists in his province just amaze me.

I am looking at an article by Michael Campbell, who is a well known editorialist in Vancouver. He asked which premier stated that the Canada Health Act may be counterproductive as we try to build a public health care system for the new century. The answer may be a surprise because it was not Ralph Klein, it was Roy Romanow, leader of the NDP in Saskatchewan.

We would never know it from the protests in Alberta and the indignation of special interest groups, but what Klein has proposed in Alberta is a far less significant change than what is happening in Saskatchewan, which passed a private medicare bill over a year ago.

It is almost hypocrisy what goes on here with the attacks. It is simply not convenient for the left wing, for the socialists, to attack their own. It is not appropriate for them to attack the NDP so they attack other premiers, like Ralph Klein, who are trying to do something.

The bottom line, frankly, is that it does not really matter where the money comes from to support the medicare system. Whether it is provincial or federal, it is still coming out of the same taxpayers' pockets. It is the taxpayer who pays. All of the arguing and fighting over who it is who has provided the money or cut the money, in the end it is the taxpayer who pays.

However, we should be considering, because of the stress that has been created by the huge debt, private sector alternatives, and I congratulate the premiers who are willing to do that. Certainly I will be voting against Bill C-24. It does not get rid of the GST. It is a disgrace.

**Mr. John Bryden (Wentworth—Burlington, Lib.):** Mr. Speaker, the member opposite made, I certainly agree, some very important points about the debt, but I cannot help but intervene on his comments about referenda.

I know he has a lot of faith in what the Americans are doing by holding referenda, but I would like to point out to him that the cost of popular justice, of popular referenda if you will, in the United States has involved basically the wild west, the lawlessness of the wild west and the genocide of the Indians.

It involved Jim Crow laws in the southern United States, where the popular municipalities with the Ku Klux Klan led to all kinds of atrocities against people based on race. Because of popular justice it was entirely impossible at that particular time, at the turn of the century, to bring these people to justice when they did these things against people because of race.

Jim Crow laws are again another reflection of popular sentiment translated into prejudice against individuals, whereas I remind the

member opposite that the Canadian experience in these areas was entirely different. We did not have a wild west, and we did not have a wild west because decision making was not vested in people at the grassroots. It was vested in laws that were determined by members of parliament rather than referenda. When people are elected, those people should be speaking from their own conscience and not simply as a result of popular pressure. That is the danger of referenda, as we see in the United States.

The member is perfectly correct. The Americans love referenda. But it could also come back to the same kind of prejudice, hate and destruction that typified the kind of referenda we saw in the 19th century and at the turn of the century against both Indians and blacks.

• (1550)

**Mr. Ted White:** Mr. Speaker, the arguments which have just been put forward by the member—and I thank him for giving me the opportunity to talk about them—are typical of the sorts of red herrings which are thrown in by people opposed to allowing the people who pay our salaries to have more say in the operations of this place. They always draw on these historical events from donkeys years ago, at the turn of the century, when we all know very well that governments controlled all of the propaganda. Governments controlled all of the means of distribution of information.

Even here in Canada, as late as the 1970s, Francis Fox, a minister of the House, was trying to prevent people from having satellite dishes on their apartment buildings in Vancouver. He was arresting people and putting them in jail for trying to get by the government propaganda and receiving news broadcasts from other places so that they could sift through the propaganda to find the truth.

There is no comparison whatsoever between the conditions which existed at the turn of the century, in terms of information available to people, and what exists in modern times, even from the mid-1970s, if we look at the results of referenda in the United States, which is our closest example, and in Switzerland.

I can understand why the member would be afraid of this because the outcomes are universally small *c* conservative in nature. People exhibit their common sense by making wise decisions with taxpayers' money. They keep their politicians under control.

Sometimes they make decisions that the politicians are unwilling to face. For example, in Washington state at the end of last year the people decided to decriminalize the use of marijuana. In Canada that is a hot potato that we do not want to touch. We would rather it just went away. None of us want to say whether we are for or against it, but in Washington state it was taken out of the politicians' hands and the people did it.

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I hear people criticize something like proposition 13, which got spending under control in California. But the people of California have every opportunity to reverse that. Anyone could have taken an initiative and reversed those spending controls. No one ever has. The fact is that there is greater democracy, a greater standard of living, lower unemployment, and a greater satisfaction with life-style. We have a lot to learn from places where there is a greater degree of democracy.

In terms of cost alone, there is a cost to democracy. It costs, I believe, about \$400 million to run parliament, with all of its staff, with all of the travel, with all of the spending. I believe that is roughly the right figure.

What do the citizens of Canada get out of that? They get the will of the Prime Minister's office imposed upon them. That is what happens from this place. The will of the Prime Minister's office is imposed upon them for \$400 million a year.

When we look at the debt of \$600 billion, I cannot believe for a second that we would be in more difficult straits if the people of Canada had been controlling this place instead of the elected people, who, according to the member over there, use their conscience on what they should be doing.

I believe we would have a better country if the people of Canada had more input into what was happening in this place.

**Mr. John Bryden:** Mr. Speaker, I cannot resist giving my colleague opposite a further lesson in history. He should recall where the term demagogue comes from. I am not referring to him as a demagogue. I am not disparaging his remarks.

A demagogue comes from ancient Greece. The word referred to people who could influence the crowd, not by the weight of their arguments or the propriety of their arguments, but just by the weight of their rhetoric.

The difficulty with referenda and this type of popular response that the member is suggesting is that all of the people are not equally informed on an issue. By eloquence and rhetoric, even though the facts may be twisted and distorted, people can be influenced. That is why we had a situation in the United States that occurred in the late 19th century and early 20th century where the popular sentiment was manipulated by demagogues. It led to terrible results.

I do not really believe that we as human beings have changed so dramatically in 2,000 years. As a matter of fact, if you are somebody who is interested in the Bible, you would appreciate that maybe we have not changed over 2,000 years.

• (1555)

The very point of all this is that demagoguery is a real thing. It was exercised in ancient Greece. The ancient Greeks recognized it

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for what it was. I admire the member opposite very much, but I am sorry, what he is proposing is government by demagoguery.

I think we have advanced beyond that. Each of us as politicians has a sacred duty, in my view, to act according to our conscience on the best information we get. We cannot do that by referenda.

**Mr. Ted White:** Mr. Speaker, the member opposite can claim he is operating on his conscience if he wants to. I know the people in my riding have made it clear that they elected me to vote their will in this place.

He keeps hearkening back to history. He even went back as far as the Greeks this time. I will repeat that at the turn of the century there were very few people who had control of the dissemination of information. We live in a totally different era. He mentions that some of the people are poorly informed. I suppose that is because they make a decision that is different to what he would like.

I will give him an example. In March in California people were asked to make an interesting decision. Someone proposed that "None of the above" be added to the bottom of the ballot so that people who did not want to vote for any of the above would mark "None of the above". The argument was that this would cause a greater turnout of voters.

Arizona has that on its ballot, but it has never increased the voter turnout, so the citizens of California rejected it by 65%.

I disagree that there is any evidence from Switzerland, from Washington State, from Oregon, from Arizona or from California that people do not think very carefully about their decisions or that they are not informed when they make their mark on the ballot.

**The Acting Speaker (Mr. McClelland):** Is the House ready for the question?

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. McClelland):** All those in favour of the motion 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 yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. McClelland):** Call in the members.

*And the bells having rung:*

**Mr. Bob Kilger:** Mr. Speaker, we would ask that the vote be deferred until tomorrow at the end of Government Orders.

**The Acting Speaker (Mr. McClelland):** Accordingly the vote stands deferred until tomorrow at the end of Government Orders.

\* \* \*

[Translation]

**IMMIGRATION AND REFUGEE PROTECTION ACT**

The House resumed from May 1 consideration of the motion that Bill C-31, an act respecting immigration to Canada and the granting of refugee protection to persons who are displaced, persecuted or in danger, be read the second time and referred to a committee.

**Mr. Jean Dubé (Madawaska—Restigouche, PC):** Mr. Speaker, I am pleased to speak today in support of Bill C-31, the Immigration and Refugee Protection Act.

We have long been calling for the government to introduce new immigration legislation, which was supposed to happen last year.

• (1600)

Late or not, the bill is presented while many chronic problems and faults are surfacing at Citizenship and Immigration Canada.

Today, I will address various issues relating to immigration and to the bill before us. According to the minister, the legislation will be tougher on criminals. I have my doubts. The provisions of Bill C-31 on security are inadequate. I will address the recommendations that my colleague, the member for Compton—Stanstead, made to the committee. I will also talk about the report on immigration that was published by the auditor general a few weeks ago. Auditor general exposed a few problems of which the government had been aware for some time.

[English]

The Progressive Conservative Party of Canada is aware of the abuse that occurs at immigration. In the 1980s we introduced two controversial bills to deal with the imperfections in the system. These bills, one a piece of emergency legislation, were vehemently opposed by the Liberals. This is hardly a surprise. Liberals loathe taking a stand on a certain issue out of fear of losing the next election. When danger arose, we took action.

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Be assured that during the course of the debate on the immigration bill the Progressive Conservative Party will continue its tradition of fighting for an efficient and effective immigration system. We are familiar with the immigration system. That is why this party looks forward to debating the clauses and provisions found in Bill C-31.

One of the biggest fears of this party and Canadians is the entry of foreign criminals. The new bill purports to toughen our present stance on criminals. Much more can be done.

In the new legislation provision is made in clauses 31 and 32 to bar individuals from the refugee determination system. Clause 31 deals with those inadmissible on the grounds of having violated human rights. Clause 31(1)(c) reads:

(c) being a representative of a government against which Canada has imposed or has agreed to impose sanctions in association with the international community.

Perhaps the minister could clarify “a representative”. Is a representative a government official or is it a national of that country?

Clause 32 of Bill C-31 sets out criteria for serious criminality. We do not understand why a serious criminal is only deemed to be someone who has been convicted of a crime punishable in Canada by imprisonment of 10 years or more. Why these numbers? Is the minister telling us that offences for which someone could only serve nine years are not serious? What does she mean by serious criminality? Our party is baffled why the minister would not take all crimes seriously.

Even more, there is not necessarily consistency between two countries' criminal justice systems. An offence punishable in Canada by 10 years imprisonment may not be punishable in another country at all. The Progressive Conservative Party is not comfortable with the numbers as they are set out in Bill C-31.

• (1605)

As the standing committee discussed its draft report on border security, my colleague the immigration critic, the member for Compton—Stanstead, was able to secure two amendments in the final report.

One amendment was the requirement for all refugee claimants to be fingerprinted and photographed at the first point of contact with them in Canada. My colleague has reasoned that refugee claimants disappear and do not show up for their hearings. One statistic from the Immigration and Refugee Board in Vancouver shows that 71% of claimants did not show up for their hearings. Where are they? How many criminals are passing through? How many criminals are endangering our cities, our streets and our children? How many are there and where are they? As a national party, we are concerned about these potential criminals.

**Mr. Bill Matthews:** What is the hon. member talking about? Potential criminals?

**Mr. Jean Dubé:** Mr. Speaker, the member from Newfoundland does not seem to be aware of the criminals walking the streets of Canada. They are probably walking the streets of Newfoundland and affecting children there. That is why identifying these individuals at first contact is of prime importance. In such a large country as Canada it is hard to keep track of every single person but we must at least make some attempt to be familiar with those coming in.

The recommendation passed unopposed at committee. Members were supportive that it be included in the bill. Our party was very disappointed that the minister did not see fit to include the fingerprint and photograph recommendation in Bill C-31. It is unbelievable.

We later learned that fingerprinting and taking pictures of people would be carried out through departmental regulations. Fingerprints and photographs must be provided for in the new bill. It must be law. We should not allow such an important provision, unopposed by the standing committee, to be carried out only at the whim of immigration officials.

Our party's second proposal at committee involved safe third countries. A safe third country is one which a potential refugee to Canada has passed through on his or her way to Canada. Safe third country provisions would be an efficient and fair means to deal with undocumented refugee claimants. These individuals would have a safe haven in a safe third country.

The thinking behind the safe third country provision is that it is mutually beneficial. Most important, the refugee claimants are given a safe haven in the country they pass through on their way to Canada. Second, Canada is able to control its borders from undocumented arrivals.

We are pleased that Bill C-31 makes a provision for safe third country negotiations in section 95. The government is willing to pursue the idea of safe third country provisions, but why has it not taken action? Over the past seven years the Liberals have only negotiated safe third country provisions with one country, the United States. Negotiations must be expanded.

The Progressive Conservative Party's 1997 election platform spelled out our commitment to end patronage appointments to the Immigration and Refugee Board. In keeping with good Liberal tradition, in part 4, clause 150(1)(a) states in black and white that members of the IRB will be appointed by the governor in council. No means ensuring meritorious appointments are outlined in the bill.

Numerous witnesses at the committee, including the Canadian Council for Refugees and the Canadian Bar Association, as well as our party have called on the government to end patronage appoint-

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ments. The government again has cast aside this recommendation in favour of its own partisan interest.

• (1610)

It is now almost one month since the auditor general released a scathing report on Citizenship and Immigration Canada. Chronic problems exist therein, problems the Liberal government has attempted to solve. Even worse, these are problems the auditor general has discussed before. Allow me to explain these serious issues.

All newcomers to Canada must pass a medical to protect Canadian society from the risk of disease. Criteria for medical tests are less than satisfactory and have been the standard for an unacceptable 40 years. No tests exist for new diseases like HIV and hepatitis.

Moreover, physicians do not determine medical admissibility; visa officers do. Approved doctors carry out examinations and forward their advice to the officers. What new diseases are routinely transported to Canada? The auditor general underlined deficiencies in medical examinations 10 years ago. How can the government delay? This was going on 10 years ago.

The immigration bill does not provide guarantees the health of Canadians will be protected any time soon. Medicals and health provisions are given very little space in Bill C-31. We are not satisfied that sufficient preventive measures are taken in the new bill.

When will the criteria for medical admissibility be updated? What health conditions does the minister consider to be dangerous to public health? What diseases will excessively burden the health care system? These are only a few of the many questions Citizenship and Immigration Canada failed to address in the new legislation.

The auditor general also addressed the department's computer systems. Simply put, the systems are inadequate.

**Mr. John McKay:** Have you read this speech?

**Mr. Jean Dubé:** Mr. Speaker, once again I see that the few members there are on the other side are very interested in what I have to say.

The systems are outdated and are not integrated. Are these the kind of computer systems that aid in determining medical and criminal admissibility to Canada?

The minister has announced a new global case management system which she says will cost \$200 million. The department has received \$579 million in new funding but \$209 million has been spent. This new funding will be eaten up very quickly. Where does the minister expect to find all the extra funding that will be

required for the case management system and the increased administration wrought by Bill C-31?

More frightening is that no one will ever know how many criminals are admitted to Canada. Foreign police records may not be up to date or reliable. Some countries cannot provide the information due to internal turmoil. The department's solution to this is simply to not require police certificates from 40 countries. This is a preposterous means to deal with criminal admissibility to Canada. That is not all. In 1998 over 1,300 ministerial permits were issued to people with criminal convictions. What kinds of people are routinely coming to this country?

Stiffer fines and longer jail terms may help in keeping criminals out of Canada but we need to start at the source. We need to have better detection strategies in place abroad to screen criminals. Simply not requiring certificates from unreliable countries does not take care of the problem.

Our party hopes the minister sees fit to take an introverted look at her department and fix it on the inside. We hope the new global case management system will soon be up and running.

• (1615)

This party supports parts of the bill. We are pleased that the minister has changed the provisions and requirements for in-Canada processing. Spouses, students and temporary workers will now be able to apply for permanent residency from right here in Canada.

[*Translation*]

I am pleased to express my party's view on Bill C-31, the Immigration and Refugee Protection Act. Progressive Conservative members will be at the forefront of this debate.

Our party knows this issue. It will ensure that Canada's security and the integrity of its borders are respected.

[*English*]

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, I rise today to speak to Bill C-31, an act respecting immigration to Canada and the granting of refugee protection to persons who are displaced, persecuted or in danger. In addressing the bill it is pertinent that we be aware of the immigration status of all of us.

Let us remember that the vast majority of all our families came from somewhere else, be it recently or many generations ago. Whether through persecution in a foreign country, economic deprivation, the fleeing of a wartorn nation or the search for a better life, most if not all families represented here can point to a time when they were not Canadian.

My Canadian Alliance colleagues and I agree that immigrants arriving in Canada today have come for the same reasons that our



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ancestors did in the past. They aspire to a better life for their families and for themselves. They seek a peaceful way of life that will allow them to practise their faith without the fear of persecution. They do not want their children to grow up with the firsthand knowledge of war or, worse, the loss of a child due to war.

I can find no fault in any of those reasons to come to Canada, but unfortunately there are those who want to take advantage of our way of life. There are those who would pay no regard to the laws of Canada. These are people like the Snake Heads who have no regard for human life and only see the opportunity to make illegal profit through the smuggling of human cargo. What a sad commentary on the state of mankind that is.

The issues surrounding immigration and refugees have been around for a long time. Because of their heritage most Canadians want to welcome new immigrants to Canada. However they also want to be sure that those who apply for immigration status meet the minimum criteria and that those who do not meet those set criteria are not entitled to the same rights as Canadian citizens.

I believe I can unequivocally state that we would all welcome immigrants and genuine refugees to our country. I believe I can further state that we all believe there should be a set of rules for everyone to follow when implementing and regulating immigration and refugee policy.

The biggest concern I have is that all the legislation in the world will not resolve the problems we see in the present legislation or the proposed law before us. Legislation without the ability to enforce the regulations means virtually nothing. We can write, debate and proclaim endless laws on countless pieces of paper, but without the legal enforcement, without the ability to ensure that the laws are upheld, the laws are not worth the piece of paper they are written on.

Unfortunately that is what I see with most of this new legislation. We are not even able to enforce our current immigration laws. How on earth will we be able to enforce new ones without adding the necessary strength, power and ability to these newly proposed laws? Unfortunately I do not see new enforcement guidelines written into the new legislation.

Let us be realistic for a moment. Higher maximum penalties for human trafficking will have no effect on the flow of illegal immigrants to Canada. The real organizers, the real kingpins behind the smuggling of humans, have no regard for the laws of Canada. They operate outside Canada and have no plans to attend court dates in Canada. The ones who are in Canada attempt to live and operate outside the laws by which we abide. They are seldom caught and rarely convicted for their crimes.

• (1620)

High fines may seem like a deterrent, but the maximum fines under the old immigration act have never been applied. Therefore,

why should anyone here believe that the new fines would be any more of a deterrent? It simply will not happen.

About one year ago Canadians witnessed boatloads of Chinese migrants entering Canada illegally. They made a horrendous journey under appalling conditions. The conditions under which some of them lived would not meet the same humanitarian and social structures we enjoy in Canada. Some died and others suffered serious illnesses while en route.

It is my understanding that most of those who made it to Canada are still in detention awaiting their hearings. It has been seven to ten months since some of these people arrived on our shores.

The future does not look any brighter. Reality says that it may be as much as another two years before the process is complete. When I look to the new legislation before us, a reasonable expectation would be that this length of time would be significantly reduced. Unfortunately all I can see is more disappointing news.

The new legislation appears to do nothing to mitigate this lengthy waiting time. This was one of the most obvious problems in the old legislation, and it has not been resolved in the new proposed law.

There is no doubt that Canada needs to strengthen its immigration laws to seriously address this type of crisis. This is necessary not only for our own protection but also to deter those who stand to gain monetarily from the business of smuggling people.

We simply must take a firm stand and send a message to the world that Canada is not a haven for illegal immigrants and not an easy target for people smugglers. Those who promote such activities should be subject to severe penalties without exception. The penalties must be severe enough to thwart the usury and extortion currently being forced by the people smugglers. Our laws should reflect compassion for true refugees, but they should also encompass legislation to expedite the process of deporting illegal immigrants and penalize the people smugglers.

During the boat crisis last summer I received a number of calls from Canadians in my riding who were outraged with the federal government's inaction on the question of illegal immigration. This inaction drew the ire of all Canadians right across Canada. Constituents have told me that they believe the federal government is failing them and their families by putting these illegal migrants ahead of the needs of ordinary Canadians.

One of the most interesting things I found was that the ones who voiced their opinions most strongly were in fact recent immigrants themselves. To them the situation was very clear. They had applied and waited their turn to come to Canada. In many cases they wanted to sponsor family members to join them in Canada. Their anger was that while they were attempting to abide by the law, others were abusing the law in being able to stay.

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By not addressing this issue, legal immigrants are forced to the back of the immigration process. What they really want to do is be reunited with family members. Are we not then creating a double standard?

During the crisis last summer the Royal Canadian Mounted Police on Vancouver Island told me that their Vancouver Island forces were drastically reduced as members had been called upon to guard the most recent illegal migrants at the Esquimalt naval base. This calls into question the level of efficiency for both law enforcement and case development that the RCMP is able to provide for the residents of Vancouver Island. This is just one problem which highlights how unprepared we are for this ever increasing wave of humanity that will come to our shores either legally or illegally.

This issue has been ongoing for far too long. These are the issues which I believe need to be fully addressed under this legislation. First, full charter rights should not be available to individuals until the immigration board has accepted them.

Second, we should set new stringent penalties for those who deal in the smuggling of humans. This is a serious crime and needs to be dealt with in the most serious manner possible. International agreements should be used to pursue and convict Snake Heads and others like them.

Third, we should ensure that full security and health checks are completed on each person wishing to enter Canada. Canada's citizens demand to be safe from undue risks.

Fourth, perhaps the most important issue is that of enforcement. We cannot expect our laws to be upheld if we do not have sufficient personnel and real regulations in effect to support them. Words alone will not stop Snake Heads from dealing in human cargo.

• (1625)

In my riding office immigration is one of the top two issues with which my staff deals. The other issue is taxation and the manner in which Revenue Canada, now called the Canada Customs and Revenue Agency, deals with people. It is interesting that in both these matters a lack of humanitarian treatment appears to be the common factor.

I should like to take a few moments to describe several immigration cases with which I have been dealing over the past several months. My colleague from Lakeland stated that he was certain that all members of the House had encountered the inadequacies of the current immigration legislation, and he is absolutely correct.

Just listen to some of the events that have taken place of which I have become aware as a member of parliament. In one case a lady in my riding invited a friend from China to visit her in 1996. Today that friend has still not been able to visit Canada.

In the meantime the Chinese applicant has been turned down for seemingly irrelevant reasons. The Canadian letter writer has chronic lymphatic leukemia and was given the possibility of living for five years. Her five years are up now. Her health has been relatively good, but we all know that there are no guarantees in this life. Offers of bonds have been made and rejected. The Chinese applicant is not looking for a job and she is not looking to immigrate to Canada. She simply has a Canadian friend who would like to be able to share a Canadian experience with her.

Letters to the minister of immigration have not resulted in any further positive results. From what I have been able to determine in this case, individual bureaucrats have thwarted the plight of one potential visitor from China to this great land of ours.

In another situation I have worked with an individual who has been waiting for over four years to receive landed status in Canada. He is currently living here and would like to upgrade his skills. However he is not able to do this until he receives his landed status.

We all expect a reasonable length of time to process applications, but four years seems to be an abnormally long period of time. In the meantime no full answers are forthcoming from either the minister of immigration or the Canadian Security Intelligence Service. We ask the question why.

In another case a Canadian citizen married a Filipino. Through inquiry after inquiry no full answers were received. When visas were promised, applications were received. When time lines were committed to, they were broken in short order. After a series of pages of requests, letters and faxes I am pleased to report that this couple will finally be together. It is unthinkable that they were forced to endure this process and to live apart for many years.

Perhaps the most heart wrenching and immediate saga is in my riding of Nanaimo—Cowichan. Mrs. Jaswant Sekhon had six children. Mrs. Sekhon was plagued by ill health, was on dialysis and was not expected to live for much longer. Her last child, a son, Santokh Sekhon, was still living in Punjab, India. The two of them had not seen each other in nine years. For a year he applied to visit his mother for a one week period. Yet Immigration Canada would not allow the married father of two to visit Canada initially on the grounds that he would not leave.

Last fall Mrs. Sekhon became too ill to travel. Unfortunately the mother and son were never able to see each other again. Mrs. Sekhon died of a heart attack on March 12 and her wish to see her son in life was never fulfilled due to Immigration Canada's denial.

In dying, Mrs. Sekhon wanted her son to reunite with the family, be able to grieve and say goodbye to her in her death. I contacted Immigration Canada asking for them to review this file to no avail. The reason given to Mrs. Sekhon was that the official was not satisfied he could support himself while in Canada. Mr. Sekhon only asked to be in Canada for one week. Does this sound like an

unreasonable request? It certainly does not to me. Yet the answer was certainly unreasonable.

Let us remember that all the family members except for one are Canadian citizens. They have lived as productive participants in Canada for 10 years. No family should have to endure the agony that this family has gone through because of our immigration system. Yet this is not the only family to endure this type of hardship.

Thankfully there is a somewhat happier ending to this story. Nine days after his mother passed away, Mr. Sekhon received his visa authorization to attend his mother's funeral. Imagine what those nine days must have been like. What a horrifying thought, what a tragic thing.

These are real people who have been enduring real hardship imposed upon them by a government ministry, an immigration bureaucracy that appears to be uncaring and unable to resolve problems.

• (1630)

This government is responsible for creating, causing and maintaining the shortcomings that are now before us in immigration.

I believe that every member of the House, even government members, would echo similar kinds of cases.

This department needlessly and negatively impacts countless lives and families. We only need to read in the papers of concern and allegations of corruption at various levels. This concerns not just illegal migrants, but also visa and counsellor services abroad.

I must raise the question of regulations again. From what I have seen in the proposed legislation, the situations that I have brought before the House would not be resolved. I believe that Canadians should receive more than this when members of parliament debate legislation. Unfortunately, they have come to expect even less with empty words and broken promises. We have seen the lack of true public consultation and true problem solving in many prior bills, and this bill is no exception.

This is not new. The 1990 auditor general's report identified serious problems within the immigration department. Here we are, 10 years later, and they have still not been addressed. Overseas offices are grossly overtasked, resulting in waiting times of up to three years for approval.

Immigration plays an important role for Canada today, but under the present legislation and the present government what we see is really a department in chaos. The proposed legislation will not resolve the big issues before us. Bill C-31 requires a serious overhaul and the regulations must be seen in full in order to address the real immigration issues before us.

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In light of these outstanding issues and others that other of my hon. colleagues in the House have mentioned, I am not able to support this bill unless it is extensively amended.

[*Translation*]

**The Acting Speaker (Mr. McClelland):** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, Training; the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Human Resources Development.

[*English*]

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Mr. Speaker, last year Canada had to deal with migrant boats. That is something the hon. member made reference to in his speech. I understand that now the snake heads are charging \$60,000 per head, a marked increase from last year, which indicates that they feel as though the Canadian government has not dealt with the situation. The Canadian government has sent the wrong signals to the snake heads and the people smugglers and, as a result, the demands are even higher and the snake heads charge even higher amounts of money per person.

What does the hon. member think of the dollar figure rising because of the lack of action by this government? In the minister's responses to questions in the House, she seems to be claiming that basically since they have not seen any boats quite just yet there really is not a problem. She says there is no way we can anticipate that there will be problems on the coast of British Columbia this summer with regard to migrant boats. I would like the hon. member to address that.

**Mr. Reed Elley:** Mr. Speaker, having lived on the coast last summer I experienced firsthand what happened and the way it was handled by the government, or the inability of the government to handle the situation.

There is no question that the snake heads and others who are getting rich on this kind of activity would see Canada as an easy target. They see that people get in and are helped by our government. They become dependent upon our social welfare system and our health system. They are taken care of from that standpoint and not simply turned away and sent back. Because of this they will, of course, get more business. It gives them the opportunity to say to people in China and other places "This works. Line up. We will take your money and we will be glad to get you to Canada because when you get there they will take care of you really well".

• (1635)

I do not think we have a problem with taking care of people, but this encourages this kind of thing and allows us to be seen in the

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sort of underworld international community as an easy mark. It is no wonder the price has gone up and the snake heads make more money.

The other point the member mentioned was a very famous quote that was attributed to the Minister of Citizenship and Immigration during the time the boats were coming over. It seemed to be a very simplistic answer to the whole situation: "Pretty soon we will have the storm season upon us, winter will be upon us and that will take care of the waves of boats that are coming over". If that is the way the Minister of Citizenship and Immigration, who is supposed to be a very responsible person in the Government of Canada, views the situation and if that is the kind of answer she has to deal with it, then it is no wonder we are in serious trouble.

The storms are getting less frequent on the coast. There is good weather coming to Vancouver Island and I suspect that this will be repeated again, and it will probably be even greater than it was last year. I do not think this legislation will prepare us for that and it will be even worse. We will have to see what happens.

**Mr. Rob Anders:** Mr. Speaker, just to follow up on that question, my understanding is that the People's Liberation Army of the People's Republic of China, otherwise the communist tyranny that is the Chinese mainland government, is directly involved in much of this snake head and people smuggling operation and that Canada is seen as a weak link in the military alliance that makes up Australia, New Zealand, Canada, the United States and Great Britain. ANZUS, I believe, is the title of that organization. The People's Liberation Army and the snake heads are in a sense doing some of these things to raise funds so they can infiltrate the military network known as ANZUS to be able to access information which they feel they cannot get through the other partners of that military alliance.

**Mr. Reed Elley:** Mr. Speaker, the government's answer to an allegation like that was to send the minister and a couple of Liberal members to China to negotiate with the government. You and I were not privy to that negotiation. We do not know what went on, but the government would have us believe, of course, that it has it all under control. We will see.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, listening to the member made me think of my riding, which has a high percentage of refugee claimants. Unfortunately, a high percentage of them turn out to be criminal refugee claimants.

These people simply arrive at our borders to claim refugee status and then are released into society. However, since almost all of them have to change planes in Frankfurt, Heathrow or Miami to get here, there has always been a question in my mind that they are not legitimate refugees by virtue of the fact that they did not claim in the first safe country they reached. I wonder if the critic could comment on the ways in which we could solve that problem.

**Mr. Reed Elley:** Mr. Speaker, it is very clear, as my hon. colleague has pointed out, that there are many illegal immigrants who come into this country through airports, certainly far more than come in through the boat route. There were somewhere in the neighbourhood of 25,000 illegal immigrants who came to the country last year. Probably 98% of them came in through airports.

How do they get in? How do they maintain that they are legal immigrants when they do not declare their intentions in the country of origin?

• (1640)

What happens, I am sure, even though I have never been on a plane to see this happen, is that they simply take their identity cards and flush them down the toilet. By the time they get here they can say that they have no record of who they are, that they are displaced people who want to claim refugee status.

When those people come to these shores we should have something in place immediately to determine very quickly whether they are legal immigrants. If they are not, then they should simply be sent back to the country of origin and from there go through the proper procedures to make sure they enter this country in the right way.

**Mr. Rob Anders:** Mr. Speaker, we have this scenario whereby people would like to come to this country. Of course we always wonder whether it is for legitimate purposes in circumstances where they would not qualify as independent class immigrants, et cetera.

How does the hon. member feel about having bonds posted, for whatever amount, maybe \$10,000 or more? I have heard people suggest as high as \$50,000. Those bonds would be forfeited if they did not return to their country and if they violated the promise they gave to Canadian officials.

**Mr. Reed Elley:** Mr. Speaker, I think that is a very interesting suggestion. I am just wondering if the government has ever taken it under consideration. I think we need to have all of the good wisdom and suggestions from members on both sides of the House. We should pool our resources to come up with the very best, and this may be one of the solutions.

[Translation]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, I am very happy to take part in the debate on Bill C-31 to amend the Immigration Act.

That bill was long overdue to say the least. Members will remember that the Bloc requested a reform of the Immigration Act several times in the House. If my information is correct, the Immigration Act has been amended about 20 times in the past. I

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think it was high time we had an overall view of immigration, and I congratulate the minister on her initiative.

Of course, the bill is far from perfect and I know that we can count on the courage and determination of the young member for Rosemont to work toward that aim in committee. We will even be able to count on the opposition, the Bloc Québécois, to make the bill as perfect as can be.

Immigration is not an insignificant factor in the life of countries like Canada or Quebec. Let us just think that Canada and Quebec have always been extremely open to immigration. My colleague will understand if I say that Quebec has all it needs to be a country, but I realize that, for the time being, very large parts of the immigration policy, and especially its administrative aspects, are under federal jurisdiction.

From the post-war years up until now, Canada has accepted an average of 150,000 to 250,000 immigrants. There are four major countries across the world that are what we would call countries of immigration. I am talking of course about Canada, the United States, Australia and New Zealand.

When we look at the effort these countries have put into their immigration policy and we compare it with what Quebec is doing in that area, we see that Quebec is comparing well with the United States on a per capita basis.

• (1645)

Minister Boisclair, now the Minister of Social Solidarity, was the Minister of Relations with the Citizens and Immigration three years ago, when he issued a policy statement on immigration that revealed that we accept roughly the equivalent of 0.8% of our population.

This is a considerable effort. Quebec accepts between 50,000 and 65,000 immigrants every year. This raises questions about integration policies, because it is important to have a generous immigration policy, especially since Quebec and Canada, like many countries on this side of the hemisphere, are societies that do not carry the seeds of their natural renewal.

For nearly 15 years, if not 20 years, the natural growth of our population has not been enough to ensure us of the new generations. It would take a fertility rate of 2.2% instead of the current 1.8%.

I invite all my colleagues—I will try to do my share directly or indirectly—to reflect on the importance for a society to reproduce itself.

It is an important issue that was hotly debated in the past and which is far from resolved. Some believe we need tax incentives. Others say we need not only tax incentives, but also a real family policy.

Having children is something that one plans for in one's life. Take for example our colleague from Longueuil, whose son is now 20 months old. She planned to have a child. It may not change the world, but it definitely structures your life. I do not want to linger over biographical details, which could lead us to release information which is protected, so to speak. I am talking about the information, not the partner of our colleague from Longueuil.

Historically, like other societies, Quebec has been quite open and generous when it comes to immigration policies. It is a basic component of our society. However, our fellow citizens must realize that, unfortunately, because of its current constitutional status, Quebec does not have control over all the levers that would allow it to have a real immigration policy of its own.

We know how immigration works. Under the act, every year in the month of October, and I understand this requirement will not be modified, the Minister of Citizenship and Immigration releases a public report on the number of immigrants the country will be receiving. Their number is between 200,000 and 250,000. These newcomers, who will ultimately become Canadian citizens, are divided into three main categories.

There are, of course, those who immigrate for humanitarian considerations. These people are persecuted in their own country. There is reason to fear for their bodily security. Either because of their religious or political beliefs or because of their economic distress, they have to leave their country and claim asylum. I will come back to this category.

• (1650)

There are those who come to Canada and Quebec to join their family. These cases are in the category of sponsoring. Their brothers or sisters, their mother or father, their sons or daughters who came here before them as to sponsor a member of their family. This is the family reunification category.

There is also a more economic type of immigration. Governments in Canada, Quebec, Germany, France and other countries have been seduced by economic immigration in recent years. They have tried to establish a link between the employability profile of people choosing a country of adoption and the resulting immigration.

This economic immigration category can include independent workers and investors. Some people come to Canada or to Quebec because they want to invest money, to set up businesses and to create jobs.

There again, members know about the handicap created by Quebec's constitutional status. I will digress for a moment to recall with pleasure that, during the 14th convention of the Parti Québécois held last weekend in Montreal, the Premier of Quebec pointed out that Quebec sovereignty, which should mobilize all Quebecers in the months to come, will be on the constitutional and political agenda.

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The reason we want to become a country must be reflected in the current debate because, again, Quebec does not have full control over its immigration policy. In saying that, I say that Quebec has nothing to say as to how many new immigrants will come to its territory and what the entry procedures will be, but in the end, Quebec has a complete and clear responsibility as to their integration. Members will understand the gap between the objectives that Quebec wants to pursue and the means at its disposal.

One of the reasons we want to achieve sovereignty is of course because we want control over immigration, like France, Germany, United States, Japan and all the great powers of the world. Speaking of great powers, I cannot avoid mentioning that a sovereign Quebec would be the fifteen economic power on this planet. If we look at the countries that have the means to become sovereign, Quebecers can be fully confident in their destiny and in their capacity to control their future.

I would not want to digress too much from the subject at hand. We support the principle of the bill. We acknowledge that the Immigration Act and the Citizenship Act were in need of a comprehensive reform.

My colleagues from Louis-Hébert, Longueuil and Drummond—this makes me the only man in this House to be surrounded with women—will recall that I was the immigration critic for about two years. I have pleasant memories of those days. Back then, we did not have a plethora of issues, but everything will not be settled by this bill. It was a nice experience meeting people who had chosen Quebec as their home. I also had the opportunity to witness the difficulties they were experiencing with a piece of legislation that was badly outdated in many ways.

We endorse the bill, and I will indicate which points we consider positive. The first one is obviously the consolidation in a single structure of the refugee status determination process and of the adjudication process. This is a positive goal. The government deserves our congratulations for this.

• (1655)

The refugee status determination process was for many years a real nightmare for successive governments, as much under Prime Minister Mulroney—whose party is now represented by just a few members in the House, but who knows what the future may have in store—as under the current Prime Minister. The Immigration and Refugee Board of Canada is the most important administrative tribunal in Canada.

It may easily take an average of two years or two and a half years between the moment when a refugee sets foot in Canada and meets a Canadian official, and when a decision on his refugee status is made. Members will understand that all of this is not negligible as far as the costs to society are concerned.

I want to digress to say that 90% of all claims for asylum claims and political refugee status concern three major Canadian cities,

Vancouver, Toronto and Montreal. Slowly, a kind of pocket is beginning to emerge in Winnipeg, but the three big immigration centres are, of course, Vancouver, Toronto and Montreal.

However, the inefficiency of the operating procedures of the Immigration and the Refugee Board of Canada costs the Quebec treasury on average between \$70 million and \$90 million. So, it is important to have an act that we will allow processing of these files as diligently as possible. We—myself in particular—also welcome the inclusion in the bill of the recognition of same sex partners.

Hon. members will recall that, at the time of the introduction of Bill C-23 we considered recently—and allow me again to thank all my hon. colleagues who supported this bill willingly and enthusiastically—we were told “We cannot recognize same sex partners in this omnibus bill because, in the area of immigration, they cannot be recognized in the same way that they are in the Income Tax Act or the Criminal Code”.

As we can all see, a new person has taken over the chair. In spite of all the appearances of continuity, each of these persons has his or her own style.

I myself had concluded that it was not desirable, in the bill under consideration, to recognise same sex partners. Why? The question is worth asking and I am convinced that my colleagues are itching to ask. Well, here I go. Why was it not desirable, immigration wise, to recognise same sex partners? The answer is that, two people cannot establish that they are living in a same sex relationship in the same way, in Canada and abroad.

When we talk about recognizing same sex partners, a certain number of factors are involved: cohabitation, recognition as a couple and mutual support. Obviously, if one's partner lives in Cuba and one is living in Montreal, the cohabitation criteria does not apply. Recognition as a couple begins to be a bit remote and mutual support is of course a little more of a monthly thing instead than a daily thing. Therefore, we needed evidence that was different from what we usually get. These are the positive aspects of the bill. However, I repeat, the bill is far from complete. It can be greatly improved.

The third positive aspect worth mentioning is the series of very tough measures concerning people trafficking and smugglers who bring into Canada people who do not deserve the status they claim.

• (1700)

The former Minister of Immigration and member for Westmount—Ville-Marie said on numerous occasions in the past that one of things that characterizes the 21st century is the trafficking in human beings. There is not just a trade in goods and in capital. There is an illegal trade in people, an underworld black market. This forces us to be extremely vigilant and severe toward those who are involved in trading human beings.

I therefore wish to focus attention on the clause of this bill that will provide very heavy punishment for those involved in this trade. The bill puts all the odds on the side of the law for dismantling these trafficking networks.

So much for the positive aspects of the bill. There are some a bit less positive, which is why the Bloc Québécois will be bringing in some amendments, via the charming and dynamic member for Rosemont.

I personally worked on this issue when I was immigration critic. Obviously, there is the whole issue of the 8, 9 and 10 year-olds being brought into Canada by the traffickers. They are detained far too long in prison. This approach is contrary to the international conventions of which Canada itself is a signatory. I will come back to this point at a later time.

Since I have only one minute left, I will now conclude, although I have the impression that I have barely touched on everything I wanted to say. The question of detaining young people is a problem for us. The lack of explicit reference in the bill to Canada's international obligations—and by this I am of course thinking of the conventions on refugees, on torture and on the rights of the child—is also problematical to us.

I also wish to state that we have a problem with the added powers assigned to immigration officers and the potential discretionary nature of some of the decisions to be reached.

I trust the government will be open to the amendments by the Bloc Québécois. We will be bringing our customary serious approach to the work in committee.

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## ROUTINE PROCEEDINGS

[English]

### COMMITTEES OF THE HOUSE

#### FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, I understand that there have been discussions with the parties and there would be unanimous consent for the following motion. I move:

That, notwithstanding any standing order, the response by the government to the second report of the Standing Committee on Foreign Affairs and International Trade may be tabled as late as May 18, 2000.

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**The Deputy Speaker:** Does the deputy government whip have unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

**The Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

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## GOVERNMENT ORDERS

[English]

### IMMIGRATION AND REFUGEE PROTECTION ACT

The House resumed consideration of the motion that Bill C-31, an act respecting immigration to Canada and the granting of refugee protection to persons who are displaced, persecuted or in danger, be read the second time and referred to a committee.

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, it is a pleasure to speak to Bill C-31, the immigration and refugee protection act. This is a very important bill for Canada. It has been in the making for a long time. We are pleased to see that it has been presented because it gives us an opportunity to talk about immigration and its impact on Canada.

Who are we talking about? We are talking about people. The government has released the total number of refugees into the country. When some 187,000 immigrants are coming into Canada it is important to recognize what is happening. They are human beings. These are people who have needs. Like any other issue that deals with human beings it has an emotional aspect. It deals with relationships, with aspirations and all such things.

• (1705)

We recognize what is happening. We have come to the very sad conclusion that our immigration system is falling down rapidly. More and more people are genuinely coming into the country. They have made the effort to come to our country but are facing problems. They get discouraged and walk away. At the end of the day Canada is the loser when this happens.

The auditor general reported on the immigration department. What do we see? We see what every MP knows, I would presume. There is something seriously wrong with our immigration system. As a matter of fact I have a full time staff, as do other MPs, trying to solve the immigration mess. It creates horror stories.

Old ladies have come to me crying because our system, despite what the government says, is inconsistent and allows people to

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abuse it. It is inconsistent in terms of what is going on in the country. It creates doubt among immigrants and upsets Canadians when they see that the system is subject to so much abuse.

The problem as far as I am concerned is that the government has made a habit of listening to self-interest groups. In this case I am talking about immigration consultants and immigration lawyers who try to hijack the agenda because it is in their interest. If the system is not functioning they are the beneficiaries, and the government agrees to that.

Let us talk about consultants. Anyone can be a consultant in this country. They just have to open up an office and say they are immigration consultants. Do they know about immigration rules? No. All they care about is money. This is happening in my own riding. Immigration consultants take money and give wrong advice to immigrants or to refugees, resulting in them coming to us to solve this mess.

**An hon. member:** Our staffs are better consultants.

**Mr. Deepak Obhrai:** My colleague is absolutely right. Yes, they are experts. They could become immigration consultants and do a better job.

I am not putting down all immigration lawyers. There is definitely a need for consultation, but the government has made a habit of listening to these people and then trying to draft legislation which is weak and leaves many loopholes. Who takes advantage of those loopholes? We all know that. All we have to do is look at the stories in the newspapers.

Chinese boatloads came here because of a loophole in the system created by the government. Everywhere around the world it is becoming quite clear that the loopholes existing in Canada are numerous, which has created human smuggling that plays with people's lives.

The minister of immigration has said that she would be very tough on human smugglers. The bottom line is that a market was created for human smugglers because of our lax law. Our lax law has given them a market of which they are taking advantage and playing with people's lives.

• (1710)

If we had a tighter or a speedier law, or if we had a procedure with which we could address these things very quickly and rapidly, would the human smugglers have a market? No, they would not. We would do people a favour if we had a clear-cut, concise and fast processing system. We would do a favour for people who cross the oceans and threaten their own lives so that human smugglers and drug abusers can take advantage of them.

Let me talk about what is wrong with the current immigration system. The auditor general said it was mismanaged and backlogged. We do not keep track of what is going on, and that is

absolutely true. From the experience in my office I can say that is absolutely true.

Let us talk about spousal applications. The minister says that it takes six months for a spousal application. I am saying that it does not take six months. It takes over a year and a half before Canadians who marry outside Canada can bring their spouses into this country. Yet the government talks about a system which it says is fair and will take only six months.

People have left this country, lost their status, and want to come back with a returning resident permit. Everything takes time, time, time. From the time I was elected in 1997 until now all I have seen is a longer process, and this is for legitimate immigrants to Canada. When we talk to immigration officers and our counsellors overseas only one point comes up, that they do not have the resources.

The minister of immigration says she will bring in 300,000 people. She says that is our new target. We are only at 178,000 because there are no resources. Because there are no resources immigration officers cannot do their jobs. Haphazard decisions are made. People fall through the cracks. People take advantage of that and walk into the country.

Any immigration officer will tell us that. I have visited New Delhi. I have visited Sydney. I have talked to immigration officers in Africa, and the simple point is a lack of resources. Some say that they want more, but as my colleague said the current system should be fixed first before anything else is done.

Let me give another example. The immigration department may allow people with professional degrees into this country but they cannot get jobs. There is an inconsistency. What is the point of getting professionals to come to the country if they cannot work? They cannot work here because we have professional associations that do not allow them to work.

We should tell them that we need immigration and that we need professional people. We should ask them how many they can accommodate. Then we should go ahead and do it. They should make arbitrary decisions because they are playing with people's lives.

Let us talk about visitor visas. I have to use the minister of immigration's offices to get visitor visas approved. Canada has a huge population from every corner of the world. Naturally they have families. Naturally they have ties outside the country. It is a common sense situation. They would like their family members to come. There is nothing wrong with that. A Canadian can go to India with no problem, but the poor guy who wants to bring someone from India here is denied entry into Canada. He is denied entry into Canada because the government says we cannot trust him to go back. We cannot trust him to go back. We do not know whether he will go back based on our past experience.

• (1715)

Where did the problem originate? The problem originates here. We allow them to stay here. We allow them to come to this country



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and make a claim and they can stay here for two and a half years. It takes two and a half years to process a refugee claim. Within two and a half years people can stay in this country and not go back. Where did the problem originate? The problem originates here.

It is a very small number. It is not a high number but others pay the price for it. Genuine visitors who want to come here pay the price for it. Over three-quarters of my files are people who want to come here on visitor visas to attend marriages and funerals. Why can we not look at the facts for those who come over here and want to make an application, even if it is a refugee claim. If there was a faster system, all these problems would not be there.

While I am talking of refugees, let us talk about our refugee determination system. Despite the fact that we have an appeal process and an IRB that is supposedly an independent one, the whole refugee determination system is bogged down. It takes two and a half to three years before a refugee's claim is heard, genuine or non-genuine. He has all that time to do whatever he wants to do. The so-called Honduras drug dealers in Vancouver sell drugs. Why is there not a faster process?

Nobody denies that a refugee has the right to flee persecution and come to our country. We are proud of that tradition. There is nothing wrong with that tradition. That is not the problem. The problem is it takes two and a half to three years to process a claim.

There is an individual in my riding who has been here for the last three and a half years as a refugee. The man was actually crying in my office and asking me to please tell him what it takes, why was he in limbo, why was he in no man's land. His wife and child are overseas. His wife suffered a heart attack. He cannot go back home because he fears being persecuted there. He cannot go back home but his wife has had a heart attack. His claim cannot be processed so he cannot bring his wife here. Why are we allowing all this human tragedy to be caught up in the bureaucratic mess we have created?

Why can we not have a faster process? If we are going to have an immigration and refugee policy, then let us implement it the way it is supposed to be implemented, not mismanage it.

Let us talk about some of our immigration officers. It is amazing. I actually tell people that their visas to Canada will be approved depending on which side of the bed the immigration officer got up. If he is in a good mood, they are in; if he is in a bad mood, they are out. There is no consistency. I have seen similar cases where one said yes and one said no. Then what happens? It is okay for the immigration officer overseas to say no but it throws the Canadian party into an appeal process.

The appeal process is expensive in hiring an immigration lawyer and going before the IRB. And we do not know when the IRB will hold its hearings. It could take six or eight months. It could take a year and a half for an immigration officer to make a decision. The poor guy has to wait for two years and then the immigration officer

after assessing it says "Sorry, you do not follow this in my view". I repeat that it is in his view. I agree he should have some view, but there has to be more consistency.

• (1720)

We have started to hire local officers. Local officers do interviews up front to allow people to come here as visitors or as immigrants. That is because the government cut the funding. They are local personnel.

What is Canada's desire? What do Canadians feel about how our system is run? I have encountered local immigration officers. We write to them and they ignore the missives of members of parliament. I had to write back saying that it is a democracy in this country. The people of Canada speak through their elected officials; they do not speak through their bureaucrats. These people do not understand. They do not know what is Canada's desire and who wants to come here. But these people are making decisions and throwing people into an appeal process which costs them pain and money.

More and more people are coming to my office saying to abandon the claim, that they are sick and tired of the whole process. This did not happen before, but it is becoming more and more common. The delays are becoming more and more common. But there is no problem for the guys who want to abuse our system. They do it and they do it fast. They are in the country. This creates tension because Canadians hate to see their laws being abused. They hate it.

I had call after call after call when the boat people came here. Every member of parliament did. What was the reason behind those calls? That our laws were being abused. It bothered Canadians that our laws were being abused. It bothered people who had applied for family members to come here or people in general who wanted to come to Canada. It bothered everybody, prospective immigrants, recently arrived immigrants, Canadians who have been here for generations. The bottom line was that the laws were being abused.

Have we tightened up the law? Have we even improved it? The bill begs the question, have we improved anything? I do not think so. I do not think anything has been improved. We are back to the same old system. I will be back out there listening to the cries of Canadians.

Canadians are travellers. They find new partners around the world. There needs to be sincerity. Immigration officers need to understand that Canadians travel. Sometimes Canadians find spouses overseas.

In summary, I go back to the main point that bothers our party, the official opposition. Has the bill cleaned up anything? Has it done anything to fix the old system? I say to the Minister of Citizenship and Immigration, please fix the old system.

*Private Members' Business*

The official opposition will keep a strong watch on this. My colleague the immigration critic will be bringing a lot of amendments to the committee when we study this bill which will give us more opportunity to discuss this important issue.

**Mr. Leon E. Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, I have several questions for my colleague, but I will limit it to one for now. If I get a chance I will certainly come back and ask another.

My colleague brought up the issue of visitors visas. What does he think the impact will be on people who apply for visitors visas as a result of the change to the Immigration Act through this legislation which will allow people to apply for permanent residency from within Canada?

• (1725)

In certain select cases such as students who have completed an education in a field which is in demand in this country, this may make sense. However, a fairly broad and general change in law which would allow people to apply for permanent residency from within the country has failed in the past. It has caused huge backlogs which the system cannot handle. Immigration officials know it is happening. They know that anybody applying for a visitors visa may decide he or she wants to stay and will add to that backlog, which reflects poorly on them.

What impact does the member think this change which will allow people to apply within the country will have on people applying for visitors visas? My colleague already expressed a concern that the system is not working now and he is right.

**Mr. Deepak Obhrai:** Mr. Speaker, my hon. colleague is right in mentioning there are certain circumstances such as students. He is also right to point the finger at the visitors visa issue. Will the bureaucrats apply the law in such a manner that visitors who want to come to Canada will be denied entry? How it is going to be interpreted is the biggest question on this issue.

As I said in my speech, the immigration officers will interpret the law in whatever manner they want. He is absolutely right. This is where the danger lies. There will be more cases of people being denied visitors visas to come into the country. The impact on the bureaucrats who will be making the decisions must be studied very clearly. Are they going to deny entry to more people? If they are going to deny entry to more people then what is the purpose of this?

My colleague is absolutely right. The impact on visitors visas to come into the country is an issue we have to study before we think it is good.

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, I thank my colleague for his comments.

In my constituency of Surrey North, I too have a very high caseload, about 80% of which is immigration files. A large number of those tend to deal with the whole visitors visa problems. One of the main problems we see is with people who are trying to have relatives come over for a funeral, a wedding or for any number of reasons. Of course, we want our front line officers to be vigilant to make sure that people are properly screened.

I have had cases where I suspected the applicants were perfectly reasonable but they were denied. At this end, people have actually offered to sign affidavits to put up tens of thousands of dollars in bonds. People who have made the application in the country of origin have agreed to put up tens of thousands of dollars or the equivalent size bond. For some reason Immigration Canada is loath to accept these bonds and has denied entry to these people.

Does my colleague have any comment on the bond issue? Should it be explored and opened up a bit more?

**Mr. Deepak Obhrai:** Mr. Speaker, my colleague underlined a very basic point on the issue of bonds. This issue is frustrating to individuals because they cannot get their relatives or friends into Canada for whatever reason. They go to extremes and say "Please let them come. I am willing to pay the money". That is not the most important issue. The more important issue is the process in Canada. When a person comes to Canada with a visitor's visa and applies for refugee status, if the process were faster we would have less refugee claimants applying from overseas. This would make visitor's visas easier to get and would provide open entry for immigrants because they would know that they cannot stay here.

• (1730)

The system we have devised does not address how quickly we can finalize applications of those who apply for refugee status. That is what this legislation should aim to do.

**The Deputy Speaker:** It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

I should advise the House that when the debate on Bill C-31 resumes, the hon. member for Calgary East will have four minutes remaining in the period allotted for questions or comments.

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## PRIVATE MEMBERS' BUSINESS

[English]

### EMPLOYMENT INSURANCE

The House resumed from March 23 consideration of the motion, of the amendment and of the amendment to the amendment.

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, we are resuming debate today on a private member's motion that was brought forward by the member for Acadie—Bathurst dealing with the restoration of unemployment insurance benefits to seasonal workers.

The motion reads as follows:

That, in the opinion of this House, the government should take immediate action to restore employment insurance benefits to seasonal workers.

The member's riding, like my own and like many ridings in Canada, would be considered by the government to be a rural riding. It is interesting to note that in many of these ridings, the workers have suffered as a result of the changes to the Employment Insurance Act that the government introduced before the last election. Understandably, the workers were upset by that and showed their displeasure with the changes by voting against the governing party.

The question would have to be asked: Has the government learned from the voter's verdict on the changes to the unemployment insurance system? One would think that it may have learned somewhat of a lesson.

Those who watched the Liberal convention that was held some time ago heard the Prime Minister, probably to the chagrin of his Minister of Finance and certainly to the chagrin of some of his cabinet ministers sitting here today, admit that perhaps the people were right. He stopped short of saying that perhaps the NDP was right. We knew all along that the government's changes to the EI program were wrong. The Prime Minister did not want to give us too much credit so he, kind of appropriately, went over our heads to the sovereign people who sent a message to the government, especially those in Atlantic Canada, that the changes made them suffer.

One would think that the Liberals would welcome the motion from the member for Acadie—Bathurst. It would allow them to vote in favour of this motion and admit that they learned their lesson. They could say that they are listening to the Prime Minister and are prepared to restore the funding to employment insurance.

Instead, in what is, I would say, a tricky manoeuvre, the Liberals moved an amendment. The amendment to the motion would make it read as follows:

That, in the opinion of this House, the government should review employment insurance benefits for seasonal workers.

We do not need a review. The people of Atlantic Canada do not need a review. The people who are seasonal workers in every part of this country, whether they are working in the woods in British Columbia, in the tourism industry in Alberta or in any industry across Canada, do not need another review.

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The changes to the unemployment insurance act were imposed by the government under former minister Doug Young who is now a member of the Canadian Alliance Party, I guess. A review took place in 1995 when a working committee was set up to examine the issue of seasonal work and employment insurance. In terms of the Liberal amendment, the review has taken place.

• (1735 )

The working group found some interesting statistics and reports. First, and this needs to be said, the report found that what is seasonal is not the workers. We refer to seasonal workers, but it is the jobs that are seasonal. The working group also found that the needs of that particular group in the labour force were largely ignored. Moreover, it noted that there was a negative attitude toward seasonal workers that was emerging in society and that the workers themselves were somehow considered responsible because of the fact that their jobs were temporary.

There are certain realities in this country. We live in a harsh climate. There is certain work that can be done in the summer that cannot be done in the winter. There are tourist seasons that are not year round. It is not the workers who are seasonal. It is that in certain parts of the country employment follows things that are beyond our control. One of those factors is weather. Another is where investment falls.

However, it is not the workers who say "I think I'll get up in May since I've hibernated for the winter and I'll go get a job". They also in the fall do not say "I've had it with work and I'm going to sit down". These are hardworking people who want work but the reality is that in the part of the country where they live the work tends to be seasonal in nature.

The working group also found that the Liberal government of the day warned that changes to unemployment insurance would disproportionately affect seasonal workers. I have already commented on that. It is clear that it did.

Finally, the working group predicted that the EI reform would have a negative impact on women. We already know that study after study has indicated that it is in many cases women who have lost their eligibility for employment insurance. They have paid into the fund and have been discriminated against by the changes to the employment insurance program.

As far as the amendment goes, while it is perhaps a friendly amendment, there is no need for us to study any more. This to me sounds like an election ploy. It is kind of like what the Prime Minister said at the convention when he said that we needed to review the Employment Insurance Act. A review can mean anything. It can mean that the act will be even more draconian at the end of the review, once and if the Liberals lucky enough to get another mandate.

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Let us have a show of faith here this evening on this member's motion. Let us see members put their votes where their comments were at the Liberal convention and let us see them vote in favour of this member's motion. I do not think it will happen. I would be readily surprised if it did, but one never knows. We have been surprised in the House before.

Let me also comment on the value of seasonal work to the economy. People tend to think that seasonal work is perhaps not on that high of a plane because it is seasonal in nature. However, when we look at it, tourism ranks 12th among the major sectors of the economy. While I am discussing tourism, it is important for me to comment a little bit about my own constituency.

It is ironic that we should be debating this motion the day after the government invoked closure on Bill C-11, an act by the government to take away the jobs of miners in Cape Breton. What is the government's solution to the economic problems in places like Cape Breton where it is challenged with helping to develop an economy? It says that tourism is the answer. The government should talk to the women, in particular, who work in the tourism industry in my riding in towns like Baddeck and Ingonish. I know my colleague from Bras d'Or—Cape Breton would echo the same thoughts for the women who work in the tourism industry in her riding, as would all my colleagues.

Let me say that many people in the tourism industry in particular, but also in the construction trades, the fishing trades, the agriculture industry and the lumber industry rely on employment insurance to see them through. That is only natural. They pay into an insurance fund. It used to be called unemployment insurance until the government decided to play word games and call it employment insurance. They pay into that with their hard-earned money and surely at the end of the season they are entitled to get that money back.

• (1740)

The Canadian people have spoken about the government's changes to the employment insurance program. The Canadian people resoundingly oppose those changes. I ask the government members, whose Prime Minister has indicated he is prepared to see things our way, to vote in favour of the motion.

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):**  
Mr. Speaker, I rise today to join in the debate on Motion No. 222 which reads:

That, in the opinion of this House, the government should take immediate action to restore employment insurance benefits to seasonal workers.

I note that there has been an amendment by the Liberal member for Miramichi and a further subamendment by the member for Bras d'Or—Cape Breton.

In beginning my participation in the debate, I wish to assure hon. members present that although seasonal workers are often referred

to in speeches on the east coast, I am very familiar with the impact of seasonal employment. My own riding of Nanaimo—Cowichan has its share of seasonal workers. These workers are primarily found in three different occupations: fishing, tourism and, although members may not believe it, in forestry today.

As we all know, the fishing industry has been particularly hard hit on both the east and west coasts. Declining fish stocks brought about by poor management, changing water temperatures, cyclical changes and other factors all resulted in a loss of jobs for fishermen and the support industries.

The forest industry actually is no different. Due to the poorly drafted softwood lumber agreement, the crash in the Japanese economy, the glut of newsprint on the worldwide market and the slowdown in the number of housing starts all across Canada, many forestry workers are faced with seasonal work rather than the level of full time employment that they once enjoyed.

Tourism is fast becoming the number one source of new jobs in Canada today. Indeed, tourism is truly seasonal employment. Many cities and towns are doing what they can to build upon and expand the resources that they have in their communities, all in an effort to draw tourists.

I have previously spoken in the House about my own home town of Chemainus, the little town that did, and the enormous number of tourists that arrive every year between May and October, about 400,000 of them. The Nanaimo Dive Association is about to sink a second artificial reef just outside the harbour. Why would they do that, one may ask. It is simply because the first artificial reef has attracted thousands of divers every year since it was sunk.

Why do I talk about these three industries today? I know that seasonal workers are found in each one of these industries. I also know that each one of our ridings has its share of seasonal workers. Whether they dig potatoes in the Fraser Valley, pick peaches in the Okanagan Valley, custom seed or combine across the Prairies, work in summer camps or vacation lodges in Ontario and Quebec or are part of the tourism trade in the maritimes, each one of our ridings is certainly affected by seasonal workers. This is a very real problem and one that each of us should take very seriously.

We may have different solutions however. Most of us can agree that there are problems within the system. It appears to me that one of the problem areas is the so-called intensity rule. As hon. members will know, the intensity rule was introduced in the 1995 Employment Insurance Act and distinguishes between frequent and infrequent recipients of EI benefits. Those who are frequent users of EI have their benefits reduced. While the intention appears to have been to discourage the frequent use of EI, I do not believe that the intensity rule has really worked in this manner. On this issue I do agree with the government amendment that there is a need to review employment insurance benefits for seasonal workers.

*Private Members' Business*

Unfortunately the limits of time in this debate are not sufficient to adequately address nor seek solutions to the problems that are part of the 1995 Employment Insurance Act. Systemic problems require more than a cursory debate in order to be resolved. While I see a need to review and address the problems within the EI system, I believe that the wording of the original motion will not solve any of the real problems. Rather, it will perpetuate them.

• (1745)

In resolving the inadequacies of the EI system there are a multitude of issues that must be researched and resolved, issues such as how businesses are using or abusing the EI system, the rates of benefits for frequent and infrequent users, as well as the premiums for businesses that are frequent and infrequent employers of seasonal workers.

I note that the 1998 EI monitoring and assessment report produced by the Department of Human Resources Development acknowledges that communities with high levels of seasonal employment were more likely to have industries that showed declining benefit levels. The concern I have regarding this is that the data used in writing the report would appear to have been gathered in the time immediately following the implementation of the revised 1995 EI act. I would question what has changed since that time. Is the data all relevant? Do the assumptions and conclusions in that report remain true today?

The government clearly hoped that with the implementation of the intensity rule the workers would have an incentive to move out of seasonal industries and regions. I question whether the rationale of seasonal workers receiving lower benefits has moved anyone out of seasonal work altogether. While some may have moved out of seasonal work, no doubt there are others who have moved in simply to take their place.

Why has the implementation of the intensity rule not changed the number of seasonal workers? Simply put, most seasonal workers state that they have few employment options outside their current seasonal jobs. According to the 1998 monitoring report, the intensity rule did not appear to be an incentive to look for non-seasonal work.

As part of an intensive review of EI legislation we must begin by looking at what was the original intent of employment insurance. If employment insurance was intended to protect workers against the risk of temporary, involuntary unemployment, we must ask ourselves whether the program is working. If it is not working, what are the options to fix the system? Should companies that hire primarily seasonal workers be assessed higher premiums? Does this place an unfair burden on some businesses but not on others?

With regard to seasonal workers, is it not a matter of risk that they will be unemployed? They already know that when they begin. Seasonal work clearly has different factors affecting it than full

time work. Some of those factors may be due to the size of the crop or the length of the season.

Let us be clear in this debate. I believe that Motion No. 222, as originally struck, may prove to stifle any efforts to find real solutions in the debate over seasonal EI recipients.

There are markets that are and will remain seasonal and they should not be unduly penalized. There are other markets that would appear to be taking advantage of the current legislation and, of course, this is not right either.

Employment insurance should not be used as a wage subsidy program. I understand that the original role of the EI program was to be protection against involuntary and temporary job loss. There is no question that the EI program has assisted many individuals and families and this should not be overlooked.

As part of this debate we must note that there are other factors to contend with. The use of excessive EI premiums by the government to fill the finance department coffers is inappropriate. I must wonder, if the premiums were not excessive and the money left in the pockets of the businesses, could the businesses better afford to hire additional workers? If this were the case, would some of the seasonal workers actually have the opportunity to become full time employees?

I strongly believe that money left in the pockets of the businesses and workers of this country is the wisest investment that government could ever make. Canadians are wise people and know when they are being taken advantage of. Currently they know they are being overtaxed. Businesses and individuals alike are not prepared to work under a prohibitive taxation structure. The flaws that we have before us will not be resolved by this one motion, but it could be a starting place if we can look at it systemically and not just in isolation.

I thank the hon. member for his motion and for the opportunity to take part in this important debate today.

[*Translation*]

**Mr. Yvon Godin:** Mr. Speaker, I rise on a point of order. I wish to seek the unanimous consent of the House to say a few words at the end of the debate, as the mover of the motion.

[*English*]

**The Acting Speaker (Mr. McClelland):** The hon. member for Acadie—Bathurst, in whose name this motion stands before the House, has asked for the unanimous consent of the House to have the last five minutes of debate. Does the House give its unanimous consent for the member to have the last five minutes?

**Some hon. members:** Agreed.

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• (1750)

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, I am pleased to take part in the third hour of debate on Motion No. 222 tabled in this House by the hon. member for Acadie—Bathurst and seconded by the hon. member for Bras d'Or—Cape Breton. It reads as follows:

That, in the opinion of this House, the government should take immediate action to restore employment insurance benefits to seasonal workers.

That motion was later amended by the hon. member for Miramichi, seconded by the hon. member for Oak Ridges. The amendment does not ask for benefits to be restored, but rather for the issue of employment insurance benefits for seasonal workers to be reviewed.

Then the member for Bras d'Or—Cape Breton, seconded by the member for Winnipeg Centre, came back with an amendment to the amendment asking that the review take place as part of country-wide public hearings.

Should the motion take the form suggested by those who participated in the debate and proposed an amendment and an amendment to the amendment, it would read as follows:

That, in the opinion of this House, the government should take immediate action to review, in country-wide public hearings, Employment Insurance benefits for seasonal workers.

The seasonal workers issue is a real problem for the people affected by this blatant injustice, which completely distorts an insurance scheme to which people do not even have the right to abstain from contributing.

Indeed, the government makes it mandatory for every worker and employer to contribute to the EI fund from the very first hour of work. Everybody contributes in case the employer were to decide he or she does not need the worker's services any more.

In fact, there are people who have to face unemployment every year and at the same time of the year. They are categorized as seasonal workers.

From the second world war until the Liberals came to power in 1993, seasonal workers were sure to get unemployment benefits for the whole duration of their seasonal layoff.

Since the Liberal reform, the government is not providing an insurance scheme for the unemployment period but for the employment period which has not been changed for seasonal workers. The workers are not the ones deciding that their work will be seasonal, but rather the local economic structure that determines the working conditions in any given region.

The lower St. Lawrence—Gaspé—Magdalen Islands region, for example, is struggling with the seasonal workers issue, as are our colleagues in the maritimes.

This is why representatives of the RCM faced with this situation submitted to the Minister of Human Resources Development a pilot project aimed at trying out new ways of helping seasonal workers who, year after year, find themselves in what we call the black hole, or spring gap, namely a period of up to 10 weeks where they go without a paycheque between the time when their benefits run out and when their seasonal job starts.

This is not a geographical problem as it is tied to the very nature of the economic structure of the area, as I mentioned earlier.

What is this pilot project that was submitted to the minister all about?

The government could use section 109 of the current Employment Insurance Act and grant a special status to seasonal workers. The project could run for three years, as provided under section 110 of the same act.

Moreover, the pilot project could cover areas where seasonal work is very prevalent, such as the lower St. Lawrence region, the Gaspé and the islands. It would allow the government to test beforehand changes to the current employment insurance scheme regarding seasonal workers.

As I mentioned it earlier, a seasonal worker is a worker who makes a claim for the current year at approximately the same time as the previous year. These claimants have to apply for benefits because the work they do can only be done during a given season.

• (1755)

Seasonal workers are greatly affected by the intensity rule. In the lower St. Lawrence region, the type of unemployed workers registered with Human Resources Development Canada in Rimouski matches the profile of seasonal workers.

Our region has a resource-based economy in important areas such as logging, peat production, agriculture and agri-food, tourism and commercial fishing.

In December 1999, 17,983 unemployed workers applied for benefits. Of that number, 14,353 were frequent claimants, which means that they are affected by seasonal variations in employment. The lower St. Lawrence region has a 80% frequent claimant rate, compared to 20% for the Montreal region.

In this context, a pilot project is necessary, because seasonal workers are penalized by the intensity rule, whatever the reason is that forces them to rely on employment insurance.

Moreover, many of them have to live through the so-called "black hole of spring", which refers to the period of up to 10

weeks without benefits before they are called back to work, as I was saying earlier. It is very important to understand what it means to the seasonal worker to receive no money for a certain period of time.

This situation is a consequence of the calculation of the benefit period based on the regional unemployment rate rather than on the number of hours worked.

A pilot project giving special status to seasonal workers would encourage them to keep their jobs, to upgrade their skills and to participate in the development of the local economy.

A stable labour force would encourage businesses to invest more readily in personnel training, so that employees can better contribute to the increased efficiency and profitability of the business.

How would that pilot project to give a special status to seasonal workers work? Simply as follows.

The seasonal workers would obtain the following advantages: first, the intensity rule would disappear; second, the admissibility would no longer be determined by the unemployment rate in the region, but rather by the minimum number of hours required by the present Employment Insurance Act, that is 420 hours. The workers would receive benefits during the total unemployment period, which would mean no more spring gap with no cheque. Fourth, the exclusion of small weeks rule would remain. Fifth, the basis for calculation would be the actual number of weeks worked.

I hope the government will agree with this motion, which is extremely important for our seasonal workers. I invite all my colleagues in the House to massively support the motion when we vote on it later.

[English]

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, I want to say a few words in support of the hon. member's motion. Two of my colleagues from New Brunswick have already spoken to this motion, and I want to say a few words on behalf of seasonal workers in the province of Newfoundland and Labrador.

First, let me make one thing absolutely crystal clear. The Liberal government's changes to the unemployment insurance system, the so-called employment insurance system, were and still are a direct attack on seasonal workers in Atlantic Canada in particular and in rural Canada in general.

The insurance system for the unemployed has been gutted. We are all very much aware of that. The changes to the UI system, the so-called reforms, introduced by the Liberals make it harder to qualify for benefits. When one does qualify, it is for fewer benefits and for a shorter period of time.

I can see why they dropped the word unemployment from the title of the new program. In 1989, 87% of Canada's unemployed

qualified for benefits. Today only 36% of Canada's unemployed qualify for benefits in a system that has a multibillion dollar surplus.

• (1800)

It is no longer workers' insurance against becoming unemployed. It has become a system which has forced 50,000 Newfoundlanders to pull up stakes and move to other provinces in central and western Canada.

If people cannot or will not move from their home communities in rural Newfoundland, there is only one option. If work is not available, then they have to go on social assistance. For those who cannot move away it has become welfare insurance, not employment insurance.

In rural Newfoundland and many other places in Atlantic and rural Canada there are not many job options available. Most of the work which is available is seasonal work. At one time people could work seasonally, draw unemployment insurance and head out to look for jobs elsewhere. If they could not find jobs they would have the assurance of returning to their seasonal work when it became available.

Let me remind hon. members that it is not a crime to be a fisherman. It is not a crime to be a logger. It is not a crime to be a construction worker. These are trades that make valuable contributions to the people of Newfoundland and valuable contributions to the people of Canada. They should be recognized that way, but it has all changed.

If people are lucky enough to find seasonal work and they do qualify for EI benefits, then in all likelihood the benefits will not carry them to the point of returning to the seasonal work. People will live part of the year with no income at all. At that point they must deplete their savings. They probably have to turn to extended family for support and help, or they have to move away to find work. If that option is not available, they have to go on social assistance.

It would not sound so bad if the EI system were broke, depleted of benefits by the unemployed, but the system is not broke. It is awash with cash. The system is not broke, it is broken. It was deliberately broken by the governing Liberals. That was a piece of cold, calculated, social engineering on the part of the Liberals.

Their plan proved to be quite effective. Their strategy was to tighten up the EI system, making it impossible for someone to earn a livelihood at seasonal work, which would force the migration of Atlantic Canadians to areas of higher employment, and let welfare take care of the rest of the people who could not move or who would not move.

That piece of social engineering has cost my province about 10,000 people a year over the past few years. It has cost the Liberal

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Party all of its seats in Atlantic Canada. It will continue to cost the Liberal Party all of its seats in Atlantic Canada unless it does something about the EI system.

This piece of social engineering has cost the province of Newfoundland and Labrador \$1 billion in lost EI revenues since the Liberals came to power in 1993. The city of St. John's, just to give a small indication of how it is spread out, is losing \$78 million annually. My riding of St. John's East, which is comprised of the eastern part of the city of St. John's and the rural area along Conception Bay, is losing \$50.2 million annually. St. John's West, where the Liberals hope to win the byelection on Monday, is losing \$56.3 million annually.

Let us look at the riding of Burin—St. George's. Joining the Liberal side was supposed to be good for that riding. How much is it costing the people of Burin—St. George's in lost EI revenue? It is costing them \$81.7 million a year.

These are not numbers to which only accountants can relate.

• (1805)

The people kicked out of the EI system have either moved away or they have had to go on social assistance. For the most part there was no new work in the area.

EI cheques, believe it or not, were not replaced by cheques from shiny, new, year-round factories. This money has simply gone from the local scene. It is sitting in the pot right here in Ottawa to help the finance minister balance his budget. This is money no longer being spent in restaurants, gas stations and grocery stores in Atlantic Canada and rural Canada. As I said, in Newfoundland we have lost \$1 billion in EI revenue. In an economy the size of ours that has to hurt, and it has hurt many families and many communities.

Much has been said about the Liberal Party wanting to regain seats in Atlantic Canada in the next election. The Liberals have been promising to restore some of the benefits which they took away under the old UI system, but so far all they have come up with are a lot of empty words, a lot of empty rhetoric. I have a feeling that is the way it will remain.

In the last budget the government made a lot of extending EI sponsored maternity leave from six months to a full year. What the government did not say in the budget was that with its new hours based EI system only 31% of unemployed Canadian women actually qualify for these benefits. Given the fact that it is harder to qualify for maternity benefits than regular benefits, that is very cold comfort indeed.

The government's so-called reforms to the UI system and its creation of the new EI system was a deliberate and well planned attack on rural and Atlantic Canada, and unfortunately Canadian women as well. These changes might have gone down well in the more prosperous parts of the country, but they have been

devastating to Atlantic Canada in general and to Newfoundland in particular.

Seasonal work is not a crime. As I said a moment ago, it is not a crime to be a logger, it is not a crime to be a fisherman and it is not a crime to be a construction worker. It certainly is not a valid excuse to force the migration of rural Canadians. However, this is what the government has done, and quite deliberately.

At the last election the Liberals paid a very stiff price for what they did to Atlantic Canadians. If they want votes in Atlantic Canada and in the province of Newfoundland next time they had better change their tune. The fishermen, the loggers and the construction workers of Atlantic Canada will not stand for what the government has done to them over the last three, four or five years.

I support the motion and I commend the member for having brought it to the floor of the House.

**The Acting Speaker (Mr. McClelland):** Before I recognize the hon. member for Oak Ridges, I thought the debate was finished at 6.30 p.m. It is not. It is supposed to be finished at 6.15 p.m. Is there unanimous consent to go to 6.15 p.m. with the hon. member for Oak Ridges, then go to the hon. member for Acadie—Bathurst and then we will have bells at 6.20 p.m.?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. McClelland):** We said by unanimous consent that the last five minutes would go to the hon. member for Acadie—Bathurst, so that gives the hon. member for Oak Ridges two minutes. Is that agreed?

**Some hon. members:** Agreed.

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, I will not take issue with you at this point, but I would indicate that, in fairness, the government needs to respond and the government will respond to both the motion and to the amendment that was proposed.

I point out to all members of the House that we all share concerns with regard to seasonal workers. The original motion called upon the government to restore EI benefits to seasonal workers. I reject the premise that EI benefits have been taken away from these workers. I would support, however, the amendment proposed by the member for Miramichi. His proposed amendment would ask us to take immediate action to review EI benefits so that workers with seasonal jobs could continue contributing to the economy and building a better quality of life. I think this is important for everyone.

• (1810)

Canadians and seasonal work remain an important factor in government social and economic planning. An estimated 327,000



Canadians worked in seasonal jobs in 1997, about 3% of all paid workers. In Atlantic Canada the numbers were obviously higher than the national average.

Furthermore, within certain industries themselves there is greater seasonality in Atlantic Canada than elsewhere in the country. In other words, employment fluctuates more with the seasons.

We must recognize that seasonal industries are a large factor in the Canadian economy and indeed we must recognize the increased importance to the Atlantic region in general. Obviously the treatment of seasonal workers on employment insurance is an important concern to the government and will be treated as such. However, it seems that whenever EI comes up for discussion in the House we must return to the basics.

Why was the EI system introduced in 1996? We had to make the system fairer. There had to be greater incentives to work. We wanted to increase assistance for low income families with children and we wanted to ensure the future viability of the program. Overall, we wanted a balance in the system, redirecting resources to help unemployed Canadians get back to work.

The EI program introduced in 1996 included measures to achieve these ends, but it was never designed, nor should it have been, to be the sole solution, the sole guarantee of well-being for Canadians in any region.

Concern for unemployed workers has always been a priority of the government. We must ensure that EI benefits continue to provide income while unemployed individuals look for a new job. In addition, EI provides active re-employment measures like career counselling, self-employment and skills development to help improve the employability of individuals. Indeed, active re-employment measures are now helping people to return to the labour market.

While a strong economy was the result of the creation of 383,000 full time jobs last year, we have nevertheless maintained our efforts to help those workers, regions and industries which face special challenges.

We introduced EI to help contribute to the adjustment in the fishery. We created small weeks adjustment projects at a cost of \$225 million to help workers, many of whom are seasonal workers, collect higher benefits and maintain a hold on the job market.

We have established a working group with the provinces and territories to examine ways to address the specific needs of seasonal workers, including options for pilot projects to create employment opportunities in the off season. We have invested \$30 million over two years to launch pilot projects to help workers maintain a strong attachment to the workforce.

The minister has recognized this and she has committed her regional officials to work closely with these workers to better

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appreciate local needs and explore how we can better help communities help themselves.

The redesigned EI plan introduced the hours based system rather than the previous system based on weeks worked. The hours based system is much fairer in that every hour of work counts toward eligibility of benefits. Remember, seasonal workers tend to work a large number of hours in a given week, so the EI system benefits them particularly.

Evidence is building that many seasonal workers are in fact finding the extra work needed to qualify for longer benefits. Keep in mind as well that we are attentive to working families with low incomes. Seasonal workers in this situation receive higher benefits with the family supplement. If they receive the family supplement, they are exempt from the intensity rule.

Also, many seasonal workers are receiving increased benefits because of participation in small weeks projects.

But the point we should be bearing in mind during debate on this motion is that the effects of various changes introduced in the EI package can only be measured as they are played out over time.

The EI program and its efforts are being monitored continuously, and there is a requirement for annual assessment reports for the five years following its introduction. The third report has just been released and it provides a more up to date assessment of how the program is working.

The EI reforms cannot be looked at in isolation from what has been happening in the Canadian economy and the labour market. Unemployment rates have declined dramatically across the country and unemployment is at its lowest level in decades. Job growth was particularly strong for women and youth.

It is not immediately apparent what this has meant for seasonal workers, since EI data seldom differentiates between seasonal and non-seasonal workers. However, there is a great overlap of seasonal workers and frequent EI users. Data for these groups are often very similar.

● (1815)

In 1998-99 frequent claimants received about 43% of all regular and fishing benefits, up from 41% in the previous year. Benefit payments to these claimants were \$3.4 billion, virtually unchanged from the previous year. At the same time, benefits paid to unemployed workers in most seasonal industries increased substantially with the highest increases taking place in fishing and trapping which was up 70% and mining, oil and gas which was up 52%. While the percentages of benefits received by frequent claimants increased, the number of regular and fishing claims made by frequent claimants declined 5.7% to 604,000 due in part to a general decline in claims overall.

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I will sum up by saying I believe the third annual monitoring and assessment report demonstrates that the EI regime does indeed provide better coverage for seasonal workers compared to the system it replaced. Therefore the amendment moved by the hon. member for Miramichi is more in keeping with what is happening with regard to the EI regime. We should indeed be monitoring EI benefits not only for seasonal workers but for all workers. This is what we are doing. With respect to the proposed subamendment that the review include cross-country hearings, while the intentions may be honourable, the net result would only add to the cost of the existing process. The government certainly will support the amendment.

Mr. Speaker, I thank you for allowing me a bit of leeway with regard to the time.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I thank my colleagues from all parties who took part in this debate on employment insurance and seasonal workers.

This motion specifically concerns rural areas in this country. It is of paramount importance for all workers in seasonal industries who were penalized by employment insurance reform. Furthermore, this reform had devastating effects on regional economies throughout our country.

For instance, in the riding of Acadie—Bathurst, the local economy was deprived of \$69 million a year as a result of employment insurance reform. This means that the small and medium size businesses were severely affected by this reform. This is a huge sum for this rural area.

**Mr. Jean Dubé:** Doug Young's reform.

**Mr. Yvon Godin:** The same thing is happening in every region in Canada whose economy is based on seasonal work.

At their convention, even the Liberals passed a motion acknowledging the harm that employment insurance reform had done to seasonal workers. The Liberals acknowledged that, whereas the changes made to the Employment Insurance Act during these last ten years have affected in a disproportionate manner the workers of the Atlantic Region in seasonal industries and their families—

At their convention in March, even the Liberals acknowledged the harm they had done to seasonal workers. That said, the Liberals recognize that the law must be revised.

We have heard the comments of the members of all parties in this House. They have all underscored the importance of seasonal industry in the economy of our country.

Let us take the case of the loggers at home. What message do the Liberals want to send to the loggers? I listened to my colleague saying that the employment system worked, that it encouraged people to go to work.

Have members ever seen a logger go to work when the forest is closed? Have they ever seen blueberries being picked in winter, in December? These are some of the seasonal jobs in the rural regions.

Have members seen the fish biting in Caraquet when the bay is frozen over? This is the problem we have with seasonal jobs. This is what the government has to understand. It is not enough to say they will support an amendment to have a review without any change. I hope that this evening they will act in all good faith.

If they want to pass this motion, it is to make changes that Canadians across the country have been waiting for. Real changes have to be made for workers.

Do members know what the black hole created by the employment insurance reform represents? It represents children who get up in the morning to go to school without having anything to eat. This is what the black hole the Liberals created in 1996 is all about. This has to change.

• (1820)

They are saying to workers and loggers at the moment "You, because you are in a black hole every year, sell your motorcycle. You should not have one. Sell your skidoo, because you are going to be on welfare. When you are on welfare you are not entitled to have a skidoo or a motorcycle. You are not even entitled to have a car".

That is what the Liberals are telling forestry workers; that is what they are telling workers in the fishery and in the tourism industry, where people work for only ten weeks a year.

That is why I am asking the House this evening to vote in favour of my motion. But more than that, I am asking the federal government, the Liberals opposite, to make the real changes that Canadians need.

When I travelled across the country examining the human impact of EI, I noticed that Canadians throughout Canada were suffering. Whether in Ontario, Regina in Saskatchewan, British Columbia, the Yukon, the Gaspé, Newfoundland or Cape Breton, everywhere, those who have lost their jobs are stuck in a black hole, I can guarantee it. It is a black hole and not just for the worker but for the children, the family and everyone.

I thank the House for giving me an opportunity to say a few words to wrap up the three hours of debate on my motion about EI. I hope that it will not be a partisan vote, but that parliament will express its opinion and that the government will take action to review employment insurance because it recognizes the wrong it

*Private Members' Business*

has done Canadians. The government must make real changes that will help workers and their families, who have to contend with seasonal employment in Canada.

**The Acting Speaker (Mr. McClelland):** It being 6.23 p.m., the time provided for debate has expired.

[English]

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. McClelland):** All those in favour of the amendment to 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):** Call in the members.

● (1845)

*And the bells having rung:*

● (1850)

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

(Division No. 1287)

**YEAS**

Members

Bachand (Richmond—Arthabaska)	Bailey
Blaikie	Borotsik
Brison	Caccia
Casey	Casson
Davies	Dockrill
Doyle	Dubé (Madawaska—Restigouche)
Duncan	Earle
Epp	Godin (Acadie—Bathurst)
Hardy	Hart
MacKay (Pictou—Antigonish—Guysborough)	Mancini
Martin (Winnipeg Centre)	McDonough

Proctor  
Riis  
Robinson  
Solomon  
Thompson (New Brunswick Southwest)  
Wayne—33

Reynolds  
Ritz  
Scott (Skeena)  
St-Jacques  
Vautour

**NAYS**

Members

Abbott	Adams
Alarie	Alcock
Anders	Anderson
Assadourian	Asselin
Bachand (Saint-Jean)	Baker
Bakopanos	Barnes
Bélaïr	Bélangier
Bellehumeur	Bennett
Benoit	Bertrand
Bevilacqua	Bigras
Blondin-Andrew	Bonin
Bonwick	Boudria
Breitkreuz (Yorkton—Melville)	Brown
Bryden	Bulte
Byrne	Cadman
Calder	Cannis
Caplan	Cardin
Catterall	Cauchon
Chamberlain	Chan
Charbonneau	Chatters
Clouthier	Collenette
Comuzzi	Cotler
Crête	Cullen
Cummins	Dalphond-Guiral
de Savoye	Desrochers
DeVillers	Dion
Discepolo	Dromisky
Drouin	Dubé (Lévis-et-Chutes-de-la-Chaudière)
Duhamel	Dumas
Eggleton	Elley
Finlay	Folco
Fontana	Forseth
Fry	Gagliano
Gagnon	Gauthier
Girard-Bujold	Godin (Châteauguay)
Goodale	Gouk
Grose	Guarnieri
Guay	Hanger
Harb	Harris
Harvard	Hill (Macleod)
Hill (Prince George—Peace River)	Hoepfner
Hubbard	Jackson
Jaffer	Johnston
Jordan	Karetak-Lindell
Kenny (Calgary Southeast)	Keys
Kilger (Stormont—Dundas—Charlottenburgh)	Kilgour (Edmonton Southeast)
Knutson	Konrad
Lastewka	Laurin
Lavigne	Lebel
Lee	Leung
Limoges	Lowther
MacAulay	Maloney
Manley	Marchand
Mark	Martin (LaSalle—Émard)
Matthews	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Ménard	Mercier
Meredith	Mills (Red Deer)
Mitchell	Murray
Myers	Nault
O'Brien (London—Fanshawe)	O'Reilly
Obhrai	Paradis
Parrish	Pettigrew
Phinney	Picard (Drummond)
Pillitteri	Plamondon
Pratt	Proud
Proulx	Reed
Robillard	Saada
Schmidt	Scott (Fredericton)
Sekora	Sgro
Shepherd	Speller
St. Denis	St-Hilaire
Steckle	Stewart (Northumberland)

*Private Members' Business*

Strahl  
Thibeault  
Tremblay (Lac-Saint-Jean)  
Turp  
Vanclief  
Venne  
White (North Vancouver)

Szabo  
Torsney  
Tremblay (Rimouski—Mitis)  
Ur  
Vellacott  
Whelan  
Wilfert—162

Casson  
Cauchon  
Chan  
Chatters  
Collenette  
Cotler  
Cummins  
Dion  
Doyle  
Drouin  
Duhamel  
Eggleton  
Epp  
Folco  
Forseth  
Gagliano  
Gouk  
Guarnieri  
Harb  
Hart  
Hill (Macleod)  
Hubbard  
Jaffer  
Jordan  
Keyes  
Kilgour (Edmonton Southeast)  
Konrad  
Lavigne  
Leung  
Lowther  
MacKay (Pictou—Antigonish—Guysborough)  
Manley  
Martin (LaSalle—Émard)  
McGuire  
McLellan (Edmonton West)  
McWhinney  
Mills (Red Deer)  
Murray  
Nault  
O'Reilly  
Paradis  
Pettigrew  
Pickard (Chatham—Kent Essex)  
Pratt  
Proulx  
Reynolds  
Robillard  
Schmidt  
Scott (Skeena)  
Sgro  
Solberg  
St. Denis  
Steckle  
Strahl  
Thibeault  
Torsney  
Vanclief  
Vellacott  
Whelan  
White (North Vancouver)

Catterall  
Chamberlain  
Charbonneau  
Clouthier  
Comuzzi  
Cullen  
DeVillers  
Discepola  
Dromisky  
Dubé (Madawaska—Restigouche)  
Duncan  
Elley  
Finlay  
Fontana  
Fry  
Goodale  
Grose  
Hanger  
Harris  
Harvard  
Hill (Prince George—Peace River)  
Jackson  
Johnston  
Karetak-Lindell  
Kilger (Stormont—Dundas—Charlottenburgh)  
Knutson  
Lastewka  
Lee  
Limoges  
MacAulay  
Maloney  
Mark  
Matthews  
McKay (Scarborough East)  
McTeague  
Meredith  
Mitchell  
Myers  
O'Brien (London—Fanshawe)  
Obhrai  
Parrish  
Phinney  
Pillitteri  
Proud  
Reed  
Ritz  
Saada  
Scott (Fredericton)  
Sekora  
Shepherd  
Speller  
St-Jacques  
Stewart (Northumberland)  
Szabo  
Thompson (New Brunswick Southwest)  
Ur  
Vautour  
Wayne  
White (Langley—Abbotsford)  
Wilfert—154

## PAIRED MEMBERS

Lefebvre  
Nunziata

Normand  
Peterson

**The Acting Speaker (Mr. McClelland):** I declare the amendment to the amendment lost.

• (1855)

The next 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 yeas have it.

*And more than five members having risen:*

• (1900)

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

*(Division No. 1288)*

## YEAS

## Members

Abbott  
Alcock  
Anderson  
Bachand (Richmond—Arthabaska)  
Baker  
Barnes  
Bélanger  
Benoit  
Bevilacqua  
Bonin  
Borotsik  
Breitkreuz (Yorkton—Melville)  
Brown  
Bulte  
Caccia  
Calder  
Caplan

Adams  
Anders  
Assadourian  
Bailey  
Bakopanos  
Bélair  
Bennett  
Bertrand  
Blondin-Andrew  
Bonwick  
Boudria  
Brisson  
Bryden  
Byrne  
Cadman  
Cannis  
Casey

Alarie  
Bachand (Saint-Jean)  
Bigras  
Cardin  
Dalphond-Guiral  
de Savoye  
Dockrill  
Dumas  
Gagnon  
Girard-Bujold  
Godin (Châteauguay)  
Hardy  
Kenney (Calgary Southeast)  
Lebel  
Marchand  
McDonough  
Mercier  
Plamondon  
Riis  
Solomon  
Tremblay (Lac-Saint-Jean)  
Turp

## NAYS

## Members

Asselin  
Bellehumeur  
Blaikie  
Crête  
Davies  
Desrochers  
Dubé (Lévis-et-Chutes-de-la-Chaudière)  
Earle  
Gauthier  
Godin (Acadie—Bathurst)  
Guay  
Hoepfner  
Laurin  
Mancini  
Martin (Winnipeg Centre)  
Ménard  
Picard (Drummond)  
Proctor  
Robinson  
St-Hilaire  
Tremblay (Rimouski—Mitis)  
Venne—44

### PAIRED MEMBERS

Lefebvre  
Nunziata

Normand  
Peterson

**The Acting Speaker (Mr. McClelland):** I declare the amendment carried.

The next question is on the main motion, as amended. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. McClelland):** I declare the motion, as amended, carried.

(Motion, as amended, agreed to)

### ADJOURNMENT PROCEEDINGS

• (1905)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

#### TRAINING

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, on February 28, I asked the Minister of Human Resources Development the following question in the House:

Mr. Speaker, the Ottawa Citizen announced today that, according to the government, learning is an “individual responsibility”.

On the heels of student debt and the enrichment of the banks with liberal cuts to education, we have the Liberal government wanting to divest itself of its responsibilities for training.

Will the Minister of Human Resources Development reaffirm the federal government’s commitment to training?

The issue has become a real problem throughout the country. We can see the gap, once more, between the rich and the poor. And I must accuse the liberal government of creating this gap in the Canadian society.

Today, our young people need a college or university education, with all the expenses involved and the borrowing they have to do, because the government has completely divested itself of its responsibility to provide students with financial support. Consequently they get into debt. The rich, however, do not have that problem, because they have money and can afford to pay for their children’s education.

Until recently, the government used to help the less fortunate young people make their way through college and university. It is

### *Adjournment Debate*

now turning it back on them and forcing them to get into debt. It does not even help them repay their school debt. The government could exempt them from paying interest. But no, it asks the banks, the credit unions and other financial institutions to deal with that, and they are the ones collecting the interests, while we are forcing young Canadians into debt.

Sometimes, I am scared when I hear the Minister of Finance say that he wants to balance his budget, eliminate the deficit and pay off the debt. In fact, he is doing that on the backs of students. He says he does not want future generations to have to shoulder the debt. Instead, he is putting it on their shoulders now, that is a big problem.

In my riding, for instance, some young students graduate from university with a debt load of \$50,000. They come to my office and tell me: “I cannot find a partner and get married. If I do, I will be \$100,000 in debt”. This is what the government has done to the youth of our country. It is driving them into debt and continues to do so. The poor are falling on hard luck.

In years to come, our country will be divided between the rich and the poor. The poor will not receive the education they need.

• (1910)

I am sure we can all agree that today education is of paramount importance.

Only 25 years ago, I would not say young people did not have to go to school or university, but if they did not, manual labour was still plenty. They could work in a mine, in the fishing industry or in construction. Young workers did not need a degree as is the case today.

Nowadays, they virtually cannot enter the labour market without a grade 12 education, a college or university degree. These young people are caught between a hard place and a rock. They have to borrow money and the federal government does not give them any support.

I would ask the Parliamentary Secretary to the Minister of Human Resources Development to tell us what are the plans of the government to help young Canadians and to ensure they do not go deeper into debt year after year as they are doing today.

[*English*]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I reassure the member for Acadie—Bathurst that the government is very committed to both post-secondary education and training as the best methods to ensure that our young people are equipped to participate in the modern world.

Under post-secondary education the millennium scholarship fund is particularly focused on those who are unable to pay. The

*Adjournment Debate*

Canada student loans program is also offered by the government. There are large transfers to the provinces for post-secondary education which they pass on to universities and community colleges. In addition, in the last budget we strengthened the post-secondary system to a system of special chairs which are funded at the universities and our centres of excellence program.

We are acting to ensure that all Canadians have the skills, knowledge and experience needed to succeed, but there is more than one way to get things done. One of the best ways we have found is by working in collaboration with our provincial partners to ensure that labour market programs best meet local needs. That is why we have transferred responsibility for labour market development programs to the provinces and territories. At the same time we modernize those programs.

Under the new employment insurance system we now invest \$2.1 billion a year in active measures, tools with proven track records of getting people back to work. One of those tools is the skills development benefit which enables unemployed individuals to select, arrange for and pay for their own training.

The government is fulfilling its responsibility to help individuals obtain the training they need, and we are doing it with the help of our provincial and territorial partners.

[*Translation*]

## HUMAN RESOURCES DEVELOPMENT

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, on February 24, I asked a question about a company from the riding of Rosemont which had moved to the riding of Saint-Maurice. At that time, we were told that there were no problem with that. But afterwards, there were a government inquiry on the issue.

The horror story at Human Resources Development Canada continues. Instead of having the independent public inquiry that we, in the Bloc, have been requesting since the beginning and that the opposition has unanimously demanded, we are forced to raise all the unacceptable cases one by one.

On February 24, we talked about the company from the riding of my colleague from Rosemont. Today, I bring to your attention the case of another company, Conili Star, which is in the textile sector. It received a \$700,000 grant not to create jobs, but to transfer employees to a new employer. Employees from a company were transferred to another company at a cost of \$700,000 for the taxpayers.

I would like the parliamentary secretary to tell us when will the federal government finally recognize in front of the population that

the situation made public by the internal audit cannot be corrected by the six point plan of the minister, but that she will have to go much deeper to turn things around?

We must get to the bottom of this to see if the scandal at the Department of Human Resources Development is simply due to administrative problems, to administrative laxness, to basic management errors made by people who have held the position of deputy minister, which means that they were responsible for this department, or if there may have been, on top of that, situations where public funds were used for partisan purposes, as we can see in the example of Conili where, strangely enough, the same business that received a \$700,000 grant contributed \$7,000 to the Liberal Party election fund.

• (1915)

We are faced with a situation where, as opposition party, we will continue to expose these cases day after day. We would expect a more responsible attitude on the part of the federal government, particularly on the part of the minister responsible and the parliamentary secretary representing her.

When will we see the kind of attitude that will allow us to shed some light on this whole situation so we can restore the credibility of job creation programs? The current attitude of the government seriously undermines the credibility of those programs and brings people like members of the Canadian Alliance to claim, based on the government's poor management record, that these programs are useless.

When will the government take responsibility and when will it make all the available information public and order an independent public inquiry so we can tell the difference between the programs themselves and the unacceptable way the federal government has been managing them?

[*English*]

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, HRDC is committed to ensuring that proper administrative practices are applied and that this information is transparent and available.

With regard to the particular file mentioned by the hon. member opposite, he will know that we have looked at this file as we said we would. As a result of this review we engaged Kroll, Linquist, Avey of Toronto to conduct a forensic audit on this particular project. The firm's report was received and based on its recommendations it was referred to the RCMP the very same day. The project is now part of an ongoing police investigation and we will await the results before making any further comments.

*Adjournment Debate*

The hon. member opposite has also claimed that his party is doing a case by case review thereby leaving the wrong impression with Canadians that it is the Bloc Quebecois that is doing this review. The department itself as part of its six point plan is reviewing every single file.

If there is any evidence of questionable practices, the next step is to call in an auditing firm to do a forensic audit as I have just described. That is the process. If we find any behaviour that could be considered inappropriate, any worry about the money, we call for a forensic audit. If we can establish an overpayment, we will get the money back, as has been the case. In quite a few of the files we have retrieved the money.

Canadians should know that the Department of Human Resources Development is indeed conducting a case by case review of all its files. In some cases it will result in a repayment of funds and in other cases, in very serious cases, they will be referred to the police.

[*Translation*]

**The Acting Speaker (Mr. McClelland):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.17 p.m.)

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