



CANADA

# House of Commons Debates

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VOLUME 136 • NUMBER 112 • 2nd SESSION • 36th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Monday, June 12, 2000**

**Speaker: The Honourable Gilbert Parent**

## CONTENTS

(Table of Contents appears at back of this issue.)

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# HOUSE OF COMMONS

Monday, June 12, 2000

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

• (1105)

[*Translation*]

### LABELLING OF GENETICALLY MODIFIED FOODS

The House resumed from May 5 consideration of the motion.

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Madam Speaker, I am pleased to take part in the debate on Motion No. 230, introduced by my colleague from Louis-Hébert.

For the benefit of those following this important debate, I will reread the motion as introduced:

That, in the opinion of this House, the government should make labelling of genetically modified foods compulsory, and should carry out exhaustive studies on the long-term effects of these foods on health and the environment.

The federal government has a duty, as far as food is concerned, to inform and protect the public. The public has concerns about genetically modified organisms, which in the rest of my speech I will call GMOs, and the federal government therefore has a duty to inform and protect the public. The government cannot continue to wash its hands of what is happening, like Pontius Pilate.

It would be too easy to once again bow to the pressures and lobbies of the multinationals and not to worry about the worries, questions and concerns of a public which does not know whom to trust and is desperately calling upon its government to protect it from the feared invader.

The public is asking itself a number of questions, for instance: why are plants and foods being genetically modified? To whose

advantage is it? What is in it for the consumer? What effects do GMOs have on health and on the environment? What effects will they have on agriculture, on the economy, on trade? What are the social consequences of the introduction of GMOs?

I cannot address all of these questions in the time allotted to me. Let us be clear, therefore. Right now, GMOs offer consumers no advantage. They offer only uncertainties.

Consumers are entitled to exercise an enlightened choice in purchasing their food. To be able to do so, they need proper labelling so they have access to a wide variety of products without fear that they may contain elements that might cause them concern about their health.

Eating habits have significantly changed in recent years. In addition, everyone should have the information necessary to buy their food in accordance with their culture, that is their lifestyle or eating habits: foods that are organic, fat free or not genetically modified.

A number of polls conducted since 1994 reveal between 80% and 95% of the public strongly support labelling GMOs. More recent polls in Quebec and elsewhere in Canada have revealed that people would be prepared to pay a little more for food that is not genetically modified or would prefer food slightly less beautiful or fresh, but not genetically modified.

• (1110)

Members of the different parties have tabled petitions in the House from all over the country calling for the labelling of GMOs. The Bloc alone has collected to date 43,000 signatures calling for a bill on the compulsory labelling of GMOs. The minister of agriculture has himself received petitions from several thousand individuals and many letters asking him to make GMO labelling mandatory.

How can the government, which is getting ready to call an election to ask voters to renew its mandate, turn such a deaf ear to these requests, which are increasingly specific, justified and numerous? How can the government continue to ignore the public and to thumb its nose at it regarding the GMO issue?

The accurate and thorough labelling of food products would allow us to identify GMOs and to withdraw them from the market, should problems occur.

*Private Members' Business*

From a commercial point of view, the monitoring of GMOs could allow agricultural producers to maintain access to export markets by meeting the national standards in effect in many European and Asian countries.

I want to say a word on the need for research on the long term effects of GMOs, including in the areas of health and the environment.

It is the federal government's responsibility to ensure food quality and safety. The government cannot ignore this responsibility and must, to fully assume it, conduct studies on the long term effects of GMOs on health and the environment.

So far, preliminary studies on GMOs have shown that these products have harmful effects on rats, butterflies and bacteria. Of course, these results do not allow us to conclude that GMOs necessarily pose a threat to human beings. However, these results mean that the government should go further in its research, particularly in the area of foods for human consumption.

The use of genes from various species in foods generates concerns about food allergies. There is a possibility that the resistance to antibiotics found in certain GMOs may spread to other forms of life in nature.

Genetically modified seeds can pollinate plants in neighbouring fields simply because of the wind, insects and animals.

The transmission of resistance to herbicides and insecticides could create super weeds or super insects, which would invade the fields and take the place of rare or more vulnerable species.

The presence of GMOs in an environment where neighbouring farms are operated by organic farmers could contaminate their fields and cause them to lose their certification.

Do members realize the kind of dilemma the public servant who, in the course of an evaluation, discovers that the products were contaminated by GMOs will be facing? Will he keep quiet or will he withdraw the organic farm's certification?

Obviously, with regard to GMOs, there are too many questions and not enough answers. Workers in Quebec and Canada pay enough taxes each year for the government to take their concerns seriously and to put in the required funding for research so we can learn more on the subject.

Dr. Clark said that the absence of evidence is not evidence of absence. The scientific community is divided on the effects of the introduction of genetically modified plants into environment.

For many researchers, the scientific debate boils down to a lack of concrete evidence and sufficient data that prevents us from stating that GMOs are harmless. For others, the debate is about methodologies, scientific assertions and the objectivity of the criteria and parameters used by companies and governments to measure the impact of genetically modified plants.

All this to say that an incorrect assumption will produce a false result, and this result is being used to increase acceptance of new GMOs.

The questions are serious, but the answers are long in coming. The future of agriculture, the environment, health problems and biodiversity are the main factors that we as parliamentarians must consider as we face the intrusion of GMOs into our lives.

In conclusion, the motion before us this morning, which is in its second hour, is intended to get members thinking. It favours a preventive approach or a moratorium on GMOs, as long as procedures are not transparent and understood by the general public, and as long as labelling is not compulsory, so that consumers can make their own decisions about what they eat.

• (1115)

Despite all the uncertainty regarding GMOs and the absence of scientific studies with respect to their long-term effects, and despite the clear desire of the public for mandatory labelling of GMOs, the federal government is sticking to a policy of voluntary labelling, leaving the decision up to companies. The stand it is taking internationally is primarily trade-oriented, and does not take sufficient account of issues of health, agriculture and environmental protection.

The federal government should review its position or it will pay the price in the next election.

[English]

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Madam Speaker, I rise on behalf of the people of Surrey Central to participate in the debate on Motion No. 230. The motion calls for the compulsory labelling of genetically modified foods and for exhaustive study on the long term effect of these foods.

My constituents and I share the concerns being address in this motion. In fact, on behalf of the constituents I represent in Surrey Central, B.C., I presented a similar private member's motion on October 15, 1999. My Motion No. 204 called on the government to require foods to be labelled so that Canadians could have a choice before consuming these products.

The issue here is choice and informed choice. We want to be able to choose what we are going to eat or what we put into our bodies. People not only want to know what they have the right to know, they do not want to guess what they are eating. That is not too much to ask. Many of my constituents have contacted me to express those views.

When I was serving as the official opposition deputy health critic, I received a great deal of information concerning this matter. While on a trip to Australia I came across some newspaper articles which contained ample information. That was at a time when this

parliament did not have any debate, but the rest of the world was talking about these issues. My motion was aimed at having some sort of debate in the House.

I would like to read part of a letter I received from two of my constituents, Mike Koolen and Heather Fox. They wrote:

I do not think that enough study has been done to prove that genetically engineered foods are safe for the environment or for human health. I find it appalling that our government is willing to turn its population into guinea pigs.

I have the right to choose what I will eat and I am against our government taking away my right to choose between food. . .

As such, I want to add my voice to that of other Canadians who are pushing for the right to choose what we eat.

These remarks are indicative of the kinds of fears that have been instilled in people's minds as a result of the technological advances in the way we grow the food we eat.

Let me for a moment look at the positive side of genetically modified foods. For years and years we have traditionally used genetic modification to improve foods, crops and animals. As an example, I think of new varieties of garden corn which have a short growing time and which can grow in a cool climate. These are early ripening varieties. As you now, Madam Speaker, strawberries grown in your part of Quebec are very susceptible to cold but genetically altered varieties have been used for a long time so that they are not susceptible to cold. They can tolerate cold.

We now have the capability at the microscopic level to manipulate the genetic tree, and we have been doing it for years and years. We have the ability of intervention at the molecular level. We are even capable of taking DNA from one species and linking it with the DNA of another species. There are some scientific concerns on this issue and some scientific debate.

• (1120)

Today's debate is timely and worthwhile. On the positive side, genetic engineering could give us seeds and crops that would not require pesticides or herbicides. Most people concerned about the environment would say that is positive.

I was astonished to read that about 200,000 people die just because of a deficiency in nutrients, particularly vitamin A. Science has now given us the tools to produce enough food to feed the earth's population and to make quality foods that meet the vitamin and mineral requirements.

We could also seed land that is less fertile to bear crops and be productive. Those are just some of the potential benefits but not all.

Let us look at the negative side. What do individuals see as potential hazards in this area? There are potential hazards, of course, from eating or being around such genetically modified foods but the effects on the human organism are yet unknown. We could have wild strains overwhelming some of our natural strains,

### *Private Members' Business*

having unsuspected effects on domestic plants. On this scientific debate there is some legitimate argument on both sides and we should be open to those discussions and arguments. There is much we do not know about the long term effects.

I believe that the consumer who has a concern about genetically modified foods should have that information available. I also believe that people who do not want to take genetically modified foods into the body, such as a crop, a cereal or a product, should have that choice.

Where is the problem? It is technically very difficult to label all genetically modified foods. For instance, pasta has constituents that come from various sources and a genetically modified component would be very difficult to isolate. Even in the food processing plants where juice is extracted from foods, it is very difficult to isolate some of the different loads coming from different farms. I am not saying that it could not be done but it would be very difficult.

It may be better to label food that is free of genetic modifications rather than all those that have genetically modified components in them. We want some kind of labelling so consumers have the right choice.

Rather than doing it the other way around, it could be done in an easier and more economical way so that consumers do not have to pay for the expenses and, at the same time, it serves the purpose. It is just an idea. This would give those who want to make a choice the ability to do so. Those who do not want to have the pesticides, herbicides or certain genes in their growing process could choose that strain.

The mandatory component of the motion we are considering today is something that smacks of bureaucracy and of people telling us what to do. I favour small where small will do when it comes to bureaucracy. I would much prefer a process driven by the market.

I have learned that some businesses have voluntarily started separating or labelling these products. For example, Loblaws has quietly made plans to stock its first genetically modified free products in some stores. It will have separate shelves. It will have genetically modified foods on one shelf and genetically modified free foods on another shelf. It will be similar for modern foods. Loblaws has also indicated interest by stating that its genetically modified free products and its genetically modified products would be separated.

• (1125)

As an individual, I would much prefer a process driven by the market. I could then choose foods that are not genetically modified. That is the process I would choose.

The issue of science is where I think we should try not to be political. It should be based on pure science, not on politics or

*Private Members' Business*

fearmongering. Good science is science that can stand close, careful scrutiny. Therefore the principle that I would use on this issue is to make the consumer aware by giving them information based on scientific fact and letting them make the choice.

The issue of a long term study that my colleague suggested also makes eminent sense.

In conclusion I would like to say that consumers not only want to have the choice but they have the right to have the choice based on scientific evidence.

[*Translation*]

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Madam Speaker, first of all, I would like once again to congratulate the hon. member for Louis-Hébert for moving this motion in the House. This is a very important issue for all Canadians and I appreciate having the opportunity to discuss it again.

[*English*]

This motion addresses two very important aspects of the question of genetically modified foods. It calls for mandatory labelling of all food products, in part or in whole, to be labelled. That is a matter which is totally supported by members of the New Democratic caucus. We have indicated our support in this debate pursuant to this motion as well as by the introduction of our own motion within the last couple of weeks in parliament.

We do believe, as the member for the Canadian Alliance has just indicated, that this is a matter of choice. It is about giving consumers the right to make decisions about what is in the best interest of their own health and well-being. To us it is a fundamental question around which there should be no dispute.

The second part of the motion is just as important as the question of labelling, which is the investment by government into research and science to determine the long term impact of genetically modified organisms on our health, on our soil, on our environment and on our society generally. That is an area I want to focus in on this morning because it is an area where we can see the most significant neglect on the part of the federal Liberal government.

In addressing this subject, I would also like to point out that it is one thing for the Alliance to suggest that we should have labelled foods and that we should provide information on genetically modified products, but it cannot be rationalized in an overall policy context if in fact this party does not understand the investment required in Health Canada. It cannot in the same breath suggest that Health Canada can be cut back further and that in fact, this whole move toward deregulation and offloading of responsibilities outside of the purview of the federal government can be tolerated. One cannot on the one hand speak for a proactive

position on the part of government in terms of informing consumers and on the other hand not acknowledge the role of government in ensuring the safety of food in the marketplace today.

It is absolutely important for us in the House today to call upon members of the Canadian Alliance to revisit their position of supporting industry's agenda to reduce the role of government and in fact allow for products to go on the market without any guarantees of safety. That, in our view, is absolutely unacceptable, intolerable and must be addressed.

I will get back to the federal government's responsibility in terms of genetically modified foods. In the course of these debates over the last couple of months in the House, we have heard that this government has been very vigilant and has taken every step possible to ensure that any products that have been genetically modified and on the market have been tested and proven to be safe.

● (1130)

That is not the case. There is no basis in fact for that kind of statement. What we are dealing with yet again, when it comes to the federal government and health care, is a wonderful act of illusory politics. This is a case of absolutely creating the appearance of action when there is no evidence to support those kinds of statements.

I want to point to couple of examples to make that case. All of us will recall back in 1997 when the present health minister was appointed. His first action was to kill the drug research lab and to cause the loss forever of the only independent research body in government when it comes to drugs. The government was also on the verge of dismantling the food research lab. Except for the outcry of 200 scientists and many consumers across the country, the government would have proceeded down that path.

Many of the labs in the food research purview of government were closed. The government and the health minister promised to open some of those labs. In 1997 the health minister issued a public release saying that he would open a number of labs that had been closed which were important to the protection of Canadians when it came to the safety of the foods they eat, including a lab to study the development of methods for the detection of genetically modified organisms.

This was promised in 1997. Today it is June 2000 and no such lab has been reopened. No orders have been given by the health minister to resume this important work. Our health protection branch continues to operate on an underresourced and understaffed basis, without any significant focus to the long term impact of genetically modified foods on the health and well-being of Canadians.

I am not sure how Liberals across the way are not up in arms over this kind of development. I hope that after today they will put all the pressure they can on the health minister to live up to his commitments, because we do not have that kind of capacity in the government today.

Let me also mention to members of the House that when we have tried to get to the bottom of the statements indicating that massive research is being done and all these protections are being taken, there are no details provided and no information forthcoming to show that this is actually the case.

I resorted to an order for return to get information about what the government was doing in terms of research on genetically modified foods. As of October 19, 1999, the government has reported that there is “currently one ongoing research project on a topic related to genetically modified foods with a planned expenditure in 1999-2000 of \$166,389”.

That is the sum total of the government’s commitment to long term, scientific based, independent research into the whole impact of genetically modified foods. The government cannot get away with trying to tell the people of Canada that foods are safe when it has taken no steps to offer those protections.

Instead, what do we get? We get a propaganda machine that kicks into place to try to persuade Canadians that everything is safe and not to worry. We get a little coloured leaflet that goes to every door in the country at a cost of about \$25 million containing a blatant, incorrect statement. I know I cannot speak any more strongly in terms of parliamentary language to indicate just how inaccurate the information is, but it makes the statement that everything on the market basically is safe. I will quote from the booklet:

Before any product derived from biotechnology can be marketed in Canada, the government of Canada requires that it undergo thorough laboratory and field testing.

That is not true. That research is not done. It has not been done and it is not being done now.

• (1135 )

The point of the debate today is to say government has a responsibility to ensure within government that there are laboratories, scientists and independent capabilities to do ongoing, indepth research and investigation into the impacts of genetically modified products. It is a disservice to the Canadian people to pretend otherwise.

I see my time is almost up. There is so much more to say, but if there were anything that needs to be said today it is that the government is not being truthful to the people of Canada. It owes it to the people of Canada, especially in the wake of Walkerton, to do everything possible to ensure that the food we eat, the water we drink and the drugs we have to take are safe beyond a reasonable doubt.

That is not the case now and it is incumbent upon the government to take charge of the issue, to reinvest in our scientific capacity in the health protection branch and to take every step possible to ensure that all genetically modified products on the

market are safe beyond a reasonable doubt. That is leadership. That is ensuring that the health and well-being of Canadians come first.

**Mr. Ian Murray (Lanark—Carleton, Lib.):** Madam Speaker, I am very pleased to have this opportunity to respond to Motion No. 230. The motion of the hon. member for Louis-Hébert has two parts. The first would make labelling of genetically modified products compulsory. The motion also calls for the government to carry out “exhaustive studies on the long term effects of genetically modified foods”.

Let me begin by saying that the Government of Canada’s commitment is always to safety first. The well-being of Canadians, animals and our environment is our highest priority. Canada has an enviable reputation around the world for the safety of its food and the rigour of its food inspection system. Canadians rightly trust the regulatory system which has been vigilant in ensuring that our high standards are maintained.

On the question of labelling of foods, our federal legislation calls for Health Canada to set the requirements for mandatory labelling. The data requirements for the safety assessments of all foods are established by Health Canada, which also conducts premarket reviews of new foods including those derived through biotechnology. Every such food goes through a stringent review process before being allowed on the market.

The role of the Canadian Food Inspection Agency, or CFIA, is to carry out inspection and enforcement activities relative to the food safety standards set by Health Canada. The CFIA is also responsible for the environmental safety assessment of a number of agricultural products such as plants, animal feed and veterinary vaccines including those derived through biotechnology.

I remind everyone that current labelling regulations in Canada require that all food products, including those developed through biotechnology, be labelled where a potential human health or safety issue has been identified, or if foods have been changed in composition or nutrition.

Labelling decisions are made by Health Canada and are based on the results of its food safety evaluations. I am sure the hon. member would agree any authority for labelling must be based upon science.

Let me address the first part of the motion before us by reminding the House that several initiatives are now already in place to study the question of how and when to label a genetically modified food. The government believes that all food labelling must be credible, meaningful and enforceable. We are actively engaged in consulting with Canadians to score how labelling can best serve the public.

We have strongly encouraged the establishment of a Canadian standard for the labelling of foods derived through biotechnology.

*Private Members' Business*

This standard will include provisions for definitions, labels, claims and advertising, and compliance measures.

The Canadian General Standards Board, under the sponsorship of the Canadian Council of Grocery Distributors, is in the process of developing the standards through open and inclusive consultation. Representatives and individuals from a broad range of Canadian interests have formed a committee to work on the standard, which is expected to be complete within the next six to twelve months. My hon. colleagues should be aware that by endorsing such a thorough process to develop a labelling standard Canada is indeed a leader worldwide.

I would also like to bring to the attention of the House that the Standing Committee on Agriculture and Agri-Food has already begun its series of hearings on the labelling of genetically modified foods. Canada is also assuming a leadership role in the development of international standards governing how and when genetically modified foods are labelled.

Canada chairs the Codex Alimentarius committee on food labelling, otherwise known as the CCFL for good reason. At the recent Codex meeting in Ottawa, Canada was recognized for its success in chairing the CCFL working group that drafted key options and recommendations for the labelling of biotechnologically derived foods. Once again Canada has been tasked with leading the group that this year will look at which of these options can be turned into Codex guidelines and then be implemented.

● (1140)

It is clear that work is under way to address the information needs of Canadians on the issue of labelling. We believe that Canadians want labels that are meaningful. It is the goal of the government to ensure that information provided to Canadians enables them to make informed choices. I reiterate that the House should not support Motion No. 230 on the basis of the first part of the motion on labelling.

I will now address the second part of the hon member's motion which recommends that exhaustive studies be carried out on the long term effects of genetically modified foods on health and the environment. The safety assessment of conventional products and of products derived from biotechnology are both subject to stringent health and safety requirements under Canada's food and safety system. I re-emphasize that food safety and consumer protection are priorities for the Government of Canada. We are strongly committed to the safety of Canadians, animals and our environment.

Canada has a strong reputation as a producer of foods that are consistently safe, clean and of high quality. We have built that reputation by putting very rigorous regulatory systems in place. Our approval systems are science based and transparent. The

decision of the government to accept or reject a product is based on sound science and fact. Our regulators include experts in nutrition, molecular biology, chemistry, toxicology and environmental science, to name just a few.

There have been recent studies calling into question the safety of biotechnology derived products. We hear a lot of talk about junk science. Canadian regulators do not accept junk science, poor science or half science when evaluating products of biotechnology. The regulatory system assesses products on a case by case basis. The research and safety required for evaluation directly addresses the potential risks of the product to human health and the environment. If there is any question as to the safety of these products they are not approved. The government continually reviews the effectiveness of its approaches.

The Government of Canada takes pride in advocating our science based approach around the world. We rely on the need for scientific research to settle questions related to long term health, safety and environmental issues. We are committed to a regulatory system that meets the highest standards of scientific rigour. This commitment is reflected in the establishment of two important groups, an expert panel and an advisory committee.

The Royal Society of Canada has appointed an expert panel to examine future scientific developments in food biotechnology and to provide advice to the federal government accordingly. This forward thinking body will advise Health Canada, the Canadian Food Inspection Agency and Environment Canada on the science capacity that the federal government will need to maintain the safety of new foods being derived through biotechnology in the 21st century.

The Royal Society of Canada named its expert panel this past February. In examining the leading edge of this technology the panel will recommend what new research, policies and regulatory capacity will be needed to ensure the Canadian standards of safety remain as stringent for the next generation of biotechnology derived foods as they are today.

A number of challenges and opportunities are associated with biotechnology that require detailed consideration and public discussion. Food biotechnology presents Canadians with challenges but also unprecedented opportunities.

The recently formed Canadian Biotechnology Advisory Committee or CBAC will bring stakeholders and interested parties together to advise the government to raise public awareness and to engage Canadians in an open and transparent dialogue on biotechnology issues. Canadians want to take part in the dialogue on food biotechnology. The CBAC will actively create opportunities for Canadians to participate in its activities and discussions. This will include an interactive website for interested Canadians to review, consult and provide input into this topic among many.



The work of the expert panel of the Royal Society of Canada will contribute to a balanced and consultative process where all questions and concerns can be thoroughly considered. The government looks forward to the contributions the expert panel and CBAC will make in furthering the dialogue on biotechnology issues.

I assure the hon. member for Louis-Hébert that the government will continue to undertake the necessary steps to ensure the health of Canadians, animals and our environment. I would add that the assessment of any genetically modified plant or crop is rigorous and comprehensive. It requires significant scientific data to be provided and evaluated.

Regulation through sound science is an essential step in the continued safe production of biotechnology derived foods. The 2000 federal budget confirms this priority in Canada's regulatory system. The \$90 million investment in the regulatory system for biotechnology products will help Canada, the CFIA and other regulatory departments to continue to enhance and evolve their safety first regulatory approach to keep pace with the next generation of scientific discoveries.

• (1145 )

This increased investment illustrates the continued dedication of the Government of Canada to supporting the regulatory system for the benefit of all Canadians.

We can take great pride in the steps the government has taken. We should remember that Canada was the first country in the world to actively engage a broad range of stakeholders in this issue. These initiatives have become the model for other countries.

Just last week, on June 5, the United Kingdom announced the establishment of its Agriculture and Environment Biotechnology Commission which will look at developments in biotechnology. This commission has a mandate that was decidedly similar to that of the CBAC.

We have initiatives under way to ensure that Canada is well positioned for the future. The Canadian public is already strongly engaged on the issue of genetically modified foods. The government is adopting a balanced and consultative approach to the labelling of these foods and we are letting Canadians know that our top priority is health, safety and the environment. We have incorporated these values into our regulatory system.

For these reasons I urge my colleagues to vote against Motion No. 230.

**Mr. Bill Casey (Cumberland—Colchester, PC):** Madam Speaker, I am pleased to debate genetically modified foods. I was a General Motors dealer for years in the car business and every time I hear GM foods I wonder if General Motors would like it to be changed.

### *Private Members' Business*

We are here to talk about genetically modified foods. It is a subject that makes most people nervous. It makes most consumers nervous. The people I talk to around my riding are very concerned not only about genetically modified foods, but also that we may lose our original foods. If there are enough genetically modified foods produced, then we may eventually lose the original type of food we had.

It reminds me somewhat of the debate in the Miramichi last week. There was a world conference on salmon fishing. The big problem was the possibility that the original Atlantic salmon would disappear because of the impact of aquaculturally raised salmon. If aquaculturally raised salmon mixed enough with wild Atlantic salmon, then eventually the wild Atlantic salmon would disappear. That is a comment I hear often from people in my riding. They are concerned about genetically modified foods and that this may happen with other foods.

The term "genetically modified foods" concerns consumers and farmers especially. They do not know where to turn. They do not know whether to use traditional agriculture or to branch out and take a leap forward into genetically modified foods. They are not sure which is safe for them. They are not sure which is safe for the land. They are not sure which is safe for consumers.

The whole country is looking to the government for leadership on this issue. It is an issue that must be addressed and the Department of the Health must provide the regulatory system to control this whole subject. Labelling is part of that, but it is not enough. It does not go far enough.

The government will be held accountable because the fear of the unknown is what bothers most people and most people do not have a clue what the impacts of genetically modified foods are. How would they? We do not have even a definition of genetically modified foods yet.

The onus is on the government to deal with this situation. I applaud the hon. member for bringing forth this motion requiring labelling, but it is not enough and it does not address some of the main issues. It just is not clear enough. The motion states that the government should carry out exhaustive studies on the long term effects of these foods on health and the environment. Although I applaud the move to labelling, what this bill states cannot be defined. Exhaustive studies on the long term effects cannot be defined, and it would be very difficult to do exhaustive studies on the long term effects without stopping the process now.

The fact of the matter is that genetically modified foods have helped the Canadian agricultural industry become competitive in the global economy and helped farmers to make better use of their land and provide more food for a world that needs food. However, it is absolutely mandatory that the government take every step possible to address the definition of genetically modified foods and to protect consumers.

*Private Members' Business*

There are many agencies that have already voluntarily agreed to supply labelling for genetically modified foods. The Canadian Food Inspection Agency and Health Canada held an off the record technical briefing for reporters in October and said that food companies are permitted to label genetically modified foods, but there are no plans to make it mandatory. In response to that some agricultural and retail organizations have offered to do it.

• (1150)

Sustainable agricultural practices are another big topic for our country right now, how we can maintain our land and ensure it is able to produce the foods we need. Some of these genetically modified foods help guarantee that our agricultural business will be sustainable. We do have some positives.

We also have new markets that we never had before. Some of our agricultural industries are able to supply products which were never available before in the world. Some of our research laboratories and companies in Canada are world leaders in this field. There are pros and cons to this whole subject, but again the onus is on the government to provide the regulatory situation to deal with this new concept to ensure that consumers have food security and that the industry is controlled.

The Canadian Council of Grocery Distributors and the Canadian General Standards Board have launched a project to help develop the standards for voluntary labelling. Maybe this would be the way to go, with the government as back-up. The ministers of health have announced their intention to establish an independent expert panel to examine future scientific developments in biotechnology. The first thing they have to do is define genetically modified foods. Without that definition, regulations cannot be written to control labelling or any other aspect of it.

I want to conclude by saying that it is extremely critical for our future. We may be making mistakes now that will affect us for a long time. We may be deteriorating our food base, or we may be enhancing it.

Again, it is up to the government. It has the power, it has the resources, and it has the responsibility to deal with this issue. That is where it should be. It should not be left up to a private member's bill to say that we need exhaustive, long term studies before we can do anything. The bill does not say whether we should stop the genetically modified process while we are doing the exhaustive studies or whether we should continue. It is up to the government, not a private member's bill, to deal with this very, very important issue.

We are watching this very closely. We will hold the government accountable for the process and for the ability to regulate and provide the regulations. Generally speaking, so far genetically

enhanced foods have benefited the agricultural sector and biotechnology does offer an opportunity to improve our environment and improve our food quality. However, it is not appropriate for this very, very important subject to be dealt with through a private member's bill, which has no definition of even the subject of genetically modified foods or some kind of timeframe for this exhaustive study.

Again, the Progressive Conservative Party will be holding the government accountable to ensure that the regulatory process is in place and followed.

[*Translation*]

**Mr. Odina Desrochers (Lotbinière, BQ):** Madam Speaker, I am pleased today to rise in this important debate on the whole issue of the labelling of genetically modified foods.

I must first of all commend my colleague from Louis-Hébert, who undertook her initiative on this issue a year ago. Today, she has already gathered throughout Quebec 60,000 signatures on the petition supporting her initiative, that is legislation requiring the government to label GMOs.

I was listening earlier to my Liberal colleague talking about transparency. I heard him talk in his speech about concepts, theories, great philosophical considerations, but he did not talk about any concrete measure to support my colleague's initiative. I was astounded when he said he had great confidence in the Canadian Food Inspection Agency.

My colleague approached the Commission d'accès à l'information to try to become acquainted with the process regulating the Canadian Food Inspection Agency, to learn how one determines what is a GMO and what is not.

• (1155)

This morning, I heard the Liberal member say that everything hangs on the Canadian Food Inspection Agency. I have my opinion with regard to the Canadian Food Inspection Agency, because I have been called upon a few times to participate in some missions overseas. What are they doing with the Canadian Food Inspection Agency? They are making it into a propaganda instrument, what I often call a "Canada approved" seal.

When they are overseas, government representatives are great democrats, incredibly open-minded. Back in the House, the government no longer practices democracy but information control.

If the Liberal member has a paper on the process used to determine what is a GMO and what is not, I strongly call upon him to pass it on to us and most of all to tell the Canadian Food Inspection Agency to inform us on the process, because we do not know it yet. The steps we are now taking show that there are seven

or eight ministers involved in the GMO issue and nobody has been able to explain the process for determining what is a GMO and what is not.

I can go even farther. In this government, there is a new trend. They now talk in terms of risk management, on such a serious issue as genetically modified foods. They might take a risk—that is how the Liberals think—and then they will see. That is risk management, and on an issue as important as this one. At the present time, there are a few countries which are following this risk management approach, which is a kind of compromise to avoid having to confront and settle the question of GMOs.

I insist that the Liberals, the Progressive Conservatives and the Canadian Alliance change their minds on this. The work of my colleague, the member for Louis-Hébert, as well as that of my party, the Bloc Québécois, aimed at tabling this legislation so that there will be mandatory labelling of GMOs is but the beginning of a process aimed at clarifying matters.

All that we are calling for at the present time is to have labelling made mandatory and to have the government invest the essential resources, both financial and research resources, into lending some credibility to Agriculture Canada and the Canadian Food Inspection Agency, so that they are not put in a position of being both judge and jury.

I trust that the Liberals will understand the importance of this debate. We are already aware that there have been problems with certain crops, because Canada is lagging behind many of the other countries as far as monitoring GMOs is concerned. I have already said, and say again, as do some of the farmers in my riding, when the day comes that people have any doubt whatsoever about whether our products contain any GMOs, in this era of global trade, the shipment of wheat or any other product that has been genetically modified will not get out of the country. This will mean significant losses for the economy.

The European Union, Japan, Brazil, even the United States, have started work on mandatory labelling, on specific means to ensure identification of what is a GMO and what is not. Meanwhile, once again here in parliament, in the statements by ministers, in the Standing Committee on Agriculture and Agri-Food, the discussion is still around concepts and theories, and not concrete measures, things that might make both the agricultural industry and the consumer feel more secure?

• (1200)

Some producers have invested a great deal of money in organic farming, and, because of the government, they stand to lose a great deal of that money. We are working hard to get a certification program for organic farmers.

### *Private Members' Business*

In view of the great risk associated with genetically modified plants, it is absolutely essential that the government take action.

I would like to say a word about the behaviour of Liberal members since the beginning of this debate, especially since we succeeded in having the Standing Committee on Agriculture hold public hearings. We realize how unaware they are of the import of this debate and all the consequences of this crucial issue.

Let me remind the House of the countries that have taken concrete steps. In April 2000, the European Union submitted regulations on which plants are genetically modified. Mexico has followed suit. As soon as 2001, Japan will implement a mandatory labelling policy. Australia, New Zealand, Brazil, and even India have also taken action. These countries are now conducting tests to sort out the mandatory labelling issue.

In Canada, with the Liberal government, we are talking about concepts and theories, and the Canadian Food Inspection Agency which is supposed to give us an incredible level of security in our health controls.

A moment ago, when I was listening to the remarks of my colleague opposite, I had the impression he was reading a speech that had been written from beginning to end by Health Canada. This is to say that these people are not serious and that they do not understand the scope of the GMO issue. When the economic and health consequences will be known, those who already oppose compulsory labelling will be held accountable at the next election.

The public is aware of this issue. People have been asking many questions. They want to know what is in their food. It is fundamental. Producers want to know what kind of seed they are planting. This is also fundamental.

Why does the government still refuse compulsory labelling of GMOs when Canada's main trading partners have adopted it? There will be an imbalance somewhere down the road.

But it is reducing the issue to one of risk management, of losing millions in exports, and of managing possible risks to the health and safety of producers.

I hope that in the coming days, the Liberals will discuss the matter, change their mind and rally to the position of the Bloc Québécois, which is more realist and concrete, which provides for safety measures and, most importantly, promotes a cause that is very important for today's society.

**The Acting Speaker (Ms. Thibeault):** The time provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

## Government Orders

## GOVERNMENT ORDERS

[English]

## SPECIES AT RISK ACT

The House resumed from May 29 consideration of the motion that Bill C-33, an act respecting the protection of wildlife species at risk in Canada, be read the second time and referred to a committee; and of the amendment.

**Mrs. Karen Kraft Sloan (York North, Lib.):** Madam Speaker, in the opening to her recent book *The Nature of Economics*, Jane Jacobs writes, "To be heard, a book needs a collaborator: a reader with a sufficiently open mind to take in what the book is saying and dispute or agree, but in any case think about it". May I suggest that speeches in this place have the same requirement. They need a collaborator, they need an audience with sufficiently open minds to take in the message of the speech.

I am sad to say that oftentimes on a issue of such fundamental importance to Canadians as the environment, when those concerned with its preservation and restoration rise to speak, few are really willing to listen. Many in this place say they care and many make fine speeches themselves, but words are a poor substitute for action. All of the rhetoric in the world will not save a river, a fish, a forest, nor will it protect a child from a hazardous contaminant. Our words will not protect species at risk, only our actions can.

• (1205)

Any movement to restore, preserve or protect the natural environment is often faced by an onslaught of criticism from industrial interests. They are quick to say this will cost jobs. They are quick to accuse those seeking to protect the environment of being alarmists. They put forward a false dichotomy of environment versus economy.

In the case of endangered species, they cite the wicked spotted owl as the single cause of job losses and the closing of communities within the forest industry in the United States. This is not true but such mythologizing serves their needs. Such alarmism pays dividends to those who are fundamentally uninterested or even opposed to protecting the environment and to protecting species, many of which are threatened by the activities of the industries in question. What many fail to recognize is as E. O. Wilson states, "that the planet's biological wealth is the basis for our material and cultural wealth".

A few weeks ago EcoSummit 2000 brought medical doctors, scientists, aboriginal leaders and policy experts to Ottawa to meet with parliamentarians and discuss the effects of water borne

pollutants on human health. The special guest speaker at the Monday evening session was the noted American environmentalist Robert F. Kennedy Jr.

Professor Kennedy reminded us in a very eloquent and passionate speech that we cannot separate the environment from the economy. They are not in contradiction to each other nor are they factors to be balanced one against the other on some mythological teeter-totter of government policy making. They are entwined. To quote Professor Kennedy, "In 100% of the situations, good environmental policy is identical to good economic policy". Identical. We must always remember, environmental injury is deficit spending. It is passing the cost of our generation's prosperity and loading it onto the backs of our children.

The human animal is part of nature, yet too many see humanity as a separate entity. As a result we try to tame nature. We try to civilize and domesticate nature. We make war against nature. Yet we continue to ignore the fundamental aspect of our humanity. We are in nature and nature is in us. We cannot control nature. We are merely part of a wider natural system. Humans can only intervene in processes of nature. If we respect the rest of nature, if we learn from nature, then it is possible to conduct human activities in harmony with nature. If we show no respect and continue to act through greed, brashness or ignorance we will face dire consequences. As Jane Jacobs said:

Nothing is more unforgiving of error than nature. If we poison our own water and air with hormone-mimicking chemicals. . .nature's solution for maladaptation is extinction.

When we respect nature we can begin to understand the incredible services it provides. For those who must, putting a monetary value on nature's services is difficult for many reasons. What price can be assigned to the last drop of water, the last gasp of fresh air? But it is not impossible.

In his book *Natural Capitalism*, Paul Hawken estimates that biological services that flow directly into society from the stock of natural capital are worth at least \$36 trillion U.S. annually. Yet these fundamental services are rarely understood and grossly undervalued. Why must we protect nature? We must protect nature because it enriches us. As Professor Kennedy said:

It enriches us economically, yes, it's the base of our economy, the economy is a wholly owned subsidiary of the environment. But it also enriches us culturally, recreationally, aesthetically, spiritually and historically. It connects us to one another; it connects us to our history and our culture. Human beings have other appetites besides money, and if we don't feed them we are not going to grow up. We are not going to become the kinds of beings that we are supposed to become. We're not going to fulfil ourselves or our destinies. When we destroy nature we diminish ourselves, and we impoverish our children.

• (1210)

Biological diversity is vital to the healthy operation of natural systems, the same systems that remove toxins from our water and

air, that provide safe containment of our aquifers and that restore nutrients to soil. Therefore we must protect species in order to preserve biological diversity.

Which of our present species of plants will prove to contain ingredients essential to future medicines, vaccines and cures? We cannot know this, hence we must protect them for our children and our grandchildren.

The UN convention on biological diversity recognizes that biological diversity must be conserved. In order to do this, sustainable use of components of biological diversity must be ensured. To further this we must have a fair and equitable sharing of the benefits arising from the use of genetic resources.

Article 8(k) of the convention on biological diversity calls on all contracting parties to develop and maintain necessary legislation and/or the regulatory provisions for the protection of threatened species and populations. Canada should be congratulated as the first industrial country to ratify the UN convention on biological diversity. As a nation we made a commitment to protect endangered species through this convention. It is now long past the time to act on this commitment.

The House now has before it Bill C-33, an act respecting the protection of wildlife species at risk in Canada. Already serious concerns about this bill have been raised not only by environmentalists and conservationists and environmental lawyers, but by scientists and industry representatives. Incredibly many concerns are shared by these various groups.

If Bill C-33 passes the second reading vote, it will then proceed to the Standing Committee on Environment and Sustainable Development. As part of parliamentary procedure, witnesses will be called before the committee which will hear their presentations on this bill.

We will do nothing to protect species at risk unless this bill leaves committee as a good, effective piece of legislation. The House must support legislation that is strong, fair, effective and makes biological sense. Unfortunately Bill C-33 is wanting. Legislation must also be enforceable and it must be enforced.

The environment committee of this session of parliament has a fine tradition of being open minded and thoughtful as it listens to the many expert witnesses who come before it. The environment committee has a practice of serving the interests of Canadians by taking tough stands to protect our natural heritage. I expect that the environment committee will continue to act in the public interest to protect our nation's commons and will also honour parliamentary tradition in remembering its responsibilities to parliament.

I remind members of the House, as I have many times in the past, of this place's origin. The true test of any democracy is its ability to give voice to all its members. Wealth and position cannot

### *Government Orders*

be the criteria for participation in a democracy. The power of democracy is in its articulation of the public interest and its action to protect the common weal. Indeed, as our colleagues from earlier times during the beginning of the evolution of parliamentary democracy represented the common person, not just the rich and not just the nobility, we too must represent all Canadians.

As we look down, we see that the floor of the House is covered in a green carpet which reminds us of democracy's humble beginnings. Ordinary people would meet on the grassy green commons of their villages to discuss and debate the concerns of the day. We can trace a connection to nature all the way back to the very birthplace of our parliamentary tradition.

What is it that our ancestors so wisely understood that we of this House in so many ways have sadly forgotten? It is that we are of nature. We have been given a public trust to protect the commons, a commons that includes those who do not vote: children, the unborn and the natural world around us. This is a duty we cannot ignore. I call on all members of the House to ensure when this bill goes before committee that it is properly amended.

• (1215)

[*Translation*]

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, in 1992, Canada played a leading role in Rio, to promote the development of the Convention on Biological Diversity. As a matter of fact, Canada was the first industrialized nation to ratify this convention after the Principality of Monaco.

One of the underlying elements of the convention is precisely the enactment of legislation to protect species at risk. The convention requires that the member States pass such an act.

The Liberal government made many promises in that regard, including the one made in the red book and confirmed in the 1997 election and those made in the Speech from the Throne for 1996 and that for 1999.

I am pleased that we brought before the House Bill C-33, which we are debating today, to protect species at risk. This bill is succeeding to Bill C-65, which died on the order paper in 1997, when the election was called.

The purpose of the second reading of a bill is to try to establish the limits and the criteria that we, as members of Parliament, have set to improve the bill when it is sent to committee. I think that this bill will require some fundamental amendments.

[*English*]

We start with listing. Listings are made initially by a committee called COSEWIC, the Committee on the Status of Endangered Wildlife in Canada. It has been working for something like two decades. It has identified 339 species at risk over that time. Instead

*Government Orders*

of using the existing list of 339 species and incorporating it into the new act, we are going ahead as if the list does not exist. We are starting with an initial list of zero. Instead of being recognized as being the final list produced by scientists of the highest repute who have worked tirelessly over the last two decades, the list will now be subject to the discretion of cabinet. I find that terribly ironic.

Putting myself in the place of a cabinet member—and I used to belong to cabinet—I am supposed to rule on a list produced by scientists who have been studying the subject for years and who are well aware of what they speak. We are supposed to accept the discretion of cabinet ministers, most of whom are completely unfamiliar with the subject and who will have the discretion to list species at risk or decide not to, and the political considerations of course will rule. The minister of agriculture will say one thing, the industry minister will say another, the minister of natural resources and so forth and so on. The minister of the environment will have to fight for his territory to say it is worth listing a certain species.

We are not even starting with the roll of the list of the 339 species identified by COSEWIC. That is a glaring fault in the law. Without a listing there cannot be protection.

The protection of habitat and the listing are synonymous. They are twins. One cannot go without the other. If we wait for cabinet decisions, which take endless time to come forward, we will not have any listing for a long time.

Now we come to habitat. All scientists, all people in general, all Canadians realize that habitat and species go together. If we do not have habitat we will not have species. If we destroy or damage habitat, we destroy or damage species. It is very obvious. Yet in regard to habitat, which is a critical element of any law for the protection of endangered species, we have made habitat again discretionary. It will be cabinet that will decide whether habitat protection may or may not be included in the act. It is even a retreat from the previous bill, Bill C-65, which never left the discretion in the hands of cabinet. In Bill C-65 the provision was to the effect that cabinet shall list and protect habitat when there is good cause to do so. Now it may. It is another glaring omission.

• (1220)

In this context it is worth citing certain provincial laws. Very often we criticize the provinces for not having definite laws, but I would like to quote a few of them.

The New Brunswick Endangered Species Act of 1996 states: “No person shall wilfully or knowingly destroy, disturb or interfere with the critical habitat of a member of an endangered species”.

The P.E.I. Wildlife Conservation Act states: “No person shall destroy, disturb or interfere with, or attempt to destroy, disturb or interfere with the habitat of an endangered or threatened species”.

The Ontario Endangered Species Act states: “No person shall wilfully destroy or interfere with or attempt to destroy or interfere with the habitat of any species or flora or fauna declared in the regulations to be threatened with extinction”.

The Manitoba law states: “No person shall destroy, disturb or interfere with the habitat of an endangered or threatened species”.

Our neighbours to the south have had an endangered species law for many years, since 1973. It states: “With respect to endangered species of fish and wildlife listed pursuant to this act, it is unlawful for any person to—take such species within the United States”. It also explicitly prohibits habitat destruction in areas of federal jurisdiction.

The big difference is that in the case of all these laws that I cited, the onus of proof is clearly a very important and onerous burden on the person who destroys habitat. He or she is judged to be guilty unless he or she proves otherwise. Whereas in our new law, we would have to wait for cabinet to decide whether it may or may not protect habitat and incorporate it within the act. We fail completely compared to the laws that I have cited.

We then must view the question of federal jurisdiction and the safety net. In our own areas of jurisdiction we are again so timid as to apply discretion all over the place. There is an opinion from Justice La Forest, whose reputation and stature do not need to be underlined. He has said that Canada, the federal government, has complete jurisdiction over birds that migrate and also over cross-border species. We do not need to be timid, but even then we have applied discretion.

We have applied all kinds of discretion, so that in effect we would have to consult with everybody, consult with cabinet ministers, one to the other, and consult with the provinces before we even make a decision regarding the habitat of species that is clearly within our jurisdiction.

*[Translation]*

When I was in Quebec, I had the honour of tabling the Quebec legislation on threatened species. I know what it is all about. At the department, we had worked with one of the experts, Lionel Gaudreau, to whom I would like to pay tribute today. He had explained to me why the habitat and the list of threatened species had to be considered for automatic protection. Unfortunately, this protection has been restricted and tainted lately. I hope that the act will be maintained.

Once again, what we need here is to pass clear, convincing and, above all, decisive legislation, as the United States and some provinces did.

• (1225)

This is why I urge my colleagues that, once this bill is referred to the Standing Committee on Environment and Sustainable Develop-

ment, we improve on all its major principles. Otherwise, the bill will be too weak.

It is essential that we improve the bill and strengthen it when it is referred to the committee. This is the wish that I want to express out loud to all the members in the House.

[*English*]

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, I listened carefully to the previous two speakers, both of whom I have the utmost respect for. I very much appreciated their comments.

My question concerns species at risk that move across international boundaries. Would the member inform the House if he is aware of sources in the United States which have indicated in a very harsh and critical way their views of this legislation in terms of not being able to protect species that move across international boundaries, either Canada and Alaska or Canada and the southern states?

**Mr. Clifford Lincoln:** Mr. Speaker, as the hon. member no doubt knows, not only all of the leading environmental groups in the United States, but a lot of organizations representing people at large have pointed out that Canada is lacking very badly in this regard. Cross-border species must be protected according to the convention, according to NAFTA and according to all binding agreements between our two countries. For us to do this in such a timid fashion as to leave it to discretion is unacceptable to both the United States and Mexico, both of which have very strong endangered species legislation.

We cannot consider that birds and other wildlife which cross borders from the north to the south every winter are not under federal jurisdiction. It makes no sense at all. Of course we have to protect wildlife under our jurisdiction.

Robert Kennedy Jr. pointed this out in eloquent terms to the House. It was sad to hear an American giving us a lesson in Canada. He said that our endangered species legislation is weak and must be improved, bona fide and strengthened.

I agree with the hon. member that one critical area is cross-border species.

**Mrs. Karen Kraft Sloan (York North, Lib.):** Mr. Speaker, I want to congratulate the member for his very fine speech. I am sure that all of us are aware of the leadership that he shows on environmental issues and with his presence on the Standing Committee on the Environment and Sustainable Development.

I want to ask for a clarification or an expansion on some of the points he has raised with regard to the involvement of the parliamentary standing committee in the process of hearing witnesses

### *Government Orders*

and the amendment process. A lot of us in the House hear about how impotent some backbenchers are. One of the key roles that members of the House have to play is on a parliamentary standing committee. All of the members on both sides of the House are aware that a parliamentary standing committee reports to parliament and to you, Mr. Speaker. Could the hon. member make a few comments on that?

**Mr. Clifford Lincoln:** Mr. Speaker, the committee is an ideal place to strengthen legislation. It is completely independent of thought, or it should. It represents all parties in the House in a far more congenial atmosphere than exists in this place, where the atmosphere is much more adversarial. Committee members have a duty to try and see the flaws of legislation. There are very few in this case. There might be five items that need to be strengthened. If we were to do this, we would do parliament, cabinet and the minister a big favour.

• (1230)

I hope members on all sides of the House will join together to identify the few areas, some of which I have been spoken to, that need to be strengthened. I do not think there are many of them and I think we can do it by working together in a constructive spirit of co-operation. We should rejoice that there is a law, but there are certain critical flaws. Let us get together and work within the committee to make sure the flaws disappear.

[*Translation*]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am very happy today to speak to Bill C-33, but more specifically to the amendment proposed by my Progressive Conservative colleague from Fundy—Royal. First of all, I would like to say that the Bloc Québécois is in favour of this amendment which is proposing that this bill be hoisted for six months.

Why? I think that we must give a brief history of the struggle to save the endangered species. In 1995, there was a first bill sponsored by the present Minister of Canadian Heritage. Nevertheless, this bill caused such an uproar that it had to be withdrawn.

Before the election of 1997, Sergio Marchi introduced Bill C-65, which can be considered as the ancestor of Bill C-33. The protests were as vigorous as for the preceding bill. The federal government was then criticized by the provinces for the sweeping powers that it gave itself as far as the protection of endangered species is concerned. The Liberals allowed Bill C-65 to die on the order paper and are now bringing the matter of endangered species up again with Bill C-33, which is supposed to be better, according to them.

It is clear that we must ensure better protection for endangered species. Still, we need to ask ourselves whether Bill C-33 really

*Government Orders*

offers an additional, enforceable protection. Is this bill really going to contribute to improving the protection of our ecosystems and the endangered species in those ecosystems?

Since my speech was interrupted last time, I had an opportunity to read the Hansard and I would like to comment on some interesting points raised by the hon. member for Edmonton—Strathcona, of the Canadian Alliance.

He made a very interesting analogy, which is a good illustration of what I want to say. He compared Bill C-33 to a wall rather than a bridge between various stakeholders. Rather than tapping into the scientific knowledge of researchers and the general population, the federal government is trying to go it alone with its bill. Instead of calling upon outside knowledge, the government is acting alone, as if it had the monopoly on truth.

Several provisions of Bill C-33 show evidence of that. Members can find many provisions in Bill C-33 that say “To the extent possible, the responsible minister will seek the support of provincial and territorial ministers”. That is right, “to the extent possible”.

What I deplore in this regard, as the hon. member from the Canadian Alliance did, is that there is nothing set in stone. The obligation to seek support is not an essential condition to the implementation of this act. The federal government might very well act alone and not seek any support.

• (1235)

In the same vein, the Parliamentary Secretary to the Minister of Environment said that “where voluntary measures do not work, other governments are unwilling or unable to act, the federal safety net will be invoked.”

This means many things. These words are, to say the least, ambiguous coming from a government that limits itself to rhetoric, as the Minister of Environment said before the Standing Committee on the Environment 15 days ago. However, when this rhetoric is put into a bill, the cat finally comes out of the bag. The Big Boss, the Minister of Environment, complacently believes that he is the only one to possess the truth. For his benefit, I will quote Albert Camus, who once wrote “the need to be right is the greatest of weaknesses”.

Last week, an answer given by the minister made me smile. Answering my colleague from Edmonton—Strathcona, he said “That party—the Canadian Alliance—not that it understands the constitution, should understand that there are certain areas of provincial jurisdiction that we should respect. It does not, but we do”. How ironic—and I would use another word without hesitation, if it were not unparliamentary.

In the Liberal terminology, the definition of the provincial governments’ will to act could lead to confusion. In fact, they do not define the word will as I do. The federal government could tell the Quebec government that it will have to protect without delay 150 species at an excessive cost that Quebec may not be able to afford. By putting Quebec in front of an impossible task, the Liberals could tell people “See, Quebec refuses to act”. And then what would happen? The federal government would intrude in a provincial jurisdiction.

Even though the preamble says that jurisdiction over the protection of species is shared, that is not reflected in the provisions of the bill, which itself does not reflect reality, which is that protection of habitats is essentially a provincial responsibility.

In fact, everything leads us to believe that the minister has the authority to impose his vision of the protection of species at risk on the provinces when he sees fit. In other words, the bill will have de facto precedence over existing provincial legislation, even where habitats are totally under provincial jurisdiction.

I would also like to point out the duplicity of Liberal members who tried to promote and make us accept Bill C-33. They even invited professor Robert Kennedy Jr. who shared his vision of environmental policies, a centralizing vision giving all powers to the federal government.

Needless to say, he was quick to refer to Bill C-33. I find it regrettable that a foreigner, who incidentally is an intelligent and respected person, was asked to interfere like that in Canadian affairs.

• (1240)

As I said, a policy requiring the various levels of government to co-operate is much more appropriate to solve environmental issues. Provincial governments are in a much better position to know about regional issues than federal public servants.

I deplore the fact that the Quebec government’s specific character is not being taken into consideration when it comes to the protection of species at risk. Moreover, this specificity is not exclusive to Quebec, as other provincial governments already have such legislation. Quebec’s legislation on species at risk has been in effect for nearly ten years and it works very well.

It would seem, although I hope with all my heart that this will not be another clash between Quebec and Canada, that Bill C-33 is not a response to Quebec’s success. The federal government is jealous of our progressive legislation and is trying to take it over. Why is the federal government interfering in jurisdictions where it has no business?

The federal government’s petty attitude is all too apparent. I remind the Liberals that, after the 1995 referendum, they passed a



motion recognizing Quebec as a distinct society. If they were consistent, they would not be trying to interfere like this in the jurisdictions of the provinces and of Quebec.

In the words of the poet Paul Verlaine:

My visage pale  
My heart gone cold  
I hear the clock  
And pine for old  
Familiar days.  
But helpless in

The winds of ill  
I drift along  
And feel the chill.  
A battered leaf  
Adrift and lost.

So much for the promises of the federalists. Like a dead leaf buffeted by the autumn winds, they cry over lost dreams and pin their hopes on spring.

If the stormy weather continues for the federal government, what spring might bring is a new country called Quebec.

I would also remind government members that most environmental groups are also opposed to Bill C-33. Those who should by rights be the government's allies consider this a dangerous and unnecessary bill.

In fact, the Minister of the Environment has been inundated by protests and criticism since the bill was introduced. Most stakeholders think that Bill C-33 does not have enough teeth. Even organizations representing industry feel that the bill does not provide increased protection for species, nor does it make clear what they need to do to protect species living within their areas of operation.

Representatives of the Canadian Pulp and Paper Association and of the Mining Association of Canada have indicated that the government should have adopted a firmer approach on the issue of federal lands and natural areas where its constitutional responsibility is not questioned.

It is worth noting that, in its present state, Bill C-33 scares representatives of some industries who think the issues of compensation are insufficiently defined and who find the fines and prosecutions excessive in cases where the species has not been killed deliberately.

• (1245)

However, the main problem raised by environmental groups seems to stem from the fact that decisions concerning the listing of species will be taken at the discretion of the minister and the Cabinet and not by scientists. For that reason, some activists say that C-33 is a total failure and that it will not protect Canadian species.

### *Government Orders*

Some others, like the lawyers of the Sierra Club, qualify their assertions but still deplore the weakness of the legislation and the ignominy of giving to politicians such discretionary power over the listing of species.

My criticism of the Minister of the Environment lies with his piecemeal approach, evaluated at the discretion of Cabinet and supported by legal and binding recourse if no agreement can be reached, instead of an overall approach that favours negotiation.

I repeat, the principle of providing greater protection to endangered species is one the Bloc Québécois supports readily. However, Bill C-33 is not the best way of doing it. Because of intrusions into areas of provincial jurisdiction, we oppose it.

While we recognize that responsibility for the environment is shared between the federal government and the provinces, we think the federal government is ignoring this fact.

Instead of assuming its important responsibilities, it prefers instead to take over jurisdictions that do not belong to it.

Instead of dealing with toxic substances, MOX, GMOs, the biosafety protocol and contaminated soils, it prefers to create useless overlap.

For all these reasons, and I could cite others, we believe the government should go and do its homework and propose a new bill, in six months, that will lend itself more to a consensus with environmentalists and the opposition.

The job of defending and protecting the environment has become extremely difficult at a time of triumphant economism and unbridled productivism. There has never been so much confusion between growth and development. There was no call to add Canadian nation building for the purposes of centralization. Bill C-33 illustrates once again that only the appetite of the most voracious predators equals Ottawa's appetite for power.

Therefore I am pleased to support the amendment proposed by my colleague from Fundy—Royal. I invite all members of this House to do likewise, in fact, I implore them to do so.

**Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ):** Mr. Speaker, it is a known fact that the government of this Prime Minister is looking every day for confrontation with Quebec.

As a matter of fact, last Saturday in Drummondville near my riding, the majority of the Liberal Party of Canada riding association presidents asked the Prime Minister to put an end to this confrontation.

The case in point this morning is Bill C-33, an act respecting the protection of wildlife species at risk.

*Government Orders*

• (1250)

It so happens that the Canadian Constitution that was patriated by this Prime Minister in 1982 clearly says that sedentary animals, the hare, for example, which lives on a very small territory of no more than one square kilometre, are under provincial jurisdiction, while animals that roam across the North American continent are under federal jurisdiction, and Quebec accepts that. Why does the Minister for the Environment want, once again, to grab powers that belong to the provinces?

I see Bill C-33 as a new source of confrontation. When will the Prime Minister and the Cabinet respect once and for all the provinces and Quebec?

I would like to ask my colleague, the member for Jonquière, who is our critic for the environment, if she could tell us how she intends to try to bring back the Minister for the Environment to his senses, now and in the future.

**Ms. Jocelyne Girard-Bujold:** Madam Speaker, the hon. member for Frontenac—Mégantic, my assistant on the Standing Committee on Environment and Sustainable Development, is very concerned about the environment. It should be realized that Bill C-33 will create a major confrontation, not only with Quebec, but also with the other provincial governments that have their own legislation.

We must urgently tell this government—and I hope that all members of the House, will do so; at least the members of the Bloc Québécois will—to go back to the drawing board. It is time the federal government stopped passing laws that interfere in provincial jurisdictions. It is not perfect as the government member and former Quebec Minister of the Environment said. The provincial laws are not perfect, but at least the provinces have the merit of having laws to protect threatened species.

But this government is saying “Move over. We are taking over. What you have already done no longer exists”. Moreover, it is not just the Minister of the Environment who will have such an attitude. All the other ministers will define their priorities, including the Minister of Industry, the Minister of Natural Resources and so on. Enough is enough.

We are again witnessing the government’s haughtiness. It thinks it knows everything and is above everyone else. Personally, I think the provinces have already taken a big step. It is the federal government that should follow the provinces’ lead. This is how, from the Bloc Québécois’ perspective, this government should act with regard to its policy and its legislation.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Madam Speaker, before the House adjourns for the summer, the legislative process is put in high gear for many bills. I was

wondering why the government wanted Bill C-33 passed before the summer recess. I was driving to the riding of Berthier—Montcalm in my car when I suddenly heard the answer on the radio.

It is a comment I am making, and I would like the member, who has studied the issue and who follows the minister closely on this issue, to tell me whether I am mistaken or whether I got it right. On the radio, there was a short segment about Canada’s wetlands and all the animals that live there. It was a message paid for by the federal government, so it was nothing more than propaganda on what the government does in that area. I thought, would it not be nice if the federal government could add to that that it passed a bill on species at risk?

• (1255)

Would it not be nice to go into the election campaign with such a bill, and to be able to say so on this short segment or on any other segment paid for by the federal government?

It is a way for the government to tell people that it is so good, that it is so smart and that it protects species at risk. Even though this is not its jurisdiction, even though this could alienate the provinces and even though Quebec does extraordinary things in that area, it does not matter. The federal government, our big brother, has money and it uses our tax money, taxes paid by Quebecers and Canadians, to pay for its propaganda. I think I got that answer on the radio.

I would like to know from the member, who is very familiar with this issue, which she follows closely, and who does excellent work in the area of the environment, whether or not I am right with regard to the federal government’s motivation in wanting to pass Bill C-33 at all costs before the summer recess.

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, I want to thank my colleague from Berthier—Montcalm and tell him that he is definitely a visionary. He was bang on target with this. This is exactly what the government wants.

This is the third time that the government is trying to bring forward a bill respecting the protection of wildlife species at risk. It did it first in 1995, then in 1997, and now, in 2000, it is back at it again, although it knows quite well—and the hon. member for Berthier—Montcalm is right—that habitats are under provincial jurisdiction.

Thus, this segment the member heard is blatant intrusion into provincial jurisdiction. The bill ignores that. The Liberals even want to interfere with the habitats of wildlife species at risk, which are recognised as a provincial jurisdiction. There are federal lands, yes, and they are right to deal with those lands. However, they have no business on provincial lands.

*Government Orders*

I think that my colleague for Berthier—Montcalm is a visionary and that the government is up to something. I regret to have to say it, but I do not know what the government is up to. It is looking for a place to be, an issue to take a stand on, or an attitude to show off. I do not know what it is up to.

I believe all Quebecers and all Canadians think that, after two mandates and three years into their second mandate, the Liberals do not know what to do anymore. They are contemplating an election. We do not know why, because there is no reason for it. They are looking for all kinds of bills that will give them an in with the taxpayers.

Unfortunately, I do not think this is the way to go. This government must learn that the important thing is to ensure that the provinces' areas of jurisdiction are respected and that endangered species are clearly covered by legislation while respecting provincial jurisdiction.

We wish the bill were drafted in such a way. That is why the Bloc Québécois is supporting the Progressive Conservatives' amendment calling for a six month hoist so that the government may take the time to sit down and think it over, to say to itself "That is right, the thing makes no sense. This is a problem that needs to be addressed, but it must be done co-operatively". That is not a concept that the Liberals appear to be familiar with. I think that I will write the word co-operatively out for them and explain how it is written and what it means.

[*English*]

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Madam Speaker, I want to make clear at the beginning that I will share this speaking spot with my hon. colleague from Churchill River.

I must say that there are some mixed feelings as I stand to make a few comments regarding Bill C-33 today. It is a piece of legislation dealing with endangered species that we have been requesting for many years. As a matter of fact I can remember, going back almost 20 years, groups making representations to committees and to us as individual members of parliament saying that we need to have such legislation.

• (1300)

The United States has had endangered species legislation going back to 1973. People were making the case that we needed to have it in Canada, particularly in areas where there is the migration of animals or migratory birds going between Canada and the United States. After years and years of lobbying we finally now have a piece of legislation, Bill C-33, before us which is known as the Species at Risk Act or SARA. It is a long overdue promise now

before us, but I must say, and I say it with some reluctance, this is actually not a very good piece of legislation at all.

I suppose it is better than nothing but not much better. As a matter of fact it may not even be better than nothing because it gives the impression that the government has actually done something to take some serious steps toward ensuring that species at risk will be protected in Canada.

The throne speech said that the government would introduce legislation to ensure that species at risk and their critical natural habitat were protected. The reality is this legislation does not do that. It does not ensure that species will be identified and protected. It certainly does not ensure that habitat will be protected.

The two fundamental elements of any kind of endangered species legislation, that is the identification and protection of the species and the identification and protection of their habitat, are not included. They are absent.

It is puzzling that it is left to the Minister of the Environment or to politicians to decide what species are at risk. With all due respect to my parliamentary colleagues, I am not sure we are experts in this field. Well known scientists have documented the fact that there are 351 species at risk presently in Canada. These scientists are eminently qualified to make that determination. Now we will turn it over essentially to cabinet. They are a nice group of people but they are not really equipped to determine what kind of species ought to be identified at risk, let alone whether or not the habitat should be protected.

To be fair, we might have a good Minister of the Environment or there might one in the future who would lead this discussion in cabinet, but what if we had a crummy minister of the environment? What if a red neck anti-wildlife type of person who was made Minister of the Environment and as a result—

**Mr. Sarkis Assadourian:** It will never happen.

**Mr. Nelson Riis:** It has happened. We could look at Ontario, for example. Ontario has had as many ministers of the environment as we change socks on an annual basis. Quite frankly they are, by their own admission, not qualified to be ministers of the environment. They do not know much about it. Let us imagine if that were the case here. This legislation would be a complete mockery. Therein lies a crucial weakness in the legislation, the fact that we have to take away the aspect where politicians will be the final arbitrators of this issue.

There is a role to play for politicians. There is a role to play for elected representatives. However when the legislation is passed, in fact it gets passed in the next little while, there will not be a single identified species at risk. In other words, we will have to start all over again to develop this list. What a crazy process.

*Government Orders*

What is embarrassing about it is that our two NAFTA partners, Mexico and the United States, have had legislation in place, the United States since 1973 and Mexico since 1992. Both acts are a whole lot stronger than this one. They are concerned about the fact that the government says that this has nothing to do with species that migrate across interprovincial or international borders.

If a moose is wandering around in the forest it does not realize it is crossing a border. A border will not stop it from going into Alaska or elsewhere in the United States. It will not stop it from going between Saskatchewan and Alberta or wherever. Of course moose do not behave in that way. When ducks or geese fly around they do not stick to one provincial area. They are crossing provincial boundaries and crossing international boundaries. The legislation does not acknowledge that fact. It does not provide that kind of protection.

The minister says that is not their jurisdiction. If it is not federal jurisdiction whose jurisdiction is it? There are very puzzling elements in the legislation.

• (1305)

Back in 1992 hon. members will remember that Canada was the very first western nation to sign the biological diversity convention. That convention requires Canada to pass legislation protecting endangered species and their habitat. That was back in 1992 and nothing has happened.

Here we are now in the year 2000 and legislation has been introduced, but I have yet to find a single person who likes the legislation. I have yet to see a single group of people who like the legislation. A vast array of environmental groups have lobbied us. They have visited our offices here and our constituency offices. Many of them are personal friends. They say the legislation just is not on, that it has to be changed.

For example, even groups like the Canadian Pulp and Paper Association and the Canadian Mining Association say the legislation needs to be strengthened. When we have the mining association and the pulp and paper or the forestry industry saying such things, we have to ask who supports the legislation. Before the government brings in legislation we would think somebody somewhere would support it. Even one group or one person. However so far nobody supports it except the minister.

We have to change the legislation when it gets to committee. As some previous speakers have indicated, it is an all party committee. I think we are all determined to improve the legislation. I have identified a couple of problem areas. My colleagues from Churchill River will undoubtedly reveal some other concerns.

We should consider that the disappearance of habitat is responsible for 80% of the species that disappear. We are all aware from popular literature that as a result of the paving over of the countryside, the vast amount of cutting in the forests and the

occupation of many wilderness areas as a result of tourism and travellers that the habitat of many of our species is disappearing. This is something we have to come to grips with, as well as the issue of compensation.

In closing, when we protect a particular habitat there has to be both a carrot and a club. The carrot would be to encourage people to work to preserve habitat. If they fail to do so there has to be some kind of club that will penalize them.

When we take productive lands out of use in order to protect a habitat some compensation has to be there. I am thinking particularly of the comments of the cattlemen's association to this point and the people indirectly involved who would lose their means of employment as a result of a protective initiative being taken. They too have to be compensated in some form. These are some of the clarifications we will pursue in committee.

**Mr. Rick Laliberte (Churchill River, NDP):** Madam Speaker, I rise today to speak to Bill C-33, the much anticipated Species at Risk Act. In our opinion this is an appropriate title for a very weak act because it truly highlights that our species will be at risk with the current form of legislation before us.

My hon. colleagues from the committee and my hon. colleagues in the House on both sides have said that the bill by no means addresses everyone's expectations and that there is a lot of work to be done.

For the record I would like to state that our guiding principle was a resolution brought to us at our biennial convention. It by no means waters down any commitment for comprehensive federal endangered species legislation. It must be in co-operation with all other governments including provincial ones. Traditional aboriginal knowledge and aboriginal communities could help. The guiding principles has been the identification and listing of species at risk by an independent committee of scientists. This list would be based on scientific evidence as the primary consideration and not on political interpretation of data.

• (1310)

Our worst fears by far have come to light with the Species at Risk Act. Bill C-33 is certainly not based on the listing and identification of species at risk. It will not be done wholly or confirmed by an independent committee of scientists. There will be a role for the politicians and the executive council of the federal government to play in identifying and sanctioning the lists of species at risk. That is of great detriment to this bill.

Another guiding principle that we highlighted was a comprehensive and nation-wide natural habitat protection initiative. This includes protection of species that range or migrate over Canada's domestic and international borders. As my hon. colleague mentioned, there is no protection in this act to deal with international

*Government Orders*

boundary migration or interprovincial boundary migration. There is even question in terms of federal boundaries or federal jurisdiction that will be further watered down and susceptible to interpretation.

This major piece of legislation will be worked on in the legal system. It will be translated and interpreted by legal minds in light of legal challenges. We challenge the committee in its deliberations to look at the draft and ensure the issue of jurisdiction is covered. We must not be tying our hands on federal jurisdiction or federal crown lands. We have species at risk from coast to coast to coast.

It would not impede us in any way to work with the positive initiatives, as the other members have mentioned, of other provinces to identify species at risk or endangered species in their jurisdictions. We must work with those provinces. We must work with the communities and the industries that would like to see a major departure from a lack of legislation to a strong piece of legislation that will protect species at risk.

Another major guiding principle for us that was challenged on behalf of our membership was the inclusion of stakeholders in the development of species recovery plans, the provision of adequate support for those whose livelihood is disrupted by a species recovery plan and the provision for a just transition of workers and communities which may be affected by recovery plans.

With regard to the whole issue of stakeholders and compensating for any loss of land, livelihood or industry that may occur, the government should take a respectful view. In light of the major changes in protecting our biodiversity in the country and in the world, we may have to take major steps and make harsh decisions. We must ensure that we are compassionate to the people impacted through loss of livelihood, lands, community and industry that may occur.

These three guiding principles have helped us in our view. When we analyze Bill C-33 we find that the Liberal government lacks leadership on all three of these components in the Species at Risk Act before us.

Any species at risk must be based on respectful consideration of lands and landowners. This is certainly not reflected in the act. It dwells on it, but there is certainly nothing substantive that could make people sleep easier once the act is in place and protects species. If it happens that any of those species were found on their property they should have respectful consideration. That respectful consideration is not entrenched in this act. It must be spelled out clearly. It must point out the protocols to be followed in relations between governments and landowners.

Another issue the Liberal government has missed in the provision of leadership is science based decision making. Canadians know all too well the government's record in profit and politics. As we read the headlines time and time again, politics sometimes

serves the best interest of the ministers' or the Prime Minister's decision making, and sometimes to the detriment of the environment.

• (1315)

The environment is sometimes not viewed as an election winner at voting time. Certainly people do not stand up to democratically represent species or animals. They certainly do not stand up to say they represent the land or the species that live on the land. Most voters usually stand up to be counted for their interests and those of their family and children.

The message for all Canadians is that we must make a direct connection to the land, the water and the many species which our lives depend on. Let us speak in their best interests and not only for our personal or family's interests. Democratically we represent Canada literally from coast to coast to coast. All living things within it should be represented in the House of Commons and it should be reflected in an act that is designed to protect the species of the country.

The act must also include specific references, which is a very crucial rule not only in scientific knowledge but also in aboriginal traditional ecological knowledge. It has now been recognized that this knowledge has weight and interpretation and the translation of it should not be missed in terms of the specific or immediate scientific knowledge.

Aboriginal traditional knowledge plays a major role in setting the assessment of the ecological cycles. These are not necessarily monthly nor according to food, financial, budgetary or calendar cycles. Some ecological cycles last for 5, 7, 10, 15 and 20 years. That knowledge may not be readily available in the scientific manuals or journals of the day, but it is entrenched in the knowledge of many traditional land users, in our communities and in our stories.

Industries have been created such as trapping, fishing and hunting. A lot of people are aware that these are industries and also are a very big part of the livelihoods of our communities. Not only is hunting, outfitting and fishing a viable tourism option, but it is also a very sustainable living. Acquiring some foods in that way displaces the high cost of hamburger and potatoes. A lot of traditional people depend on this.

Adequate funding mechanisms for biodiversity sciences and cataloguing of information from across this great country is also required. Research and development is needed for understanding the lands and waters. The Hudson plain which surrounds Hudson Bay, one of Canada's largest watersheds, is an example. There are huge freshwater bodies in the Hudson plain but there is no scientific picture in that area. There is no collection of data from the traditional communities incorporated into a data bank.

*Government Orders*

The impact of climate change just on the water studies of that region is an immediate necessity. There are also the transboundary pollutants, just like persistent organic pollutants that have been studied in the far north. The mid-Canada north should certainly be respected in that area. That is why the Hudson plain should be seriously looked at. It is a huge spawning ground for many of our fish. Migratory birds are in those regions at this time rejuvenating their species.

Members of the committee will certainly have to roll up their sleeves in order to make a sound species at risk act for the country. There are high expectations not only in this country but there are challenges internationally. Canada has made international commitments as is evidenced by the convention on biodiversity.

We have to protect our species at risk. Let us do it in a meaningful way, but let us create a piece of legislation that has the power to make these promises as strong as possible for the betterment of our future.

• (1320)

**Mr. Gerald Keddy (South Shore, PC):** Madam Speaker, it is a pleasure to speak to Bill C-33, the species at risk legislation which has been brought in by the present government.

Like the other members who have commented on the legislation, I regret to say I am a bit critical of it. I am critical of it because of some obvious flaws in the legislation and because of the government's apparent lack of will and the half-hearted attitude it has brought to this legislation, and its total inability to bring all the stakeholders on side. Not only are business and industry disrespectful and not supportive of the legislation, but the environmental groups and lobbyists are also disrespectful and not supportive of this legislation.

I would like to start my speech with some comments taken from the speech of our party's environment critic, the member for Fundy—Royal. I would like to quote a paragraph from his opening remarks.

Canada has 351 species that are recognized as endangered or at risk. There is no federal law to protect these species. The government's proposed species at risk act, known as SARA, is long overdue. It is a long overdue promise, but it is very disappointing. This legislation is even weaker and less effective than Bill C-65, the 1996 federal endangered species bill, which died before the 1997 election. This new bill is unacceptably ineffective in several key areas, particularly habitat protection. The main threat facing endangered species is the destruction of their habitat, the places where species breed, where they feed and where they raise their young.

I read over the excellent speech of the member for Fundy—Royal. I was quite intrigued with that comment, but I would add one more point to the point he was making. Bill C-65 was brought forward in 1996 and died before the 1997 election. I predict the same type of demise for this legislation. It is not supported by any of the parties in the House and is not supported by the Canadian

public in general. I suspect the bill could die before the election in the fall of 2000, which the government has gone to great task lately to say will not happen, which is a pretty sure sign that it will happen.

It should also be pointed out that the Progressive Conservative Party of Canada was awarded an *A* grade on our paper, "Carrots Before Sticks", for our outline of an effective endangered species legislation. The Liberal document which is before the House was awarded a *D*.

Obviously the government has missed out on this bill completely. It fails to understand what Canadian industry and environmentalists are looking for. It fails to understand much of what was alluded to by the New Democratic member who spoke previously, that whole principle of stewardship of the land.

Most people, farmers, forestry operators, landowners, city dwellers, first nations, Canadians anywhere, have some understanding of stewardship of the land. I grew up in rural Nova Scotia and I have a keen understanding of it coming from a hunting, fishing and farming background.

If we are going to leave something in this country and on this planet for our sons and daughters and their sons and daughters, we have to have a different approach to the way we look at species at risk and our interaction with the environment.

The Progressive Conservative Party endorses recommendations put forward by the species at risk working group, a multi-stakeholder association that involved both industry and environmental groups. The group examined ideas for an ideal bill, not this bill. It included representation from the Canadian Pulp and Paper Association, the Mining Association of Canada, the Sierra Club of Canada, the Canadian Nature Federation and the Canadian Wildlife Federation.

• (1325)

Those groups do not ordinarily get together in one room and agree on anything. Obviously they are looking at this legislation and saying that there is a need and how can they formulate an approach they can agree with, that they can combine forces and overcome some of the obstacles and put forward a piece of legislation that will be helpful to wildlife, the environment and Canadians in general.

If mining, pulp and paper and environmentalists can devise a workable solution, then the Progressive Conservative Party will certainly endorse their plan. We recognize that extinction is forever. As a result, we believe that all Canadians want strong and effective endangered species legislation.

The status of a given species is a matter of scientific fact, not of political choice. It is for this reason the Progressive Conservative

*Government Orders*

Party believes there has to be effective legislation that must take action based on sound science. We are also committed to protecting the rights of landowners and users. We believe that no single individual or entity should bear the burden of recovery of any species when the benefits of the species protection are for all society to appreciate.

That is a pretty simple theory. That is not a complicated concept for the government or Canadians to grasp and they should embrace that concept.

It was mentioned earlier that the legislation in the United States has been very powerful in protecting species to a degree, but it has also been a deterrent to protecting species. Anyone who has followed the debate in the U.S. should know that among many of the landowners there are two points which they like to discuss. It is the two *s* points: first they shoot it and then they bury it, or shovel it. That is not the approach we want to take in Canada.

We do not want to bring in legislation which is so difficult to abide by that when individuals, farmers, forestry operators, mine operators, aboriginal groups, recreational groups and developers come across an endangered species, we force them to get rid of it. That does not work. We have to encourage them. That means the government is going to have to open up its purse strings. It is going to have to find some ways to encourage that, and it will probably be a financial incentive, to protect the species at risk and to build a comprehensive plan around it that will allow for continued protection in the years to come. That is why the Conservative Party believes that when designing a recovery plan, the bulk of the decision making should be left to the stakeholders and not the Liberal cabinet.

There are a few simple points which I would like to repeat. If an endangered species is found in a given area, then the landowner must be doing something right and he should be given all the tools to continue. He should not be penalized. He should not be told that there is a part of his quarter section or his 250 acre woodlot that he will not be able touch from now on. We have to find a way to compensate people to protect that endangered species which happens to be there.

We need to know a few things about the species. Is it a species that is simply passing through? Is it a breeding ground? Is it habitat that they depend upon? Is that endangered species plant or animal? Is it migratory? There are a number of issues and points that we need to better understand.

We agree with and support the recognition for voluntary measures. We fully endorse stewardship as a means of providing protection for species and their critical habitat. We endorse a graduated approach to stewardship with a full tool kit from material designed to engage the stakeholders positively in this process. This could include tax incentives, habitat grants, scientific support and in some instances it may need to include compensation.

The PC Party believes that simply making criminals out of landowners will not save endangered species anymore than making criminals out of law-abiding gun owners will make society any safer.

● (1330 )

There are several core components of our species at risk debate: to protect critical habitat; to use carrots before sticks; to form partnerships with the provinces; to have a full and comprehensive scientific listing of species; and, the protection for endangered species and their habitat. We need recovery plans and accountability mechanisms for citizens to ensure government forces act on their behalf.

I will go back to point number six that I raised regarding the recovery plan. We support legislation that commits to a firm target and time lines for designing and implementing an appropriate recovery plan for endangered species, whether they are endangered, threatened or vulnerable. I would like to use for comparison the wild Atlantic salmon.

The wild Atlantic salmon population is in critical decline and the federal government needs to address this problem immediately. People are already saying that it is a crisis situation and the numbers back them up. The wild salmon stock has dropped from 1.6 million 25 years ago to only 350,000 this year. I would state that the 350,000 is probably a generous estimate.

The Gold River in Nova Scotia, which I live beside, is a small salmon river. We used to have a run of salmon come up in the spring every year. It was not a run like the Margaree, the Miramichi or any of the big salmon rivers in Nova Scotia or New Brunswick but it was a great little run of fish. We would get anywhere from 350 to 600 fish in that river. We would see them in the pools 25 or 30 at a time. We do not see that today. It is no good taking my kids down to the salmon pool to show them a salmon jumping up over the falls or coming up the run because it would probably take five trips before we would see one. It is a matter of bringing these fish back.

The Atlantic Salmon Federation is looking for \$50 million in funding spread out over a five year period. This would allow the federation to tag, track and monitor stocks and provide valuable insight into the problems facing this species. Many different factors could be contributing to the declining numbers, including pollution and dams, but more research is needed if the wild Atlantic salmon is going to be restored to its former abundance.

The government has had an opportunity to act on this species. I am not talking about all the other species at risk. I am talking about this particular one, the wild Atlantic salmon. The government has failed to provide the much needed funding for raising salmon smolts and the salmon parr for release into our rivers.

*Government Orders*

We proved through our wildlife and salmon associations a decade ago that river specific salmon did much better than just any salmon dropped into our tributaries and our water courses. The government has known about this but has completely stopped advancing moneys for the hatchery program in Nova Scotia, and in fact has closed it down. It tried to divest it to individuals but most of those hatcheries have since failed. It put a little money into a few of them this year just to get the fish out of the hatcheries but there was no comprehensive plan. Meanwhile the salmon numbers continue to dwindle and diminish.

The government talks about endangered species but, quite frankly, talk is cheap. We have seen that for too many years from this government.

The core components of our species at risk legislation has been explained and debated and put forth at committee by our member for Fundy—Royal. It is critical that we look at protecting habitat. We have to find a non-intrusive way to do that. It is critical that we use carrots before sticks. We have to encourage, recognize and reward stewardship by offering more carrots and resorting to fewer sticks.

• (1335)

Adequate funding, which I talked about a moment ago, is needed to implement activities designed to support the stakeholders in their efforts to recover and protect endangered species.

The PC Party believes a new bill should apply to all lands except where equivalent provincial legislation is in place. If we listened to the debate from the members of the Bloc Quebecois, that is exactly what they were talking about. They were talking about jurisdiction overlap and whose responsibility it was for certain species. Obviously this government has not figured that out.

We do not need another Kyoto where the provinces are forced to pay for a plan imposed upon them by the federal government. The provinces themselves should be provided with sufficient resources to address the issue and to ensure protective and effective enforcement.

The PC Party supports scientific listing of a species at risk and of the identification of the critical habitat required for its recovery. The PC Party believes a committee of wildlife experts should be charged with this task. It should be a matter of science, not a matter of politics.

We go on to the protection for endangered species and their habitat. The PC Party supports the immediate prohibition against the harming of any endangered species or its residence, and the protection of the critical habitat of species through either co-operative agreements or legal measures following a multi-stakeholder recovery plan.

What we do not believe is simply implementing some program where there has been no reaching out to the stakeholders group, that there has been no co-operative effort on and that is little understood and little supported by the people who will be most affected by it.

We need some accountability built into the process. We need a mechanism for citizens to ensure that the government enforces its own act. If the act is to include an accountability mechanism then the PC Party believes that there should be an independent process for the public to ensure the act is being effectively implemented. This process should allow citizens to challenge the federal government and not other citizens.

We do not need to make this act complicated. We do not need to make this act somehow a confrontation between our forestry operators, our farmers and our fishermen. What we need is to bring in an act that encourages the protection of species at risk. What we have is an act that fails to recognize that all important tenet.

**Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.):** Madam Speaker, I have enjoyed listening to the comments by my hon. counterpart from South Shore, Nova Scotia. Would he care to comment on how he would reconcile several of the points he has made during his debate on endangered species with legislation recently passed by the Government of Nova Scotia, which is the same party as his.

I would also suggest that he consider the high regard with which that legislation is held throughout Canada. It is considered to be a model. In so being considered, it is a rather stringent piece of legislation. Could he share his insights with us in that regard?

**Mr. Gerald Keddy:** Madam Speaker, I will go back to what the hon. member from the Bloc party stated about jurisdiction. We talked a bit about jurisdiction and the importance of recognizing that in the federal legislation. What I was actually talking about was that the fatal flaw in this piece of legislation is that it really does not understand jurisdiction and, therefore, will not protect species at risk.

The legislation passed in Nova Scotia is certainly important legislation but it is provincial legislation. We need to look at a federal comprehensive plan that will encompass all the ingredients of species at risk legislation. This means that most of it will be under federal jurisdiction but that we also have to recognize where there is provincial jurisdiction.

• (1340)

One of the critical flaws in this legislation is that it does not recognize jurisdiction and it does not compensate nor fully understand the obligations, responsibilities and needs of landowners. I say that as a farmer, as a forestry operator and as someone who has come into contact with species at risk. I understand what it is like



to have a contract to cut a couple of hundred or couple of thousand acres of land and to all of a sudden discover there is a heron's nesting ground or an eagle's nest.

I do not believe there is an operator out there who wants to abrogate the law, to break it or to put more species at risk in danger. People are responsible but we need the legislation that gives them the tools to do that.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Madam Speaker, it is a pleasure today to be here to debate Bill C-33, an act respecting the protection of wildlife species at risk in Canada.

Before I begin my comments, I want to point out that I am personally involved in agriculture in my riding of Selkirk—Interlake. I am a cattle rancher and holder of several thousand acres of land, which is necessary for our cattle operation in that area. As a result, I am not totally unbiased in the debate today. However, I would like to point out that as cattle ranchers and farmers in the Interlake area of Manitoba, we are totally dependent on having an environment that is sustainable for the wildlife around us and sustainable for the agricultural pursuits in which we happen to be involved. In my case that involves cattle. In order to produce cattle we need a good environment with good grasslands, good forestry and a clean water supply.

Having made my position clear, I want to go on with some comments with regard to this specific bill. The summary, as put forward by the minister, states that the purpose of this enactment is to prevent Canadian indigenous species, sub-species and distinct populations of wildlife from becoming extirpated or extinct and to provide for the recovery of endangered or threatened species. It also encourages the management of other species to prevent them from becoming at risk.

People need to know that this legislation covers every biological diversity in the country except bacteria and viruses. For instance, it includes our continental shelves off the shores of our coasts and the biological organisms that are contained therein, such as fish species and shellfish.

When we talk about the minister having a certain amount of say and authority over this, we can look back to when I was on the fisheries and oceans committee where we saw that the government's management of the cod fishery and the fishery off the coast was less than desirable. The basic problem at that time was that the government had a political agenda to deal with that was more important to it than what was happening in the oceans.

What we saw was that the information, reports and critical analysis that were being put forward by the scientists to the minister were not being relayed to the general public where they would have received attention from individuals, environmental

### *Government Orders*

groups, fishermen and from all concerned people who would have said "Hold on a minute, what you are ignoring here you should not be ignoring. The reports from the scientists should override political considerations".

The bill establishes the committee on the status of endangered wildlife in Canada. It is to be an independent body of experts responsible for assessing and identifying the species at risk.

• (1345)

The idea is great. I believe that is what should be done. However, we have to remember, as we do with all things involving animals, trade and certainly the protection of species, that this should be totally science based and should not go running off, as I mentioned with regard to the fishery off the east coast, into political decision making.

Science is fine and dandy, as long as the science, the reports and the analyses that are put forward are accessible to the public. They should be totally and unreservedly put out for public scrutiny, not only by people with lay knowledge of the issues, but also other scientists.

What we have seen with government paid for and sponsored studies is that quite often this science based information is not available for general public scrutiny. As a result, it gives the minister an opportunity to deal with the information, to keep it secret, or to put out little snippets that help support his or her particular point of view. That will make this legislation less than perfect.

I would like to see that the minister not have the final authority with regard to the endangered species list, but in fact that there be a requirement in the bill that all the information be made public so that various NGOs, for instance the Canadian cattlemen, the farm lobby groups and the environmental groups, have an opportunity to come to each and every MP and say that this particular species should or should not be on the list and convince members of the House, all 301 of us. I think the list could be brought to the House for approval as opposed to the minister simply saying "I think these are fine, and this one should not be on the list" for reasons that are not clearly in the public interest.

The issue with regard to government scientists, which has been brought forward quite extensively, is the fact of muzzling reports which they put forward. I have mentioned this, that there should be clear guidelines in the legislation to ensure that those reports are automatically made public.

Wildlife in Canada is the property of the crown and is subject to provincial jurisdiction. The animals, birds and fish species that are not are the ones that migrate from province to province or cross international boundaries, those of the United States and Mexico in particular, but also right through the whole Americas. As a result, there is a federal responsibility for these species. Environment

*Government Orders*

Canada, through the Canadian Wildlife Service, has a mandated responsibility to conserve these migratory birds and their habitat through the Migratory Birds Convention Act and the Canada Wildlife Act.

Just as an example of man not being the know-all and the be-all when it comes to the management of species, there has been considerable depredation of habitat, particularly nesting habitat in the Arctic with regard to the snow geese, the white geese, that have become so numerous that the balance in nature has been upset to the point where the species itself is destroying the habitat, which will ultimately end up in starvation and death among the newborn birds in the north.

Part of the problem is the efforts through various groups and governments to restrict and prohibit hunting. With man being so populous and numerous in the world today, hunting is part of the overall management control of a species. I think there should be less negativity put forward with regard to hunting which would help keep these species in check.

● (1350)

There has been talk and there will be some changes to the hunting legislation with regard to the snow geese which will allow for a greater harvest of those birds, which can be used for food.

The Canadian Wildlife Federation, along with other farm groups, has been lobbying and putting forward information concerning predator damage and crop damage from migratory birds, as well as other issues. I would like to point out on behalf of farmers that they put out a broader message. They proposed in 1998 that the national agriculture stewardship program provide critical direction while we make the decisions we are currently involved in. They anticipated that the program would prove to be a model for other programs addressing environmental needs.

To show the broad thinking of farmers and their representatives, they say, for example, that there should be funding for endangered species recovery plans and we should be providing broader incentives to landowners to maintain and enhance habitat and biodiversity. That brings out the point quite clearly that our farmers, ranchers and other people engaged in agriculture do think of the bigger picture and are not simply thinking of production and profit.

One issue put forward by the Canadian Federation of Agriculture with regard to essential components was that it wanted to ensure that conditional 100% compensation would be provided. Among the 11 recommendations, it wanted to see that there be permanent and flexible fiscal management from year to year.

Working with agriculture, with the landowners, with the forestry industry, with the fishermen on the oceans, on our Great Lakes and on the freshwater lakes of the prairies, co-operation is the key and the essence to making any endangered species legislation work.

The legislation put forward by the minister is lacking in that it does not state specifically that the federal government has a total commitment to working in co-operation with the provinces and the landowners. The provinces are mentioned in the legislation, as well as landowners, but the specifics of how and when and under what circumstances compensation would be paid is important. As we have seen so many times, co-operation with the provinces does not work.

The last couple of points I will make are with regard to the specific policy of the Canadian Alliance. We are committed to protecting and preserving Canada's natural environment and its endangered species and to the sustainable development of our abundant natural resources for the use of current and future generations.

The Canadian Alliance maintains that for any endangered species legislation to be effective it must respect the fundamental rights of private property owners.

In my riding, on the very lake where my ranch is located, North Shore Lake, it is my understanding that we have a species which is at risk at this time called the piping plover. North Shore Lake has risen to such high water levels that the shoreline where they nest and feed is actually under water, with only a small portion remaining. This brings to the forefront the fact that all of us are affected, no matter where we live in this country.

The federal government has the responsibility to do what it can to preserve habitat. In order to do that it has to have the co-operation of the landowners. It also has to provide the necessary funding in the case of North Shore Lake for an outlet to that lake, which is non-existent at this time, to maintain the water at a lower level so that these endangered piping plovers can nest and reproduce.

● (1355)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Madam Speaker, I have a serious question to ask the member who just spoke. He did a great job in his presentation. However, before I ask the question, I remember reading not long ago on the Internet a dilemma: What does one do if one finds an animal that is an endangered species eating a plant that has been defined as being endangered? It is one of those deep thoughts to ponder.

My serious question pertains to a question that one of my farmer friends in my constituency asked. He wanted to know, if he could somehow be shown, either directly or indirectly, to be responsible for the danger and perhaps the killing of a member of an endangered species, and if he could lose his farm over that, because the proposed fines are of the magnitude that would basically put the farmer out of business, what would be his recourse?

He said that perhaps there would be a series of unintended consequences from the bill, that when farmers make sure that the margins of their sloughs and so on become totally uninhabitable so

that those endangered species do not even go there, there will actually be less available land for endangered species than there is now.

I would ask for my colleague's comments on that, if he has some knowledge of it.

**Mr. Howard Hilstrom:** Mr. Speaker, with respect to one endangered species eating another endangered species, I would say that we in the House have the audacity of man. We think that we are all-knowing, wonderful and can figure everything out. Mother Nature runs Earth. Many people believe that global warming has more to do with nature than it does with man.

To a certain extent, species have always become extinct, will always become extinct, and while we are on this Earth we have to get along and preserve what we can while we are here. However, we should not delude ourselves into thinking that we can preserve every species forever, with unlimited resources being thrown at them, while there are children who are starving.

With respect to habitat, in many provinces there are wildlife management areas that have been set up, operations like Ducks Unlimited, which in my riding foster areas known to be the main wildlife tourist destinations in Canada. Farmers and agricultural people are providing habitat, including the saving of sloughs on the prairies.

**The Speaker:** The hon. member will still have seven minutes of questions and comments when we return to debate after question period, if he so wishes.

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## STATEMENTS BY MEMBERS

[English]

### THE ENVIRONMENT

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, since it took office the Ontario government has slashed the budget of its ministry of the environment by 42.5%.

Regional enforcement staff were cut from 2,400 to 1,500. Water quality monitoring facilities in the province were reduced from 700 to 200. The closing of three regional labs further reduced the ministry's analytical abilities.

Furthermore, the Ontario government cancelled 400,000 tests it had been conducting yearly, downloading this service to municipalities. The axe of the Ontario government also fell on the drinking water surveillance program which reported regularly on municipal drinking water quality.

*S. O. 31*

The result is that the network of water testing laboratories, water scientists and laboratory technicians who knew how to manage clean water in Ontario has been broken up. What a shame.

\* \* \*

### PROSTATE CANCER

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, yesterday morning I participated in the second annual Vancouver run and walk to raise funds in support of prostate cancer research.

I am rising today to thank members of parliament from both the Canadian Alliance and the Liberal caucuses, as well as some of our staff members, who through their generous contributions helped me to raise the third highest amount in pledges for that event.

• (1400)

One man in eight will get prostate cancer during his lifetime while the number of men who die from prostate cancer each year is about the same as the number of women who die from breast cancer. Yesterday's event was an important part of the countrywide effort to raise public awareness about prostate cancer and to raise more money for research.

Once again I thank everyone on the Hill who contributed to the total on my pledge sheet, with a special thanks to those who put aside their partisan differences when they dropped their cheque in the mail. Together we can make a difference.

\* \* \*

[Translation]

### AMYOTROPHIC LATERAL SCLEROSIS

**Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.):** Mr. Speaker, I am pleased to inform the House and all Canadians that June is amyotrophic lateral sclerosis, ALS, awareness month.

This form of sclerosis, also known as Lou Gehrig's disease, is a rapidly progressing neuromuscular disease that leads to total paralysis and eventual death, generally within three to five years of diagnosis. In Canada, some 2,000 people have this devastating disease.

[English]

Since 1977 the ALS Society of Canada has been supporting research, developing and distributing educational materials, promoting public awareness, and in partnership with regional units providing ALS patients and their families with medical equipment and support.

Today the ALS Society of Canada is concluding its annual conference in Ottawa. I encourage members to welcome the society and hear its message.

[Translation]

I pay tribute to this volunteer society.

*S. O. 31*

### TRANSPORTATION OF GOODS

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, a study on the transportation of goods in Quebec conducted in the context of the work being done under the aegis of Transport Canada will take stock of the Canadian transportation network.

Canada is divided into six regions, one of which is Quebec. Two thirds of the funding for this study comes from the federal government and one third comes from Transport Québec. There were two main findings.

The road network in the Montreal area is incomplete, which is probably the most acute problem right now for the Quebec transport industry. The railway in Quebec is underutilized and therefore could transport goods. Intermodal rail transport is used little in Quebec, whereas it is growing rapidly elsewhere in North America.

The governments of Canada, Quebec and municipalities will have to give priority to the funding of conservation projects and developing of rail and road networks, which could be done in conjunction with the private sector.

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[English]

### ALS SOCIETY OF CANADA

**Ms. Carolyn Bennett (St. Paul's, Lib.):** Mr. Speaker, June is ALS awareness month. ALS, also known as Lou Gehrig's disease, is a fatal neuromuscular disorder that kills two to three Canadians every day. Ninety per cent of ALS patients die within five years of their diagnosis and most rely on family members for care.

The ALS Society is here today on the Hill to ask the government to ease the pain by investing in home care and granting compassionate leave to caregiving family members. It hopes that the new CIHR will mean increased funding for ALS research to ensure that we build on recent breakthroughs and find a cure for this devastating disease.

\* \* \*

### SYRIA

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, Canadians have sympathy for the people of Syria during these days of mourning following the death of their president Hafez Assad. Bashar Assad, son of the late leader, will be faced with the task of bringing stability to his country and the region in the event he assumes the leadership of Syria. We hope he has the strength and vision to reform and modernize his country's government and economy.

We want to encourage Syria to go forward with economic, political and social reform. We wish all the parties well and urge all

the countries involved in the region including Syria to be realistic and generous in the peace process.

At the onset of the 21st century the world is looking to strengthen efforts to eliminate terrorism. There is an opportunity for the new leader of Syria to help make major strides in this regard. The world will welcome such efforts and the rewards will be plentiful, not only for Syria but for the international community in coming years.

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### CADETS

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, I should like to make a few comments about the efforts and enthusiasm of thousands of young people in hundreds of communities across Canada.

On Saturday more than 70,000 cadets, their instructors and supporters actively demonstrated their concern for the environment by working to improve and beautify their corner of our great land. Armed with rakes, shovels and brooms, the cadets showed their appreciation for the communities that have given them so much.

Cadets Caring for Canada is one of the largest activities of its kind. Through their initiative and hard work these young Canadians are making their mark. Despite their youth, or maybe because of it, they understand the importance of good citizenship and co-operation.

• (1405)

I ask all members of the House to join me in congratulating the cadets for their dedication and ingenuity. They are planting the seeds for a proud future.

\* \* \*

### THE ENVIRONMENT

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, I call attention to a bylaw recently passed by the city of Woodstock in my riding. The city has enacted an idling bylaw that restricts non-essential vehicles from idling for more than five consecutive minutes. Woodstock's goal is to reduce harmful air pollution and illness that arise from this pollution while also ensuring that we have a cleaner environment.

It is measures like those taken in the city of Woodstock that will assist Canada in reducing emissions and reaching its Kyoto commitments. I congratulate the city council for those measures and Mr. Doug Steele from the CAW Local 636 for his work on this issue.

I also urge other communities across our country to enact similar bylaws to protect our environment. Woodstock is setting a fine example of how to think globally and act locally in solving our environmental problems.

**PRIME MINISTER**

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, the Prime Minister has a certain, shall we say, flair for words. Remember when he joked with the protesters who had been blasted with pepper spray:

Usually it is the rubber chicken dinner, but when we come out west we have beef, sometimes pepper steak.

He left them laughing with that one, so he took his show on the road where he told an appreciative audience:

I don't know if I am in the West, South, North or East Jerusalem right now.

That was a special moment for his media handlers, I am sure. Then there was that very sombre moment when he told those high school kids:

There's one place I go to in Ottawa regularly and every day there is a man who is unfortunately and obviously sick. We just sit with a chair at the corner of the street.

It seemed a little less sombre when we found out that homeless person did not actually exist.

This past weekend the Prime Minister, our very own Ann Landers, encouraged a reporter to get herself pregnant, telling her:

You know, you might have benefited from that. No? Gee, it's time! Because you're a nice girl, you know.

It is up to families to decide when and how many children to have and how to take care of them. It should not be dictated by misdirected government policy, not by unfair tax regimes and certainly not by a prime minister's musings.

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**EDUCATION**

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am greatly concerned about parts of the Ontario bill 74, the so-called education accountability act. This omnibus legislation contains sections which seriously undermine good education in Ontario schools. I am shocked by the parts which make extracurricular activities like sports, arts and field trips compulsory teacher duties.

In sports alone this will cost our children thousands of volunteer hours. Think of the time involved in weekend tournaments and fundraising to make them possible. How effective is a reluctant coach? How effective is a reluctant field leader?

Good teaching depends upon enthusiasm and personal commitment. One cannot legislate volunteerism. Bill 74 is undemocratic, draconian legislation by an anti-democratic Queen's Park government.

*S. O. 31*

[Translation]

**HUNDRETH BIRTHDAY OF SISTER BERNADETTE DEBLOIS**

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, the Servants of the Holy Heart of Mary, in Beauport, have a special reason to celebrate, since Sister Bernadette Deblois turns 100 this month.

Bernadette, who was born in 1900 in Saint-George-de-Beauce, became a nun because of her faith and her desire to help her fellow human beings.

In 1920, she decided to spend her life teaching young people. She was a teacher or a school principal for close to 30 years, at the elementary level. Later on, she fulfilled various duties within the congregation, while maintaining a special interest in teaching young people with difficulties. She also spent 10 years supporting the work of the St. Vincent de Paul fathers, at the Patro.

Sister Bernadette is very spry. She swam until the age of 98, she is funny and she faces each day with serenity. Even though she is now more fragile than she used to be, she remains free and liberated, and maintains absolute confidence in the Providence.

What else could we wish you, Sister Bernadette, if not health and the love of those who surround you? You have heard it one hundred times, but I will say it anyway: happy birthday Sister Bernadette.

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[English]

**WOMEN'S RIGHTS**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, one step forward, two steps back. That is how women feel today. Just on the heels of the UN special conference on women, where women have been working so hard to move the equality agenda forward, up pops the Prime Minister with his flippant remark about nice girls getting pregnant.

What kind of progress is that? How can the country's highest ranking politician be so cavalier and insensitive to women's daily struggles for basic equality, justice and fairness?

Whether it is the Prime Minister sticking his foot in his mouth or UN officials denying women the right to breast feed at a women's assembly, it is clear that women have a long way to go.

• (1410)

The CLC Women's Conference kicked off today and it is a good thing too. Its theme, rise up, act up, takes on new meaning in the

*Oral Questions*

face of the Prime Minister's silly comments. The Prime Minister should head on over to that conference and get a little gender sensitivity training.

As we prepare for the World March of Women 2000, the rallying cry for this event has never rung more true. In more ways than one it truly is time for a change.

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[Translation]

**NATIONAL PUBLIC SERVICE WEEK**

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, June 11 to 17 is National Public Service Week. This is an opportunity to celebrate the professionalism and sense of duty of the women and men who chose to be at the service of Canadians, thus contributing to our quality of life.

This week is also an opportunity to pay tribute to the wisdom, skills and talents of the members of the Public Service of Canada.

I am pleased to join the Prime Minister in thanking the members of the Public Service of Canada in each department and organization across the country.

Their dedication benefits us all. Thanks to these competent women and men, Canadians can rely on quality services everywhere in Canada.

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[English]

**EMPLOYMENT INSURANCE**

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I rise today once again to make the House aware of the problems associated with the proposed EI boundary changes. Under the proposed changes people will have to work 595 hours as opposed to the 425 hours currently required. These same people will receive benefits for 18 weeks, a reduction from the present 28 week benefit period.

Seasonal employees and responsible employers will be hurt under the new system as proposed by the minister. I am not for a minute suggesting that we go back to the days when unemployment insurance was a good alternative to working, but I am suggesting that the minister take a close look at what the department is attempting to do and reconsider it. It will cause many difficulties in the workplace.

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[Translation]

**NATIONAL PUBLIC SERVICE WEEK**

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, today marks the beginning of National Public Service Week.

It is important to pay tribute to the untiring efforts of the 208,000 men and women in the federal public service who, in one capacity or another, are helping to improve the quality of life of Quebecers and Canadians.

In recent years, the federal public service has undergone many changes and is engaged in a daily effort to improve the quality of the services it provides. It has seen its share of the many government cutbacks. And it has waged and won some major battles, such as the one on pay equity.

Being a public servant is no easy matter. These men and women face many challenges, and the pressures under which they work are perhaps underestimated. The qualities they must demonstrate include integrity, flexibility and innovation in serving the public, and they must exercise these qualities as part of a huge organization.

Today, the Bloc Québécois wishes to offer its sincere congratulations to the men and women in the public service on the excellence of their work and the co-operation they show.

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[English]

**STROKE AWARENESS MONTH**

**Mrs. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, June is Stroke Awareness Month. This year's theme is creating awareness about the warning signs of a stroke.

Strokes are the fourth leading cause of death in Canada. Some 40,000 to 50,000 new strokes are reported annually. Symptoms include sudden weakness, numbness, paralysis, dizziness, severe headaches, vision and speech problems. Early detection and treatment are extremely important for stroke patients.

Mr. Walter Gretzky is a recovering stroke patient and a spokesperson for the Heart and Stroke Foundation of Canada. He is currently delivering his message to Canadians: "Know the signs of an oncoming stroke, get treated and take advantage of new treatments".

In recognition of Stroke Awareness Month, the Heart and Stroke Foundation has unveiled a public service campaign with Mr. Gretzky that aims to raise awareness about this very serious illness. I encourage all members of the House to become aware of the signs of stroke and to spread the word.

**ORAL QUESTION PERIOD**

[English]

**HUMAN RESOURCES DEVELOPMENT**

**Miss Deborah Grey (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, we have always known that HRD grants

*Oral Questions*

and contributions are more about political benefits to the Liberals than they are about grants of genuine benefits to Canadians. A briefing book to the minister really puts it black and white. Let me quote from it:

—the Minister's Office contacts MPs to ask... if they would like to present the grant cheque to the organization. A copy of each project summary is also provided to Senator Fairbairn's office.

If they really are not about scoring political points, why are MPs and a Liberal senator keeping tabs on them?

• (1415)

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I would be very glad to have the hon. member make the same kind of announcement in her own riding but of course, we know that party is not interested in these grants and contributions. It does not want to help Canadians improve their levels of literacy. It does not want to help Canadians who are disabled to find work. We know that is the case but if the hon. member would like to do it, I would be thrilled to provide her with the information.

**Miss Deborah Grey (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the Liberals talked about this when they were in opposition because they did not get any of the glory.

This briefing book was not prepared just for the fun of it. It was the result of a specific request by the minister in August of last year. Instead of having her department clean up the billion dollar boondoggle mess, she had it put together lengthy briefing notes on how to get more publicity for her handouts.

Why was the minister so concerned about publicity and so unconcerned about the billion dollar bungle?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, do you know what else we did? We provided 10,000 pages of all the grants and contributions in every single riding.

I would ask the hon. member, when she received that information, did she think to call those organizations and ask them about how the money was being used? Did she think to talk to the individuals who are benefiting as a result of these investments? I think not.

**Miss Deborah Grey (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I would like to further suggest that the minister asked that the special ministerial briefing book on grants and contributions list a number of HRDC programs and the role MPs play in every one of them. For example on youth employment initiatives it says, "on a monthly basis, regions will inform national headquarters of successful projects that would offer good visibility for the minister".

Is that not really what the grants and contributions are all about, visibility for the minister?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, what the grants and contributions programs are all about is helping Canadians who are in need to get the services that they need so they can participate in society.

If it were not for that party, we would not have to defend against the attacks it is making on Canadians, on the individuals who are benefiting from these grants and contributions and who quite frankly feel they are being chastised as people who are not worthy of our investment.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, in early August 1999 the minister asked for a special briefing book on MP involvement in 25 grants and contributions programs giving important detail such as, "In Newfoundland the former Minister of Fisheries and Oceans announced all term job creation projects regardless of the constituency. That process may now change with the new minister assuming her responsibilities". That is what she said.

How can the minister deny that political visibility lies at the heart of these HRDC grants?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, again, what lies at the heart of these grants and contributions is recognizing there is a role for the Government of Canada to play not only in supporting communities that want to participate fully in our country, but most particularly in supporting individuals.

What we know to be true now after five months of its ranting and raving is that party is not interested in Canadians who need help, Canadians who want to improve their literacy skills, who want to as Canadians with disabilities participate in the economy of this country, young people who want to get that important first job. Let those members come clean with their real agenda here.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I have a little more from the grants and contributions briefing book that the minister had prepared. We learn that all federal government announcements for the grants under the employment benefit and support measures, a series of programs worth \$2.1 billion a year by the way, are "at the discretion of the minister".

Was the minister demonstrating her discretion by creating publicity for the Liberals instead of preventing another billion dollar boondoggle?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, again the hon. member gives me the opportunity to remind the House and Canadians that \$1 billion is

*Oral Questions*

not missing. In fact, \$1 billion has been invested in communities right across the country to help Canadians in need.

What is very interesting here is time and again members of that party opposite focus on grants and contributions. What they are really saying is those men and women who have been supported by these programs should not be supported. What they talk about is the waste of government dollars. We do not see that to be a waste at all.

\* \* \*

• (1420)

[Translation]

**PARENTAL LEAVE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the confrontational attitude adopted by the Prime Minister in connection with parental leave has been criticized by his own people, who have expressed concern about his attitude.

One woman member of his party has advised the Prime Minister to adopt an attitude of co-operation, mutual recognition and good will.

Is the Prime Minister going to give in to the arguments of the Bloc Québécois, as well as of his own party faithful, and support Quebec's actions in connection with parental leave?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, starting this year, the Government of Canada has made a commitment to double the length of parental leave available to all Canadians.

If the Government of Quebec wants to add to this good news and improve the Canadian government's program, we applaud them for it.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, she should hold her applause and instead try to understand, because the two projects as formulated cannot be complementary.

This is why Jean Charest, the leader of the Quebec Liberal Party, is supporting the position of the Government of Quebec. This is not a squabble between sovereignists and federalists. The future of Quebec's young families is at stake here.

How can the minister remain unmoved by the considerable support the Quebec project is receiving, from the Quebec Liberal Party, the federal Liberal party faithful in Quebec, the Government of Quebec, trade unions, employers' associations, from everyone?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, it is very important for us to have our new process in place this year.

With our program, Quebecers will not have to make any additional contributions in order to draw these benefits, and low income families will receive 80% of their insurable earnings.

As I have said, and say again, the Government of Quebec is welcome to improve the Canadian government's program if it so desires.

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, in setting parental leave up as a point of discord with Quebec, the federal government is on the wrong track.

Does the minister realize how many young families will be deprived of parental leave if the federal government does not change its attitude and continues to promote its program, which is tied to employment insurance?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, this is not our approach at all. What we know to be true is that there are very clear difficulties between the workplace and family balance. For us it is important to have our new program in place this year for all Canadians, including those living in Quebec. From our point of view, if the Government of Quebec wants to add to those benefits, we applaud it.

[Translation]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I repeat that the federal government is on the wrong track in wanting to set up two distinct programs, one Ottawa's, one Quebec's.

Will this not unnecessarily complicate the life of young families, since the majority of them will not benefit from parental leave? That is the question.

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, can it be wrong for us to recognize that we can do a better job supporting families with children in the workplace-family relationship? Is it wrong for us to build on a 30 year tradition that is and has been supporting Canadian families right across the country? Is it wrong for us to improve our benefits this year for all Canadians? I do not think that is wrong. I think it is the right thing to do. I also think it is right to encourage the provinces should they wish to add to that benefit base to do so.

\* \* \*

**STATUS OF WOMEN**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, on Friday the Prime Minister made sexist and hurtful remarks directed against Canadian women. Rather than answering a woman reporter's question, the Prime Minister went on about how she probably



*Oral Questions*

benefits from the parental leave program. Finding out that she had not, he said, "Gee, it is time because you're a nice girl, you know".

• (1425)

Will the Prime Minister now apologize to the women of Canada? Is there anyone over there who will apologize on behalf of the Canadian government?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, one has to look at the Prime Minister's remarks in the context that they were given. The Prime Minister's position is that if these lighthearted remarks offended anyone, then he is very sorry about it and in effect extends his apologies.

\* \* \*

**CHILD POVERTY**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, this is not about the reporter. It is about the government's attitude, its attitude toward women, the treatment of women and the concerns of women.

Let us take another example, child poverty. UNICEF reports that Canada has abandoned the fight against child poverty. Canada now ranks 17th among 29 OECD countries.

Why has the federal government placed so little priority on eliminating child poverty? Is the government content with a record that brings upon us international shame?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the government is preoccupied by issues of poverty. We are glad to see in most recent reports that the level of overall poverty and child poverty has decreased on a year over year basis.

One thing that is clear is that the best defence against poverty is a job. That is why we are also glad to see that this month's unemployment numbers are the lowest they have been in 24 years, with unemployment resting at 6.6%.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, Canadians know that the Liberal government leaks like a sieve, yet another government audit has shown that a significant amount of defence department contract information was slipped to two Canadian companies bidding on parts of a \$10 billion frigate program. The audit implicates a senior official and clerical staff and speaks of documents being removed without authorization. If true, criminal acts may have been committed.

In the interest of regaining public confidence which is waning, will the minister disclose the names of the companies which

received this sensitive information so that an independent investigation can occur?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, a number of allegations were made and most of them were found not to be true. There are some that are still under investigation. In fact, the two companies, and I do not know which ones they were, which are alleged to have had information did not get contracts.

I think it is fair to say that overall we should put this in the context of saying this is one of the largest and one of the most complex procurement projects ever undertaken in this country. Out of it we got 12 state of the art world class frigates and it was all done under budget and on schedule.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, that does not restore confidence about the system itself. Years of cuts to the defence budget have hobbled the military and made it very difficult for it to conduct investigations of security breaches.

Concerns of office security for the frigate project became the subject of a 1995 segment of W5. Since that time the audit has found that five complaints against the department merit investigation.

We have a pretty good idea who was responsible for the breach, yet the department does not want to pin it on anybody and again, no names have been released. Will the minister call in the RCMP to ensure that a full independent investigation occurs?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** A full investigation has been occurring, is occurring and will continue until we get the information that we require to take the appropriate action. It is not true that any cutting of resources has resulted in any less of an investigation. That would not be an appropriate thing to do and that is not what we are doing at all.

These frigates have provided great service to the Canadian forces since they were brought in in the early 1990s.

\* \* \*

**HEALTH CARE**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, the provincial and territorial premiers' report on sustainability of health care is a damning commentary on the government's performance. The report shows that the cost of sustaining the taxpayers' share of health care at current levels could rise from \$54 billion today to \$85 billion in 10 years. This government has not even lived up to its present commitment.

• (1430)

How can Canadians have any confidence that this government will honour its future obligations and provide them with the health care they deserve?

*Oral Questions*

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, first, I want to say how much we welcomed the report we received from the provincial and territorial ministers last week. It is a very helpful contribution, but it does point to the fact that the health care system is under cost pressures that are only going to rise. It is all the more important for us to get this system sustainable by making the kind of constructive change that is needed.

I look forward to working with my provincial and territorial partners to that effect. We are off to a good start. Yesterday the Prime Minister met with Premier Klein who said, and I quote, "I think all premiers can agree that we need to establish goals and objectives nationally. With national consensus on goals, working together we can maintain quality care".

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, this government has slashed \$24 billion out of health care since it came to office. The report states that health care expenditures are expected to increase a whopping 247% over the next 25 years. It is a question of priorities. This government now spends \$15 billion on health and social transfers and \$17 billion on boondoggle prone grants and contributions.

Why are boondoggles more important to this government than the health care of Canadians?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, over the last two years there has been a 25% increase in cash transfers to provinces for health. When we came to office in 1993 the total transfers to provinces were \$28 billion per year. This year they will exceed \$30 billion.

Apart from providing more money, and more money we will provide, the other thing we have to do as a Liberal government is to stand guard over the Canadian public health care system.

The Canadian Alliance would rescind the Canada Health Act and replace it with an American style private for profit health care system. That is not what Canadians want and we will never allow it.

\* \* \*

[Translation]

**PARENTAL LEAVE**

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, if there is one issue on which the federal government should avoid all confrontation with the Government of Quebec, it is that of young families and parental leave.

Could the federal government not drop its old habits, for once, and think only of the wellbeing of young families?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, it is obvious that we are working for young families and poor families.

We set up a program of parental leave some thirty years ago. We are prepared to add important values to it and in so doing we will work together with all the provinces. However, the provinces must want to work with us, which does not seem to be the case with the separatist government of Quebec.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, parental insurance was established in 1996 as the third part of Quebec's family policy.

Why is the government persisting in its thinking that Quebec has reacted just after the federal government, when in fact it announced its parental insurance program, the third part of its family policy, in February 1996?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I would remind the hon. member that our program of parental support has been in place for 30 years.

What we see today, and as a result of the last budget, is that we want to expand that benefit to all Canadians, including Quebecers.

What we also want to say is that if there is a province or territory that wants to add to those benefits, we would absolutely applaud them in doing so.

\* \* \*

**FISHERIES**

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, the Supreme Court of Canada said that Bud Sparrow had an aboriginal right to fish for salmon at the mouth of the Fraser River because his ancestors had done so from time immemorial.

In Van der Peet, the supreme court established the test for the aboriginal rights such as Mr. Sparrow's. It said that for such a right to be recognized the activity had to be a practice integral to native society prior to contact with Europeans. Does the minister believe that the food fishery for lobster that he has permitted on the east coast meets the test in Van der Peet?

**Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, clearly the Sparrow decision allowed a food fishery, and this is a food fishery both on the west coast and east coast. It is clear that under Sparrow, we were required to provide aboriginal people with access to a food fishery for food, social and ceremonial purposes, which is exactly what we are doing.

● (1435)

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, the minister is ignoring the Van der Peet decision. Earlier this year, Professor Stephen Patterson, the chief

government witness in the Marshall case, provided evidence on behalf of the minister to the federal court. He said that he was not aware of any historical record of the Mi'kmaq catching lobster nor of Mi'kmaq stories or traditions relating to the catching and eating of lobster.

Given there is no evidence of Mi'kmaq harvesting or eating lobster, there can be no basis for recognizing an aboriginal right to a lobster food fishery. Since the court is not driving the minister's food fishing agenda, what is?

**Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, what is driving the agenda is, first of all, the court's ruling, whether it is the Sparrow decision or the Marshall decision.

The problem with that party is that when it does not like a decision, it wants to use the notwithstanding clause. We saw it under the Marshall decision when those members stood up. The only solution they had was to use the notwithstanding clause. We rejected that. We said that we would abide by the supreme court ruling and we will continue to do that.

\* \* \*

[Translation]

#### CANADA DAY

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, it seems that the Canada Day budget is divided as follows: Out of \$7 million, Quebec will receive \$5 million; Ontario, \$554,000; the Atlantic provinces, \$432,000; the western provinces and the territories, a little less than \$825,000.

Could the Minister of Canadian Heritage tell us if this strange imbalance is why, last week, she refused to answer all our questions on this issue?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I did not refuse to answer. I invited all members of parliament to celebrate both Saint-Jean-Baptiste Day and Canada Day with us.

I am glad that the member raised this issue, because it gives me an opportunity to do a bit of promotion for the Old Port of Montreal. On June 29, Jesse Cook and Joé Armando y su Banda Picante will perform. On June 30, it will be Marc-André Gauthier, Perry Canestrari and The Tea Party. On July 1, we expect Bruno Pelletier, Chantal Kreviazuk, Jodie Resther, Gino Vanelli and 250,000 other Canadians—

**The Speaker:** The hon. member for Portneuf.

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, as we can see, western Canada will receive six times less money than Quebec for the Canada Day celebrations. Ontario will receive ten times less and the Atlantic provinces 12 times less.

#### Oral Questions

Is the government desperate to the point of thinking that spending three quarters of the Canada Day budget in Quebec will make Quebecers change their deep convictions?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I believe it is the first time that I hear Péquistes and Bloquistes complain about money coming from Canada.

It may be because they do not believe in Canada. However, last year, 250,000 people came to the Old Port of Montreal, and more than 250,000 are expected this year to celebrate with Bruno Pelletier, Chantal Kreviazuk, Gino Vanelli and Jodie Resther. I invite the hon. member to come to celebrate Canada Day—

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

**The Speaker:** Order, please. The hon. member for Lethbridge.

\* \* \*

[English]

#### AGRICULTURE

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, judging from the Prime Minister's latest announcements, it is becoming clear that an election is just around the corner. This government has returned to the time-honoured Liberal tradition of trying to buy votes with Canadians' own money.

However, as the Prime Minister promises more pork barrel spending, the Canadian Federation of Independent Business reports that user fees and red tape are hurting the productivity of Canadian farmers.

Instead of promising more pork barrel politics, why will this government not get serious about helping farmers and rural Canada and immediately reduce the burden of high taxes, user fees and over-regulation?

• (1440)

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I will remind the hon. member again of the considerable amount of support that this government has given farmers.

We have frozen cost recovery fees. Last Friday I announced \$10 million for the agriculture environment strategy initiative to help farmers address the issues of soil management, water management and erosion. The government has been and will continue to be there for farmers.

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, some of the user fees that the minister mentioned have gone up 300% since 1995. They are nothing more than thinly veiled taxes.

How can the government justify spending billions of dollars on unnecessary election promises when our primary producers are fighting just to stay on the land?

*Oral Questions*

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I again remind the hon. member and his party of the incredible cuts that they would make to the agricultural industry. We just need to look at the campaign material Canadian Alliance members had before the last election. Canadian farmers are very pleased that they are not in power.

\* \* \*

[Translation]

**AMATEUR SPORT**

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, we learned from the weekend edition of *La Presse* that, according to a report by the official languages commissioner, French and English are far from sharing equal status in the Canadian sports system. This flagrant linguistic inequality is depriving national teams of gifted athletes.

Will the Secretary of State for Amateur Sport finally admit that the best way of helping francophone athletes would be to create a program for elite sport trainers to learn French?

**Hon. Denis Coderre (Secretary of State (Amateur Sport), Lib.):** Mr. Speaker, according to procedure, the official languages commissioner will table her report on June 14.

I will wait for the report to be tabled so that I can examine its contents, as well as how it is received. I would also point out that I have not waited for questions from the member or anyone else, but have gone ahead and taken action in the last ten months.

Not only have we signed a formal agreement with the Canadian Olympic Association to respect and promote official languages, but I have met with all federations. On the ground, one thing is clear and that is that this government is serious about official languages.

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

**The Speaker:** Order, please. The hon. member for Hastings—Frontenac—Lennox and Addington.

\* \* \*

[English]

**HEALTH**

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.):** Mr. Speaker, this morning the Minister of Health made an announcement that will improve the health of Canadians living in rural areas.

Can the minister tell the House how the world health program and the Canada Health Infrastructure Partnership Program will bring better health services to Canadians who live in rural areas?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, this morning, in the presence of the government rural caucus in the

beautiful Ontario riding of Stormont—Dundas—Charlottenburgh, we announced \$130 million for programs and efforts that will strengthen access to quality health care in rural Canada.

The first of these is \$50 million for demonstration projects throughout the country, increasing access to doctors, diagnostic services and quality care.

The second is \$80 million for electronic patient records and telemedicine.

We believe these investments will strengthen access to quality care for rural Canadians throughout the country.

\* \* \*

**HOUSING**

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, my question is for the Minister of Finance.

Over 50,000 British Columbia homeowners have been devastated by the leaky condo crisis, yet where we see disaster the Liberal government sees an advantage. The government is taxing individuals who are forced to use their retirement savings to pay for repairs and to prevent foreclosures.

These individuals have no choice. They are depleting their life savings to keep a roof over their heads.

When will this Prime Minister—

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

**Mr. Werner Schmidt:** Mr. Speaker, when will this Minister of Finance exempt them?

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

**The Speaker:** Order, please. The hon. Minister of Public Works and Government Services.

• (1445)

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the hon. member is aware that we have been working with the organizations and the province of British Columbia to address this very serious issue.

CMHC has been there from the beginning, not only giving advice, but also approving loan insurance for everyone who has to do repairs but may have difficulty getting loan approval. Mortgage insurance is available.

There is a new minister in British Columbia. We are trying to see how we can work co-operatively on this issue.

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, this question is for the Minister of Finance.

The government is heartless. Many of the owners of leaky condos are low income earners and senior citizens. They are using

their entire life savings to keep roofs over their heads, yet the government is saying “No, no, we have to tax these people”. It is sheer greed by the government. All of the members on that side of the House should hang their heads in shame.

Will the finance minister exempt them from paying taxes on their RRSP withdrawals?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, this question has been discussed and debated over time with the stakeholders and with the provincial government.

The tax system is a national tax system. We cannot change the tax system every time something occurs. There are other things we can do, which we are doing to help the people who are in need.

\* \* \*

#### TAXATION

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, banks have closed hundreds of branches and laid off thousands of employees, services have gone down in the banks while service charges have gone up, and profits have reached obscene levels. We now learn that the Minister of Finance is planning to give the banks a half a billion dollar tax break.

In light of the fact that the Minister of Finance said there is no money available for social housing, would he say that this tax break to the banks is simply not on?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, as the hon. member knows, the government’s priorities are very clearly health care, education and taxes. In the tax area, the government said in the budget—and in fact I repeated this last week before the House of Commons finance committee—personal income taxes.

The best proof is that of the \$58 billion minimum tax cut that we will be providing over the course of the next five years, \$54 billion is for personal income tax and employment insurance premium reductions.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, we also know that the truth is the government’s priority has been to help out the big banks.

I wonder, when the finance minister delivers his gift to the big banks, will he have anything to say to Canada’s children? Not only is Canada failing internationally, as pointed out by the leader of the NDP, but to add insult to injury, now Statistics Canada, with a stroke of a pen, wants to change the low income cut-off.

Why is the finance minister still willing to help the banks but cover up poverty in Canada?

#### Oral Questions

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, if the hon. member had looked at the budget, what she would have seen is that a large part of our tax cuts was the reintroduction of indexation, which helps low and middle income Canadians.

We cut the middle income rate from 26% to 24%, on its way to 23%. We are increasing the child tax benefit, the very people the hon. member refers to, from \$1,800 to \$2,400 a year.

We have brought in massive tax reductions and we are increasing the amount of money we are giving to middle income and low income Canadians. We will continue to do that.

\* \* \*

#### CHST

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, the finance minister recently suggested that the CHST be divided into three separate packages—health, education and welfare—instead of the blanket transfer we now have.

Does the Minister of Health support this idea? Is there any chance that it is going to be implemented by the government?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, that is not what I said.

I was asked a question about whether the government would be open to such a consideration. What I said was that there will be ongoing negotiations, as there always will be, with the provinces. If the provinces put that forth, I am sure the government would be prepared to listen.

\* \* \*

• (1450)

#### REVENUE CANADA

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, my question is for the Minister of National Revenue.

A constituent owes Revenue Canada some money as a result of a reassessment. Although he has asked for an accounting, he has not received it. In the meantime, Revenue Canada has made a formal demand of his investment firm to deregister his RRSP and send his pension funds to Revenue Canada.

Is it the policy of Revenue Canada to collapse RRSPs and take away the only pension funds that some Canadians have?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the answer to the last part of the question is, obviously, not. Never would that be the intention of the government. If the hon. member wants to bring a particular case to the attention of the minister, he is quite free to do so. Failing that, he is quite free to give me the information and I will contact the minister so that we can assist the individual, if such assistance is possible.

*Oral Questions*

Clearly, the government always operates in such a way as to ensure the integrity of the tax system, while at the same time exercising compassion when we can provide assistance to individual Canadians.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

Following the Israeli army withdrawal after a 22 year occupation of South Lebanon the land is littered with land mines. Mines have killed several children in the past few weeks alone.

Considering Canada's successful record in the promotion of land mine control, what efforts are being made by the Government of Canada to see that this military threat will be removed from Lebanon soil once and for all?

**Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, the United Nations Mine Action Service recently concluded an assessment mission to evaluate mine action needs in South Lebanon. Canada is anxiously awaiting the official conclusion of the assessment mission.

We anticipate that one of the first needs will be to establish a mine awareness campaign to proceed with our contribution. Canadian involvement in mine action in South Lebanon is in keeping with the objectives of the Canadian land mine fund and our goal to integrate mine action through the Middle East peace process.

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**JUSTICE**

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, the justice committee of the last parliament spent a year travelling this country, at great taxpayer expense, hearing from Canadians about youth justice. Just before the last election the committee submitted its report to the government. After the election the minister said that youth justice was among her top priorities.

Three years have now past and still Canadians have nothing. Her Bill C-3 has stalled. Does the minister intend to have new youth justice legislation in force before an election is called?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as the hon. member knows, as a minister of the justice committee, it has been through no lack of trying on my part and on the part of members on this side of the House to move Bill C-3 through the legislative process. I suggest that the hon. member attempt to lobby some of his colleagues on that side of the House to ensure that the legislation becomes law in a timely fashion.

[Translation]

**JEAN LESAGE AIRPORT**

**Ms. H  l  ne Alarie (Louis-H  bert, BQ):** Mr. Speaker, this past weekend, the members of the Conseil r  gional de concertation de d  veloppement de la r  gion de Qu  bec criticized the federal government for leaving them out of the Jean Lesage airport question.

What is keeping the minister of public works from bringing together the regional stakeholders to implement an action plan that will truly ensure real development for the Jean Lesage airport, in keeping with the priorities of the region?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am taking careful note of the hon. member's representation relating to the Jean Lesage airport and its regional development aspect.

I will ensure that the Minister of National Revenue, who holds responsibility for these programs in Quebec, as well as the Minister of Transport, are informed of her representation.

\* \* \*

[English]

**HEALTH**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I have a question for the Minister of Finance.

The report of the health ministers released last Friday was yet another urgent 911 call to the federal government on our ailing health care system. It follows the 911 call after the last budget with its two cents on the dollar for health care provision.

The Minister of Health is not answering this urgent call. Will the Minister of Finance answer this 911 call and cut a cheque to replace the \$4.2 billion this government ripped out of our health care system?

● (1455)

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, it was a good report Friday. We welcome it, and we welcome the opportunity to work with provincial and territorial governments to improve health care for all Canadians.

We have already reinvested in health care transfers to the provinces very substantially. The member knows that. More federal money is needed and will be provided.

We want to have a cogent plan to work with governments to make sure we have not only a more extensive health care system, but a better health care system. That is our objective.

## REVENUECANADA

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, I have a question for the government House leader, and I appreciate his undertaking to address this situation.

I sent over a copy of the formal demand for payment by Revenue Canada. This is an alarming situation in which somebody's RRSP can be deregistered, which means that money will be taxable and he will owe more money. Further, he will not be able to replace the money taken from his RRSP because of the contribution limits.

Would the House leader clarify for all holders of RRSPs that Revenue Canada will not dip into RRSPs and deregister their funds?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I cannot answer for an individual case, much less for a group of individual cases, by making a general statement that no particular holding of any individual Canadian would be seized for non-payment of taxes. Obviously I cannot do that.

I have received the information from the hon. member. I thank him for that. I will provide it to officials at the Canada Customs and Revenue Agency so that they can examine the particular case to which he is alluding in a way that will ensure at the same time that the integrity of the tax system is protected while of course collecting the tax—

**The Speaker:** The hon. member for Notre-Dame-de-Grâce—Lachine.

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## FEDERAL PUBLIC SERVICE

**Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Mr. Speaker, I had a dream last night. I had a dream that our federal public service, from top to bottom, was a reflection of Canada's great racial diversity.

Can the President of the Treasury Board give us the government's response to the action plan of the task force on the participation of visible minorities in the federal public service, entitled "Embracing Change in the Federal Public Service"?

Will she tell us that dreams can come true?

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

**The Speaker:** Order, please. I want to hear the answer to the dream.

**Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I have the pleasure to announce that the Government of Canada

## Oral Questions

endorses completely the plan of action for visible minorities for the public service, including the establishment of benchmarks.

[Translation]

It is our hope that, within a few years, our public service will represent one of the strengths of this country: diversity.

\* \* \*

[English]

## JUSTICE

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, clearly Bill C-3 is stalled, and that shows no signs of changing in the near future.

The minister committed to Canadians that the government would have new youth justice legislation in this parliament. I ask again, will we have new youth justice legislation before an election is called?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I have said before, those of us on this side of the House are doing everything we can to ensure that the legislation gets out of committee and comes back before the House.

I would encourage the hon. member to work with some of his colleagues on this side of the House to ensure that happens.

\* \* \*

[Translation]

## CINAR

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, in 1997, the crown prosecutor called on the sister-in-law of a vice-president of CINAR to validate the evidence accumulated against this firm by the RCMP.

In response to these troubling revelations that would indicate someone wanted to pad this affair on the eve of elections, the Minister of Justice simply said that this new information had been passed on to the RCMP.

How can the crown prosecutor turn to the sister-in-law of a vice-president of a company under investigation in order to decide whether charges should be laid against her? Does the minister not agree that an internal investigation is absolutely necessary in order to discover who made this decision?

• (1500)

[English]

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I said last week in response to the hon. member's question, there is very little that I can say about this matter because it is under active police investigation.

*Routine Proceedings*

However I want to reassure the hon. member, as I did last week, that new information did come to the attention of the crown prosecutor on June 6 of this year. As soon as that information came to her attention she turned it over to the RCMP.

\* \* \*

**NAFTA**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Minister for International Trade. One day while the minister was away on his travels, his parliamentary secretary indicated to the House that the government was seeking to redefine and reinterpret the chapter 11 investor state dispute mechanism in NAFTA.

Given that the minister has already indicated in committee that he does not intend to seek this kind of investor state dispute mechanism in any other free trade agreement that the government may be contemplating entering into, why does he not seek to get rid of chapter 11 altogether instead of simply redefining or reinterpreting it?

**Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, as the member knows, chapter 11 is part of the NAFTA that we signed with two trade partners, Mexico and the United States. We are confident that it has helped the Canadian economy a great deal. The NAFTA is a very solid agreement that has helped to promote Canadian exports a great deal in North America.

Chapter 11 is part of the whole treaty. We cannot isolate it completely. I tasked my deputy minister at the last meeting he had with his counterpart in the United States and Mexico to clarify certain aspects of chapter 11 with which we have some difficulties of interpretation.

\* \* \*

**EMPLOYMENT INSURANCE**

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, the minister has received many interventions in the House on the proposed EI changes in New Brunswick. These changes will impose hardship on the fisheries, agriculture and tourism sectors.

Is the minister now in a position to respond to those concerns? What is the minister's position in respect of those proposed changes?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, as the House and the hon. member know, we are looking as a part of statutory requirement at the employment insurance economic zones.

We have been in a 30 day gazetted period. The information has been brought forward from different parts of Canada. The commis-

sion will now look at the interventions and the recommendations that have come from communities and it will make its final proposals in a timely fashion.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** Today we have three distinguished visitors in our gallery and I would like to introduce them. Members may applaud after I have introduced each one of them.

I would like to introduce His Excellency Arturo Ulises Vallarino, First Vice-President of the Republic of Panama, and two ministers of his cabinet.

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

**The Speaker:** I would also like to introduce His Excellency Gerrit Ybema, Minister for Foreign Trade of the Kingdom of the Netherlands.

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

**The Speaker:** Also I draw the attention of hon. members to the presence in our gallery of Her Excellency Maria De Belém Roseira, Minister of Equality of Portugal.

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

\* \* \*

● (1505)

**POINTS OF ORDER**

## COMMENTS DURING QUESTION PERIOD

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, during question period the Minister of Fisheries and Oceans suggested incorrectly that I had called for the use of the notwithstanding clause in the Marshall decision. It does not apply. What I did ask for was a stay of judgment in a rehearing.

**The Speaker:** That clarifies it a bit.

**ROUTINE PROCEEDINGS**

[Translation]

**GOVERNMENT RESPONSE TO PETITIONS**

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.



*Routine Proceedings*

[English]

**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 36th report of the Standing Committee on Procedure and House Affairs regarding the provisions of Standing Order 87(6), the 100 signature rule.

On behalf of colleagues I would like to extend the gratitude of the House to the private members' business subcommittee of the procedure and House affairs committee, chaired by the hon. member for Hastings—Frontenac—Lennox and Addington, for dealing with this difficult and technical subject. The main committee has essentially adopted the subcommittee's report and reports it to the House now.

\* \* \*

**PETITIONS**

## DIVORCE ACT

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I have a petition to present signed by many constituents who would like to see parliament amend the Divorce Act to allow the grandparent of a child to have access to the particular child without having to go through very difficult and lengthy procedures.

[Translation]

## GENETICALLY MODIFIED ORGANISMS

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, I am pleased to table a petition signed by several constituents from my riding.

The petitioners are calling on the government to quickly pass legislation making it mandatory to label all foods that are totally or partially genetically modified.

[English]

## HEALTH CARE

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, it is a pleasure to present a petition pursuant to Standing Order 36. These petitioners from Kamloops point out that the federal government pays just 13.5% of health care costs, which has led to the incredible crisis in our health care system. They are worried about the fact that we now seem to be opening the door to a two tier American style health care system in the country.

They want parliament to take whatever action is necessary to stop for profit hospitals and restore federal funding for health care.

● (1510)

[Translation]

## GASOLINE PRICING

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, I am pleased to table a petition signed by hundreds of people, including some from the federal riding of Repentigny.

This petition is aimed at stopping world petroleum cartels in order to bring down overly high gasoline prices. It also calls for adequate funding for research on alternative energies to ensure that, in the near future, Canadians will be free from the obligation to use petroleum as the main source of energy.

I am pleased to table this petition on behalf of the people of my riding.

**Mr. Richard Marceau (Charlesbourg, BQ):** Mr. Speaker, I am pleased to table, on behalf of 2,400 people from the federal riding of Charlesbourg, a petition calling on parliament to take all the necessary measures to identify and recommend, as soon as possible, effective ways of fighting predatory gasoline prices.

I am tabling this important petition on behalf of my constituents.

[English]

## CRIMINAL CODE

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, I am pleased to present the following petition on behalf of members of my local Royal Canadian Legion, Battlefield Branch 622. It is with regard to an issue that is being discussed at the annual conference in Halifax, that section 337 of the criminal code be amended.

It is currently an offence for an individual other than a veteran to wear a military medal, ribbon or badge, or any decoration or order that is awarded for military service. Therefore the petitioners call upon parliament to support an act to amend the Criminal Code of Canada that will allow relatives of deceased veterans to wear on the right side of their chests any military medal, ribbon or badge.

## VOLUNTEER EMERGENCY WORKERS

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, I rise to present six petitions. The first four are with regard to one subject matter. The petitioners would like to draw the attention of the House to the fact that the present tax deduction of up to \$1,000 in the 1999 federal budget offered to volunteer emergency workers on income received for their services discriminates against rural volunteer emergency workers.

There are several hundreds of names on this petition from Indian Point in the Mahone Bay area of Nova Scotia in the South Shore riding. The next petition is from the Rose Bay, Riverport and West Rose Bay areas in the South Shore riding. There is another one from the New Ross area where I happen to live. The last petition

*Routine Proceedings*

on the same matter is from New Brunswick. There are several hundred names altogether in these four petitions.

## 1911 CENSUS

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, the next petition is with regard to geneology. Geneology is the fastest growing hobby, pastime and business in North America. It has been estimated that more than 7.5 million citizens of Canada engage in the pursuit of their family history.

The petitioners ask for the release of the 1911 census figures. I am pleased to table the petition in the House.

## BILL C-23

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, the final petition deals with Bill C-23 and is from Shelburne County in Nova Scotia.

[Translation]

## GASOLINE PRICES

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I am pleased to table a petition signed by over 200 people in my riding protesting excessive gasoline prices.

The petitioners are calling upon Parliament to pass a resolution aimed at blocking the world oil cartels in order to bring the exorbitant price of gasoline down. I believe that this is extremely appropriate as we approach tourist season.

[English]

## CHILD POVERTY

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am pleased to present this petition on behalf of a number of Canadians, including some from my riding of Mississauga South.

The petitioners would like to draw to the attention of the House that one in five Canadian children live in poverty. They remind the House that on November 24, 1989, the House of Commons unanimously resolved to seek to achieve the elimination of child poverty by the year 2000.

Therefore the petitioners call upon parliament to introduce a multi-year plan to improve the well-being of Canada's children.

[Translation]

## IMPORTATION OF PLUTONIUM

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, I am pleased to present a petition on behalf of the people of Quebec, and those of my riding in particular, pointing out that plutonium is a potential threat to human health, that the federal government unilaterally authorized the importation of MOX pluto-

nium in Canada, and that it did so without public consultation on the principle of bringing this plutonium into Canada.

The petitioners consequently call upon Parliament to take all necessary steps to ensure that the public and its representatives are consulted on the principle of importing MOX plutonium. These two petitions have been signed by a total of 710 people.

• (1515)

[English]

## PARENTAL LEAVE

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I have four petitions to present today.

The first three petitions are on the same matter. They pertain to parental leave under the extended EI benefits commitment. Given the recent silly comments by the Prime Minister about nice girls getting pregnant, it is important for the real concerns of Canadians to be put on the record pertaining to much needed parental leave.

The petitioners call on parliament to amend the extended parental benefits to include and qualify all parents of children born or placed in the parents' care in the year 2000. This would allow their existing benefits to blend into the new extended parental benefits with no penalty to women already pregnant or to families who are adopting.

## HEALTH

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, my final petition pertains to another urgent matter before parliament, and that is the future of our health care system.

The petition has been signed by hundreds of Canadians who call on the government to act immediately to restore transfer payments, to work with the provinces in a co-operative fashion and to end the erosion of our health care system as threatened by Alberta's bill 11. They call on the government to take immediate action to save public health care in Canada and stop two tier, American style health care from coming to Canada.

[Translation]

## CANADA POST CORPORATION

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, pursuant to Standing Order 36, I am pleased to table a petition signed by 107 petitioners, who are citizens of Quebec, and of the riding of Verchères—Les-Patriotes, which I have the honour of representing in this House.

The petitioners point out that the rural route mail carriers cannot negotiate a collective agreement for themselves in order to improve their pay and working conditions. Too often, these workers earn less than minimum wage. Their working conditions are of an age we thought long gone, whereas their colleagues in the private

sector, who also deliver mail in the rural areas, have the right to bargain collectively as do all employees of the Canada Post Corporation.

The petitioners therefore ask parliament to repeal subsection 13(5) of the Canada Post Corporation Act, which deprives rural route mail carriers of their right to collective bargaining.

It seems obvious to me that the government must intervene as quickly as possible to put an end to this discrimination against those delivering rural mail.

#### EMPLOYMENT INSURANCE

**Mr. Ghislain Fournier (Manicouagan, BQ):** Mr. Speaker, I am pleased to present, on behalf of my constituents in the riding of Manicouagan, a petition with over 2,500 signatures, for a total, with the petition that I tabled on Friday, June 9, of over 7,000 signatures.

These petitioners are calling on parliament to maintain the status quo, so that the federal ridings of Manicouagan and Charlevoix continue to be part of the previous administrative region of northern Quebec, so as to keep employment insurance eligibility requirements at 420 hours for 32 weeks of benefits.

[English]

**Mr. Dennis Gruending:** Mr. Speaker, I have a petition signed by approximately 200 people in Saskatoon, most of whom are from my riding.

The petition relates to early childhood education. It says that in 1993 we were promised 50,000 new child care spaces, and that has not happened. In the new children's agenda child care is barely mentioned.

The petitioners go on to ask that parliament support a national child care program that recognizes child care as the backbone of any federal early childhood development initiative.

The petition was made according to the House rules but a slight mistake was made. The petitioners put in a figure and, I was told by the clerk's office, that was not acceptable. I was instructed to ask for the unanimous consent of the House to table the petition in any event. I hope members will give me that consent.

**The Deputy Speaker:** Is there unanimous consent to permit the tabling of this petition?

**Some hon. members:** Agreed.

**An hon. member:** No.

[Translation]

#### IMPORTATION OF PLUTONIUM

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to table in this House a petition signed by 50 people,

#### Routine Proceedings

who are asking the Canadian parliament to take all necessary action so that the public and its representatives are consulted on the import of plutonium based MOX fuel.

• (1520)

#### GASOLINE PRICING

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, I am very pleased to present a petition signed by some 550 residents of the Mauricie region, which includes the ridings of Trois-Rivières, Champlain and Saint-Maurice. A very large number of these residents come from the riding of Saint-Maurice, which is represented by the Prime Minister.

The petitioners are asking this House to pass a resolution against world oil cartels, so as to trigger a reduction in the excessive price of crude oil.

They also ask that adequate funding be provided for research into alternative energies, so that Canadians and Quebecers can soon be freed from the requirement to use petroleum as the main source of energy.

**Mr. Michel Bellehumeur:** Mr. Speaker, I wish to present another petition.

**The Deputy Speaker:** It is not usual to be allowed to rise twice to present petitions, and I think that the hon. member for Berthier—Montcalm has already had his opportunity today.

Does the hon. member have unanimous consent to present another petition?

**Some hon. members:** Agreed.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, next time, I will present all my petitions at the same time. I wanted to give others a chance before continuing, but I see that it is more complicated. Next time, I will present them all at once.

I am pleased to present a petition calling on the House to pass a resolution aimed at stopping the monopoly of the international oil cartels in order to reduce predatory pricing of crude oil, and to allocate sufficient funds for research into alternative energy sources.

That is the first petition I wish to table at this time.

#### CANADA POST CORPORATION

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, the second petition I am tabling is signed by constituents of the riding of Berthier—Montcalm, who are calling on the government to withdraw subsection 13(5) of the Canada Post Corporation Act so that letter carriers can form a union and earn a decent wage.

*Government Orders*

I am pleased to table these petitions on their behalf.

\* \* \*

[English]

**QUESTIONS ON THE ORDER PAPER**

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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**GOVERNMENT ORDERS**

[English]

**CANADIAN TOURISM COMMISSION ACT**

The House proceeded to the consideration of Bill C-5, an act to establish the Canadian Tourism Commission, as reported (without amendment) from the committee.

**Hon. Arthur C. Eggleton (for the Minister of Industry, Lib.)** moved that the bill be concurred in.

(Motion agreed to)

**Hon. Arthur C. Eggleton (for the Minister of Industry, Lib.)** moved that the bill be read a third time and passed.

**Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, it is always a pleasure to be able to stand in the House to talk about successes. I am referring to successes that we achieve when we all work together in partnership for a common goal.

The proposed act before us will confirm the advantages to Canada that flow from co-operation among partners working together to address issues of national importance.

Bill C-5, an act to establish the Canadian tourism commission, is another example of this government delivering on its promises. Hon. members are being asked today, for example, to approve the creation of a new crown corporation. If the House agrees, much more than a new corporation will be established. By supporting this

bill, members from all sides will be telling Canadians that the federal government has the ability to work co-operatively to produce significant economic benefits for every region of our country.

Tourism is a very unique sector. Although it is led by the private sector, it contributes to Canada's public policy objectives and melds national, regional and, of course, local interests.

Improved partnering between the private sector and governments will result in a greater impact on our target markets in the face of much sharper international competition, for example. Already one of our country's largest industries, tourism, generates thousands of jobs and economic growth in every part of our country, in every province and territory, in aboriginal communities and many municipalities. Let me point out that last year alone the sector brought in more than \$50 billion and employed well over half a million Canadians right across our country.

• (1525)

I would also like to point that out that this sector is essential to regional development plans of governments at all levels. As hon. members can see, the success of tourism sectors and public policy are very much intertwined.

Next, let me comment on the Canadian Tourism Commission and its successful partnership between the private sector and government.

It was the tourism industry's call for improved partnerships that was a key factor in the Prime Minister's decision to establish the original commission in 1995. The private sector contributed so significantly to financing and marketing activities that the original projections for partnership contributions to match federal core funding were very soon exceeded.

The partnership has endured and matured, and the proposed act to turn the commission into a crown corporation will solidify this partnership and provide the conditions for which it can continue to prosper.

The creation of the crown corporation is the result of consultation, negotiation and agreement, let me point out, among all the partners, many of whom sit on the commission's board of directors.

As hon. members know, the purpose of creating the crown corporation is to equip the commission with the legal, financial and management tools that it needs to carry out its mandate even more effectively. Currently, as a special operating agency, it cannot fully operate as it must, using for example private sector management and accounting practices.

First, crown status will give the commission the increased financial flexibility it needs as a marketing agency with strong international competitors.

*Government Orders*

Second, crown status will give the commission greater flexibility in managing the human resources required to respond to the marketplace and its partners needs.

Third, as a crown corporation the commission will have an even more effective board of directors. The management of the commission will no longer be split between Industry Canada and the board. Under the proposed act the board will manage all the affairs of the commission.

Hon. members can see what can be achieved when there is a willingness to work together and co-operate. Here is an example of government making a vital contribution while respecting and expediting the work of the private sector partners who are taking the lead on this.

We have a winner on our hands here: The small and medium sized businesses that make up the tourism sector benefit. The government's job and growth strategy is continuously advanced to create jobs for Canadians. The new corporation will further demonstrate our commitment to the renewal of federalism.

Of course, all Canadians support tourism. Domestic travel accounts for 70% of the sector's revenue. Every year, in ever greater numbers, Canadians are discovering their home, thanks in large part to the broad marketing efforts of the commission in collaboration with its partners. Beyond the mere addition of dollars and cents, we are richer for this, as we learn more about the geographic and cultural diversity that our country has to offer in the various regions. This should be encouraged on all fronts.

In closing let me say that I am confident that my colleagues here will understand and know the effectiveness of Bill C-5. I look forward to their support on this bill.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I am pleased to rise to speak today on Bill C-5, an act to establish the Canadian tourism commission.

I and my Canadian Alliance colleagues are opposed to the bill because it would establish one more unneeded and unnecessary crown corporation. In fact, we want to see the vast majority of the crown corporations that currently exist privatized and out of government hands. I therefore disagree with the parliamentary secretary when he says that people in the House will be pleased. We are not pleased with it and we do not want to see it turned into a crown corporation.

The Canadian Alliance has deep philosophical issues with crown corporations. We believe that most of the functions performed by our current crop of crown corporations are unnecessary and should be carried out by those who can best perform the task most cost efficiently, with the greatest accountability to the owners and with the least likelihood of incurring public debt.

• (1530)

That simply does not match up with what the government is proposing in terms of establishing another crown corporation, this one the Canadian Tourism Association. From this viewpoint, there are very few good reasons to create and maintain another crown corporation. In fact there is overwhelming evidence that in the vast majority of cases, private sector ownership and control is better than government dabbling in business.

EDC is another one of those. We have looked at EDC a number of times and have seen a lot of shortcomings with it. I will be using that example in many parts of my speech today.

The Canadian Alliance believes that crown corporations should be converted to the public sector institutions, left as a division within a government department, or discontinued altogether. This time we are told it is the Canadian Tourism Commission that requires crown corporation status to better serve the Canadian tourism industry and thus the Canadian economy.

We have been studying this issue at the industry committee for some time. We have heard from a lot of witnesses, but I have not been convinced and I do not think that even the parliamentary secretary was convinced of the overwhelming need to turn this tourism association into a crown corporation.

I do not think that case has been made. In fact most of the arguments from the witnesses that I heard at committee seemed to support the privatization of the Canadian Tourism Commission if anything. They told us that it needs to be taken out from under the arm of the Department of Industry because it needs flexibility, regulation and speed in decision making.

I suggest we cannot have it both ways. It cannot be both a government department and have the flexibility of a private business. If it wants to be under government and have government rules, it should stay just as it is now without converting to a crown corporation.

The advocates of the transformation claim that the new crown corporation will be able to advance the cause of tourism more efficiently and effectively, more rapidly than is the case with the Canadian Tourism Commission as it currently operates. Of course, as a division of Industry Canada, CTC is directly accountable to the Minister of Industry. The minister therefore is accountable to parliament. That may gum up the system a little, but that is the way it should remain until the commission is privatized. Either it stays as an arm of industry or it should be privatized. That is our view.

The CTC, the Canadian Tourism Commission, is a relatively young, special agency created during the economic downturn in 1995. Only five years ago the government told us that this was the be all and end all. The Canadian Tourism Commission should be just that, an association between the private sector and the Govern-

*Government Orders*

ment of Canada. Now it is telling us that did not work and what is needed is a crown corporation.

The commission was set up with a mandate to promote Canadian tourism both domestically and abroad. The Canadian Tourism Commission receives about \$65 million of taxpayers' money every year. Approximately one-fifth of that goes to salaries and operating expenses; the rest goes to the promotion of marketing activities.

We were told in committee that in 1995 when the commission was first established, government revenues were about 70% of the total and 30% was from the private sector. But we know the economy has turned around and that the tourism industry has turned around. We were told in committee that that formula is exactly reversed and 70% of the revenues now come from the private sector and only 30% from government. I welcome the day that the Canadian Tourism Commission can be privatized and just be an agent of the private sector.

By the way, Canadian Pacific hotels is one of the major shareholders in the organization. One would wonder why it cannot do its own tourism promotion and why government is needed in it at all.

The Canadian Tourism Commission has a 26 member board of directors, 16 of whom are directly appointed by the Government of Canada. This is hardly an arm's length relationship. There are representation requirements for the various parts of Canada, the provinces and regions. The way the distribution takes place as to which parts of the tourism industry ought to be represented is spelled out under the current arrangement. Bill C-5 which would turn the commission over to a crown corporation will not change any of that.

• (1535)

Now the Canadian Tourism Commission wants to enter into business arrangements to sell its logo and other revenue generating schemes. It wants to have the authority to open bank accounts. It no longer wants to go through the complicated bookkeeping style or tendering process required by treasury board. Finally, it wants to hire and fire according to the Canada Labour Code and not the federal public service employment act. It seems to me it cannot have it both ways. Either it has to have the disciplines of government that are currently in place or else it should be a private institution and have the kind of flexibility it wants.

If government rules are too slow and inhibiting, which is probably true, why not go the whole way and let it operate on its own as a private commission? It seems to me that empire building with the help of the taxpayers' money is what this is really about. What is really behind this push to a crown corporation at the Canadian Tourism Commission is empire building and the Liberal propensity for state ownership.

As I did during the second reading debate on the bill, I refer the House to an Industry Canada paper entitled "Canada in the 21st

Century-Institutions and Growth-Framework Policy as a Tool of Competitive Advantage for Canada" to show the different points of view. The Industry Canada report argues for the rapid divestiture of crown assets and seems to directly contradict the arguments behind the creation of a crown corporation under Bill C-5.

Why would it hire people to do a very long study entitled "Canada in the 21st Century" which tells the government to get out of many areas in the economy and get out of crown corporations but on the other hand it is now trying to go to one in the Canadian Tourism Commission in Bill C-5? It does not seem to make any sense. Maybe they are a little dyslexic in Industry Canada.

We cannot say that there is no role for the federal government in tourism promotion; there probably is. Tourism is Canada's 12th largest revenue generating industry. It directly and indirectly employs hundreds of thousands of Canadians, but I and my Canadian Alliance colleagues are firm, not in the form of a crown corporation. Why would I say that? Our experience is that there are still a number of crown corporations, although the Conservative government under Brian Mulroney asked that a number of those be turned over to private institutions and that happened.

There are still two crown corporations which I am familiar with that have given me a very bad experience. They are the Export Development Corporation and the former Canadian Wheat Board, which is now a mixed corporation and is still a bit of an oddball. It was a crown corporation of government. As a farmer in Alberta, I had lots of experience with the Canadian Wheat Board. There was absolutely no transparency. It was a system where we had to sell our product to the Canadian Wheat Board even though many people did not want to do that. It was kind of a state run agency like we saw in the Soviet Union. Many farmers in western Canada want to get out from under that.

Members might ask why government would want to continue. It is a very good question. I suggest that the lack of transparency is one way the government can look after quite a few friends in this process.

We have asked a number of questions in the House about the Export Development Corporation. The government keeps telling us that it cannot disclose that and that there is a confidentiality issue for the countries it lends money to.

We understand that it has a \$2.6 billion contingency reserve for bad loans. Why would it do that? We understand that through the Paris club Canada has written off a number of loans. It has a very strange arrangement through the Canada account which Export Development Corporation administers for the Government of Canada. Export Development Corporation gets credited with the forgone interest even though it did not make that loan.

I suggest that of the \$800 million in revenues it has had in the last 10 years, most of that has come from another pocket in the

Government of Canada. Treasury board and finance are rebating the Export Development Corporation. In fact, it is not making any money at all but we cannot tell for sure because it will not disclose that to parliamentarians.

When I ask the Export Development Corporation and the Canadian Wheat Board for information, they say they cannot tell me that even though I am a member of parliament. They say they report to the minister. In the case of the Canadian Wheat Board, it was the Minister of Agriculture and Agri-Food. In the case of the Export Development Corporation, it was the Minister for International Trade.

• (1540)

We asked the minister involved for the information. What we got from the minister is, "No, I am sorry. It is an arm's length agency between us and that crown corporation, therefore we cannot give it to you". It is a very convenient arrangement that should not be continued.

Let us examine what happens when crown corporations are finally liberated from the heavy reins of government. There have been a few that have finally made it out from the famous spider's web.

Canadian National used to lose about \$3 billion a year every year for decades. During the time I have been here in the last seven years, CN finally made it out on its own. It finally became privatized and it has absolutely blossomed. It is in the process of acquiring property in the United States, other railways, to make a continental railway system. It is making lots of money for its shareholders. Why could it not make money when its shareholder was the Government of Canada? I suggest that government does a poor job in business and should get out.

Another crown corporation that made it out was Air Canada. Look what has happened to Air Canada. It has acquired Canadian Pacific as a result. Now it is making lots of money. It is essentially a monopoly in the airline industry in Canada.

Petro-Canada is another one that used to lose money. What happened when it came out from under government? It is making money and competing effectively.

Those corporations had a magical transformation from perpetual money losers and drains on the public treasury to productive members of the private sector. And when they do that, they start paying taxes to the Government of Canada and taxes to the provinces. When they were crown corporations they never had to pay taxes, nothing that draconian of course.

In keeping with tradition, I suspect that the cost of running the Canadian Tourism Commission as a crown corporation if Bill C-5 goes through will be higher in five years than it is now.

### *Government Orders*

When I was first briefed about the bill it was suggested that moving the operation to Toronto was a distinct possibility. That is the kind of empire building I am talking about. I can just see the empire building logic behind that move. Where is it now? It is in Industry Canada at the C.D. Howe building just down the street.

I suggest that the commission will not be there very long. It will not be acceptable for the new Canadian Tourism Commission as a crown corporation. It will require some new, prominent, downtown Toronto location, top dollar real estate of course, to reflect the new status of a crown corporation. It will also probably mean that salaries will have to go up so that the current 62 commission employees can afford to live in Toronto, not to mention the cost of relocating all those folks.

That is just another major problem we have with crown corporations. They are not accountable. Sure they must answer to the responsible minister, but the rest of us, especially the MPs in the opposition, are forced to wait until the end of the fiscal year or when they table their annual reports to get the information, if there is any information we can get at all. Whenever we try to get that information we get the runaround in the House of Commons and from the crown corporations themselves.

MPs have gone through an exercise in futility in dealing with crown corporations. Therefore why would we want to vote in favour of creating another one?

It is clear that Canada needs to promote tourism and market our beautiful country as an ideal vacation destination for ourselves and for those from abroad. It is not clear however that we need another crown corporation to do this for us. That is why we are opposed to Bill C-5 and will not be supporting it.

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Mr. Speaker, it is a real pleasure to speak in the House today, a packed House thanks to the people in the gallery and my colleagues on this side.

Unlike my friend who just spoke, we will support the legislation. It is not often that I have some positive things to say about the government but I am forced to say some positive things today because Bill C-5, an act to establish the Canadian Tourism Commission turning it into a crown corporation is something we support.

• (1545)

I want to explain the reasons we support it and then make a few critical comments that are aimed to result in some positive change.

The Canadian Tourism Commission was founded in 1992 after a very extensive consultation process with tourism operators across the country. Something had to be done. Basically, people did not know much about Canada outside Canada. There was not much of a

*Government Orders*

marketing effort around the world to encourage people to visit Canada, so this commission was set up. Because the government wanted to get something under way quickly it was easier to create an agency of government than to set up a crown corporation.

The reality is, this agency is working quite well. It works in partnership with the private sector. We have a whole number of private sector tourism operators involved, we have provincial and territorial governments involved, and of course the federal government is involved. This partnership of different levels of government plus the private sector has resulted in a very dynamic organization which is promoting Canada around the world in the sense that we get people to come to Canada and then it is up to other groups, both the private sector and provincial governments, to attract them to Quebec, Saskatchewan, British Columbia, P.E.I. or wherever.

Something had to be done. If there is one criticism I have at this early stage it would be that this crown corporation to promote Canada abroad needs to have a larger budget. To take an ad out in one of the big Japanese newspapers, for example, is very costly. To run a series of advertisements in some of the big airports around the world is very costly. If we are going to do this, then let us do it properly, and that is going to require money.

When it was operating as an agency it was very cumbersome. It required a whole number of departments to have input, and to make the changes that are required today in promoting tourism means that we have to move very quickly.

For example, what was in place was a massive marketing program targeted to attracting people living in the Asia-Pacific region to visit Canada. We know how quickly that economic collapse happened in the Asia-Pacific region. Overnight, bang, it was all over, there was an economic collapse and obviously not many people were visiting Canada, so they had to shift.

Because it was such a cumbersome organization it took weeks and months of fiddling around before it could actually shift to target a different market. This will be facilitated somewhat because of the crown corporation status that it will now have.

I look to two provinces which have mirror legislation. British Columbia, the area from which I come, has Supernatural British Columbia. It has been a magnificent crown corporation. It has done wonders. We have people coming from all over the world by the tens of thousands into what has to be probably the most attractive airport anywhere in the world. You have been there, Mr. Speaker. I think you would agree that the Vancouver airport is world class, second to probably no airport in the world, and people are coming by the tens of thousands, every month, travelling to beautiful British Columbia, based on the advertising and the promotion that the crown corporation is doing, to say nothing about the province of Saskatchewan and the Land of the Dancing Skies organization, which again has been very successful.

The evidence we have would indicate that moving to the status of a crown corporation is a positive move based on what we are seeing provincially.

I think all members agree that tourism is certainly one of the growth sectors of our economy. We know what we have. When people find out what we have, whether those people are coming from Switzerland, China, India or Mexico, they come to Canada and they are amazed at what we have to offer.

We know because we live here, but I suspect even we could benefit from these programs to learn what it is like in other parts of the country: people from the west going to the east, people from the east going to the central part, people from the central part going to other parts of the country. I had the pleasure last year of spending some time in Canada's north. I must say that it left a lasting, lifelong impression on me, in terms of what that part of Canada has to offer.

I have two quick points. One is about revenues. My friend from the Canadian Alliance referred to it, but I think it bears repeating.

• (1550)

In 1995, 70% of the revenues for this operation came from government and 30% came from the private sector. When I talk about the private sector I am talking about Air Canada and some of the big hotel chains that obviously stand to benefit from people coming to Canada on their vacations and so on. In 2000 the percentages have flipped around. There is now 70% private sector financing and 30% government financing. We can see the popularity and how well this is moving in terms of taxpayer money.

There is a critical point that I want to address this afternoon. I do not want to detract from some of the positive comments I have just made because we will support this bill at third reading. However, the other day the Liberals were talking about a program called Public Works Festivals. If a festival is going on in a community or a region, the Government of Canada will sponsor it to a point to help local organizers.

I note that 72% of the money went to festivals in Quebec and approximately 20% went to festivals in Ontario. British Columbia, with 13% of the population of Canada—and the Minister of Fisheries and Oceans will really be keen to hear this statistic—received about 2.5% of all of the festival sponsorships.

Questions were asked in committee about why this imbalance exists. We were told that not many applications were received from western Canada. When I asked how people in western Canada knew about the program, if it had been advertised in western Canada, the answer was no. If a program is not advertised, how do we expect people to apply for something under the program? It is bizarre, but it points out one of the weaknesses in our system.

If we are going to have a system in place to promote and support festivals across the country, it should be equally accessible to



*Government Orders*

Canadians regardless of where they happen to live. The fact that 70% of the money went to festivals in one province, obviously at the expense of other parts of Canada, is simply not fair. We have to ensure, and perhaps the board of directors of the crown corporation will be helpful in ensuring, that there is some equality across the country. There has to be some resemblance of fairness and equity in these programs in Canada.

I see that my friend the Minister of Fisheries and Oceans is here. I know how keen he is on some of these issues, so I would like to throw out a bit of a challenge to him. Over the years that I have been a member of parliament I have been very aware of the various federal programs that apply to provincial jurisdictions; in other words, federal programs that receive applications from provinces right across Canada, including the territories. This is what I have found, and I know members will be astonished at this. British Columbia has approximately 13% of the population of Canada, and yet I am unaware of a single federal program from which British Columbia receives 13% of the funding. I have made it a hobby over the past 20 years to study this issue. For 20 years we in British Columbia have been getting skewered. We always get the short end of the stick.

**An hon. member:** What about fisheries?

**Mr. Nelson Riis:** Fisheries is a little different because we are on the west coast in British Columbia. Saskatchewan and Manitoba, being more central, do not get big chunks of fisheries support. I am talking about a program that should have some equality across the country.

I could tell my hon. friends in cabinet sitting across the way and members of the Liberal caucus that sometimes I hear questions like: Why do Liberals not do better in the west? Why do Liberals not do better in British Columbia? One of the reasons is because British Columbia never gets its fair share of anything. It is frustrating.

The other day a number of Liberals from British Columbia admitted that something is wrong with the picture. They admitted that B.C. never gets its fair share. Members of the opposition have said this and we now have members of the government caucus saying it as well. Perhaps something will change. It is a wake-up call.

While we support this piece of legislation, we in British Columbia hope that steps will be taken to ensure that if programs are laid out across the country to support festivals or to advertise various parts of Canada people should remember that there are different parts of Canada and they should all get at least fair consideration in the international promotion that will go on as a result of this crown corporation.

With that I will conclude my remarks. Perhaps some of my friends across the way would like to ask me a few questions.

• (1555)

**The Deputy Speaker:** Unless there is consent, there will not be that privilege because the hon. member had the advantage of rising on a 40 minute speech, which obviates the need for questions or comments.

**Mr. Jim Jones (Markham, PC):** Mr. Speaker, today I am delighted to speak to Bill C-5, an act to establish the Canadian Tourism Commission. This is a particularly significant bill because it involves an issue that is of utmost importance to the Canadian economy: the future vitality of the tourism industry.

For the information of hon. members, just to give an indication of the magnitude of the tourism industry in Canada, consider the following facts.

Tourism spending in Canada reached \$51 billion in 1999. The industry employed in excess of 500,000 people in 1999, clearly proving to be one of the leading growth industries within the Canadian business community.

Additionally, according to the Buchanan report on tourism, it is estimated that for every \$1 billion of tourism revenue generated in Canada a further \$230 million is generated for the federal government, \$160 million for provincial governments and \$60 million for municipal governments, all in tax revenues.

The continued vitality of the tourism industry is crucial for our country. Anything that can be done to improve Canada's lot in the share of the worldwide tourism industry can only be a positive step.

Bill C-5 will see the Canadian Tourism Commission transformed from what it currently is, a special operating agency, into a crown corporation. The PC Party believes that this is a positive, desirable change that merits our full support.

The Canadian Tourism Commission was originally established by an order in council in April of 1995. Its mandate was and continues to be to plan, manage and implement programs that generate and promote tourism in Canada. The bill before us, which calls for the CTC to become a crown corporation, represents the natural evolutionary step in the developmental process of this successful agency.

In Bill C-5 we find a number of suggested changes to the Canadian Tourism Commission. Many of the proposed changes will result in fundamental differences for the commission, but all of them are designed to provide greater flexibility, thus allowing the CTC to better serve the Canadian tourism industry.

Perhaps one of the most persuasive reasons to support graduating the CTC from a special operating agency to a crown corpora-

*Government Orders*

tion lies in the fact that this move will result in increased flexibility and a greater role in the promotion of tourism for the CTC. First, moving the CTC forward from an SOA to a crown corporation will make the CTC more like a business, which is good. Under Bill C-5 the CTC will have greater administrative, contracting, financial and personal flexibility. This will bode well as the Canadian Tourism Commission strives to meet the new challenges in the Canadian tourism industry.

The new challenges in the tourism industry will be numerous. I will mention four of the primary challenges that the tourism industry will face in the coming years. First, there will, doubtless, be an economic challenge to the industry. This will be a challenge that will require a greater role for actors in the industry and national and regional economies. As a crown corporation the CTC will be free from undue administrative burdens that impede the necessary progress in the industry. This, along with the national reach of the CTC, will enable it to answer the economic challenge.

Second, the major players in the tourism industry will have to convince their respective private sector partners that they are viable in the long term. Clearly, as a crown corporation the CTC will meet this challenge.

Third, the tourism industry in Canada will face stiff competition from the likes of our giant neighbour to the south and from other prime destinations.

Fourth, and perhaps one of the most challenging of all challenges for the Canadian tourism industry, players in the tourism industry in Canada will have to battle the stereotypical foreign view of Canada. I am referring to the stereotypical view which pictures Canada as safe and clean, but equally as cold and boring. Certainly, answering these challenges will be difficult.

As a crown corporation whose mandate it will be to market Canada as a great tourism destination, I am confident that these challenges will be met with success.

• (1600)

The Canadian Tourism Commission will have as its purpose the marketing of Canada as a desirable tourism destination. Toward this end it will be supportive of co-operative marketing relationships between the private sector and governments. It will also provide state of the art information about Canadian tourism to the private sector and to government.

I am convinced of the ability of the CTC to meet the challenges to compete against other appealing world destinations and to battle some of the mistaken images foreigners have of Canada as a destination for tourism.

I am equally convinced that the CTC as a crown corporation will be better equipped and better motivated to serve the Canadian tourism industry. The characteristics of crown corporations are

such that they should be on firmer ground as they seek to produce results.

Crown corporations function like the private sector firms with which they compete. This will motivate the CTC to maintain excellence in its service delivery because it will be in competition with other firms. Just as important is that under this bill the CTC will have to balance and consider the benefits of its public policy objectives with the cost efficient delivery of goods and services. The PC Party believes that this notion of fiscal responsibility, and to a very real degree frugality, is best achieved by having the CTC exist as a crown corporation.

Hon. members of the House do not have only my word to support the bill. In fact a number of stakeholders appeared before the Standing Committee on Industry, on which I sit as a member, as witnesses in support of Bill C-5. For instance, we heard from a representative from the Tourism Association of Canada. This association represents the various sectors within the tourism industry, be they small, medium or large tourism businesses, destinations, attractions, transportation providers, adventure tour operators or any other sector. Clearly it is a group with wide ranging membership, not compromised of just any one player in the tourism industry. This group is home to all major and minor players in our national tourism industry.

It says a lot when this group, the Tourism Association of Canada, has characterized Bill C-5 as pivotal. The bill is not only pivotal for the future success of the CTC but for the entire tourism industry in Canada according to the Tourism Association of Canada. Those are strong words and even stronger support from the industry's key players.

The testimony of this association is representative of the bulk of witnesses we welcomed to our meetings as our committee discussed and considered Bill C-5. Their judgment was entirely positive, as hon. members have certainly surmised by the result of our clause by clause consideration of the bill.

In closing, I will add only a few points. It is important to note that there is general support from the provinces and territories for Bill C-5. The provinces and territories play a vital role in the tourism industry and without their support Bill C-5 cannot be successful. This is why I am particularly pleased to see that there is support from their end.

The other factor in the equation is the private sector. Is the private sector on board with this initiative to transform the CTC from a special operating agency into a crown corporation? In one word the answer is yes. Throughout the private sector there is very strong support for Bill C-5.

As a businessman I realize the importance of strong linkages among stakeholders. The fact that the provinces, the territories and the private sector have signed on to this initiative is encouraging

for two reasons. It is an indication that the Canadian tourism industry will continue to grow and expand as a successful component of the economy. The wide ranging support for this bill is such that it can only result in success for the Canadian tourism industry and for the tourism players. With the help and co-operation of the major players in the tourism industry, the Canadian Tourism Commission will be better equipped to serve our tourism industry. The PC Party will support Bill C-5.

• (1605)

[*Translation*]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, today we are debating Bill C-5, which has been around for a while and which deals with the Canadian Tourism Commission. The purpose of this bill is to transform the CTC from a special operating agency into a Crown corporation.

I must tell the House from the outset that the Bloc Québécois will not be supporting this bill for a number of reasons, which I will state during my speech.

First of all, we must ask ourselves what are the objectives pursued by the government in passing such a bill. There has been a growing tendency over the last few years within government in general, but even more so within this federal government, to take public funds and put them into an agency of some kind outside the government, an agency which is often run by friends of the government and which, for all intents and purposes, is not accountable directly to parliament.

In the case of the Canadian Tourism Commission, the federal government puts \$65 million into that agency each year. The board of directors will be appointed by the minister, who will maintain that power. However, if there is ever a problem or if there is a policy with which parliament as a whole disagrees, we can anticipate what the minister's answer will be when he is questioned about that. He will say "Look, they are independent, they are the ones in charge of managing this Crown corporation". The government will just wash its hands of all that.

Let us not forget that the money going to this organization comes from the taxpayers and that parliament will essentially lose control over the management of public funds.

What was the reason given for taking such an approach since the beginning of the debate on the Canadian Tourism Commission over a year ago, especially during the last weeks in committee? Flexibility. Commission and government officials say "More partnership with the private sector will be possible. It will be simpler and the rules will be more flexible". As if it were impossible to figure out why a special section of a department is not able to give itself more flexible and faster rules for partnerships with the private sector.

### *Government Orders*

One example has been given. It was the only one, because concrete examples have been very rare, as if mere mention of a vague principle were enough to make it true. We were told that partnership would be easier and flexible. Oh really, and why? No witness had an answer for that, except for the one who said "For example, selling advertising or soliciting revenue is easier for a crown corporation than for a special service of the government. If, for example, there is an internet site looking for business or selling advertising, that will be easier".

There is a risk of this happening more and more in future. Why not look at the internal rules that make this partnership complicated to set up? All the other departments might benefit from this. The government as a whole could be made more efficient. We are not required to create a Crown corporation in order to do so.

If the federal government wants to be more efficient, let us talk about tourism in its broadest sense. Who is involved in this area? There is the Canadian Tourism Commission, which receives \$65 million yearly. There are the economic development agencies. In the case of Quebec, it is Economic Development Canada. There are also other agencies for the other regions.

These too spend money to fund projects locally, whether infrastructure, promotional plans or any other program. In Quebec, Canada Economic Development is spending money. The Canadian Tourism Commission has money to promote Canada in broad terms. That said, part of its budget still goes for promotional purposes within Quebec. We were told it represented 7% of its budget.

I will discuss this a little later in greater detail. There is also Attractions Canada, which spends \$4 million annually. Who manages Attractions Canada? The Minister of Public Works, the one managing the CIO and administering another \$40 million budget, the federal government's sponsorship budget, whose presence is strongly felt at festivals and tourist events.

This same minister, who might be described as being in charge of patronage, or nearly, has two tourism budgets in his control. If the federal government wanted to be more effective, it could first put this money into a single agency. I am saying this without getting into a debate over whether the provinces would be in a better position, or, in some cases, the municipalities that do this. We would much prefer a Quebec tourism promotion plan, sold under the aegis of Quebec, with our own events, our own festivals and our own label. Our tourism product is sold differently from Canada's.

• (1610)

In case the Liberals forget, even if they are the ones reminding us from time to time, though as little as possible, we are distinct and different. So we do not sell Quebec as they sell Canada internation-

*Government Orders*

ally. We would prefer to have that money along with our taxes in order to manage it ourselves.

That said, as we know about their obsession with visibility and their desire to manage, let them clean up their own yard. Let them dig in the pockets of the minister of public works to see if there is anything there.

I am going to give the example of Attractions Canada. Because, after a long battle in committee, we managed to have these obscure people from the Attractions Canada program testify.

Just look at how things work. These \$4 million are given to the Everest group, the buddies of the party, so that it will manage that money on behalf of the federal government. The Everest group is not subject to the same constraints, to the same transparency rules and so on. The government gave \$4 million to buddies. They must get a cut on that. I do not know how much, but we will eventually find out. And these people sponsor or display advertising on huge Mediacom billboards, and it is signed Attractions Canada.

Strangely enough, the government did not create a crown corporation for that purpose. It would rather create partnerships with the private sector. It has such partnerships with Cadbury, Via Rail—although Via Rail is not quite a private company and the government gives it a lot of support—and others.

With the money he has in his pockets, the Minister of Public Works is capable of creating partnerships with the private sector. But it did not seem to be the case at Industry Canada. So, a crown corporation was established.

The pattern will be the same. Money will again be given out, and who is to say that it will not also become some kind of a propaganda agency? So, the minister of public works will award contracts to his buddies, while appointments will be made at the agency. We are very concerned by all this.

I do not doubt that there are people within the commission who are full of good intentions. But once the directors have been appointed or approved by cabinet, on the recommendation of the Minister of Industry, might they not conveniently forget that they are accountable to the minister?

I too am concerned about the principle of accountability in the management of public funds. I have in my hands the 1998 report of the Canadian Tourism Commission. I will not show it to the House, because props are not permitted. I challenge the House to find in this annual report the public money contributed. The \$65 million from taxpayers is mentioned nowhere in the report.

We see how they spent all the money they collected—the partnerships with the private sector and so on—but nowhere is it mentioned that this money comes from taxpayers, to the tune of

\$65 million for the federal contribution. There are also contributions from provincial governments and municipalities, and other public agencies. So there is a real problem.

There is also the case of the Office du tourisme et des congrès du Grand Montréal, a group that appeared before the committee. These folks appeared, claiming to be private partners. I was very surprised and I asked questions.

Of this organization's \$15 million budget, \$1 million comes from each level of government—the municipality, the Government of Quebec and the federal government. That accounts for \$3 million. Another \$4 million comes from private enterprise, and \$8 million comes from a tax on hotel rooms in Montreal of \$2 a night.

Mr. Lapointe, the former Liberal minister who now directs the office, told me in committee that this \$8 million was private funding, as though no legislation had been necessary to give him the right to levy a tax of \$2 a night. I am not kidding—that was what I was told.

Sorry, but when the figures are added up at the Commission on interventions by a body such as that, and the bulk of them are classified as private interventions, I say wait a minute. We must make not mistake about the Canadian Tourism Commission: it is funded largely by public funds, whether federal, provincial or what not. But for the taxpayer, that is all the same.

Obviously, there will always be a certain number of events and partnerships the commission will be publicizing. Let us look at the whole thing here. In our regions, what organizations or events really benefit?

There are the major events, the major festivals, which manage to get included. A highly select few at the top. As for the others, they do not manage to gain anything from the spill-over effect, and still less so from small direct patronage programs such as Attractions Canada. What events in Quebec regions such as Abitibi—Témiscamingue or others even know such a program exists?

• (1615)

When we asked the public servants in charge, their answer was “All people have to do is to consult our internet site. They will perhaps find that there is some information available”. Yet they did not seem to be very clear themselves on how Everest determined its criteria for handing out money.

There are a lot of problems. Before taking the \$65 million in public funds from the commission and making it into an institutionalized crown corporation, some internal housecleaning would be in order.

Representatives of the Professional Institute of the Public Service also came to testify at the hearings. For the rest, for the most

*Government Orders*

part, those who came to defend their viewpoint were former members of the board or people still close to the commission. I do not blame them. They did their job. These people were all connected with the commission.

The Professional Institute of the Public Service appeared near the end. At the same sitting in which we were to begin voting on the bill, we heard these people in the morning, the first to speak out against the bill, and the bill was expected to pass before the end of the session, as if it served no purpose to take a step back and consider their arguments. The government took care to have them testify at the end.

I will read a few quotes from their brief:

The government makes much of the success of the commission since 1995 in promoting and enhancing tourism. Since this is such a success story now, why is there a need to change the crown corporation status?

A very good question. A little further on:

As proposed, the Canadian Tourism Commission will provide nothing new, except for the extra implementation cost. Bill C-5 is a measure that is so vague that employees' rights are not stipulated.

They went on a little further in their brief:

It is the institute's position that an internal adjustment of the special operating agency's powers is the way to continue and add to the success story that began in 1995.

They were therefore saying "Since we are told everything is fine, a few small changes would help us to improve things, without having to create a crown corporation".

A bit further on, they say:

Therefore, there is no need at this point to engage in any creation of a crown corporation, since the agency can continue to undertake the dialogue, research, and marketing that are necessary in the tourism industry.

Their brief concludes as follows:

The institute feels that the extension of crown corporation status to the Canadian Tourism Commission is a completely unnecessary move, based on the fact that no particular advantage vis-à-vis the tourism industry will be gained.

This is an initial brief. There are also other people who appeared before the committee and questions were asked which, in my view, show how confused the federal government's approach is.

When Mr. Francis, the commission's chairman, appeared before the committee, I asked him about Attractions Canada, which I mentioned earlier. I asked him whether Attractions Canada was part of the Canadian Tourism Commission. He told me it was not. I asked him what then was it was part of and he told me that he thought it was part of the Canada Information Office. That was close; he had the right minister, but it was not the Canada Information Office; it was the Minister of Public Works and Government Services.

I then asked him how the various departments got along together, and this is what he said:

[*English*]

"It is an ongoing challenge, something that we have been attempting to do over the last two or three years".

[*Translation*]

People say "We are looking at all this. We do not have much of an idea of how it works, but we are looking at it". So they came to sell us on the merits of creating a crown corporation out of the commission, but without even having done their own homework within the federal government.

I raised a lot of interesting questions but, in the final analysis, they said they were fully in agreement with what was going on.

I asked some witnesses to give me concrete examples of how partnership with the private sector would be easier if they were a crown corporation. These were people who were very close to the action, people who had sat on the board, or those working in tourism. They had no examples to offer.

I asked Mr. Lapointe of the greater Montreal tourism bureau "Are you familiar with Attractions Canada?" His answer was "Vaguely". I then asked "Are you familiar with its mandate?" He started to explain to me that there were billboards, and that his understanding was that the purpose was to do this or that type of promotion.

How is it that people involved year in and year out in tourism are not fully familiar with the mandate of Attractions Canada, which spends dollars to promote tourism?

● (1620)

How can it be that they are not familiar with the rules for intervention by the minister through his sponsorship budget which, I might point out in passing, ensures that Quebec gets the lion's share? Yes, there are some programs where Quebec gets more than its share of propaganda, whether in billboards or in Canada Day spending. In this area Quebec gets more than its share.

However, when the time comes to ask the Minister of Industry, for instance, to do his part for a project such as the creation of a semi-conductor plant in Montreal, then the answer is: that takes time, it is complicated, they do not want to set a precedent by using a different approach in Quebec. But when it comes to flags, or what approximates a flag, or to nurture the friends of the government, it is a different matter.

I invite anyone who is interested to reread all that was said during the brief week we studied the matter in committee to see that nothing specific was put before us to enable us to conclude that

*Government Orders*

this step of turning a special service into a crown corporation was necessary.

Naturally, there are the clichés “It is a normal stage of development”, “Partnerships will be easier”, “It will be very flexible”. But in practice, there is no specific proof. When we scratch the surface, we see that there are problems left and right. And I have not spoken in detail of Economic Development Canada, because its representatives did not appear before the committee.

However, in order to hear the others I mentioned, whether it be Attractions Canada, or opinions on sharing jurisdiction, it took a real battle in committee to get the minister himself to come and present his bill. They wanted, on the pretext that it was the end of a session, to hustle it through at committee stage, so as few people as possible would be heard on the potential problems.

Economic Development Canada, this federal government agency whose intervention criteria we will never clearly know, had long been an issue with me. Last year, they toured the various regions of Quebec, and in all the press releases, it was obvious there were funds available for tourism. In certain regions, ours for example, we have learned that they are putting money into one project in particular in order to help fund a regional development or marketing plan, but the criteria are not known in advance to those in the area.

We are told that \$1.2 million is available, but we are not told how it will be allocated. When government funding is involved and there is a desire to manage it transparently, how can those in the business be expected to know that they are eligible and apply?

Economic Development Canada tells people to send in their applications and it will examine them. What criteria will apply? Nobody really knows. And then, to justify refusals, all we are told is that it did not meet their priorities. Oh? What priorities? Perhaps my region is an exception, but I do not think so. I think that this goes on in many regions in Quebec and I am certain that it also happens elsewhere with regional development agencies.

There is therefore a serious problem. For a minister who says he is concerned about promoting tourism, he should look at what is going on in his agencies, and do a little housecleaning so that his interventions are a bit more effective.

We know that the federal government will not withdraw from a sector such as tourism. The furthest it has gone is to say in the throne speech that it would try to establish new models of partnership with the provinces. Given its obsession with visibility, that is what it will continue to do. But it should at least start by striving for effectiveness and co-ordination in what it does. That would already be a big step forward.

In short, for reasons of efficiency and out of respect for those who pay taxes and who want transparency in the management of

public funds, we cannot support a bill like this, especially when we look at the parallel interventions by the government in sponsorship and tourism, we see that public funds tend to be spent on other things and, under the guise of promoting tourism, provide encouragement to friends, such as those in the Groupe Everest.

Drawing parallels, the same minister manages the Canada Information Office or the federal government Liberal Party office of propaganda.

• (1625)

It may be rather alarming to see that there is still a lot of money: \$44 million annually in the case of the minister of public works—this is a lot of money—, \$65 million in the case of the Canadian Tourism Commission. Taxpayers pay out a lot of money, and we might as well see why it is used to fund the promotion of an industry that is currently flourishing.

We must not ignore the fact that the weakness of the Canadian dollar helps a lot to improve tourism both in Quebec and in Canada. I am not saying that the tourism market has not improved, but we must realize that the main factor was the quality of what we have to offer and the fact that our dollar is very weak, making other currencies stronger.

We will vote against this bill. I invite all members of this House to bear in mind the fact that we risk turning this agency into another federal government propaganda agency, yet again.

**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 yeas have it.

*And more than five members having risen:*

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

[English]

*And the bells having rung:*

*Government Orders*

**The Deputy Speaker:** At the request of the chief government whip the recorded division is deferred until tomorrow at the conclusion of the time provided for Government Orders.

\* \* \*

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

The House proceeded to the consideration of 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, as reported (with amendment) from the committee.

**Hon. Arthur C. Eggleton (for the Minister of Finance, Lib.)** moved that the bill, as amended, be concurred in.

(Motion agreed to)

**Hon. Arthur C. Eggleton (for the Minister of Finance, Lib.)** moved that the bill be read the third time and passed.

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I welcome the opportunity to speak to the House today at third reading of Bill C-24, the Sales Tax and Excise Tax Amendments Act, 1999.

• (1630)

By way of introduction, the measures contained in this bill, while wide ranging, all fall within the broad sphere of the government's ongoing commitment to an effective, efficient and fiscally responsible government. The intent of the legislation before us is to make our tax system more simple and more fair not only for individual Canadians but for Canadian businesses as well.

[*Translation*]

It is also in line with our government's commitment to sustain and improve our federal taxation system so as to encourage harmonization and federal-provincial co-operation.

Bill C-24 is aimed primarily at improving application of the goods and services tax, the GST, and the harmonized sales tax, the HST. It also contains some important proposals relating to specific taxes on certain products.

[*English*]

As hon. members are familiar with this legislation, I will briefly reiterate some of the key measures contained in the bill.

The government is committed to reducing smoking in Canada particularly among young Canadians. Bill C-24 contains measures with respect to the taxation of tobacco products that reaffirm the government's commitment to work in concert with the provinces and territories in order to reduce tobacco consumption in Canada, while at the same time maintaining vigilance in combating the level of contraband.

An important component of Bill C-24 reflects the government's responsiveness to the health and social needs of Canadians. For example, Bill C-24 proposes to provide a sales tax exemption for respite care for Canadians who are providing care for family members, very often an elderly parent or a disabled child. In past budgets the government has introduced numerous measures to assist individuals with disabilities. The bill builds on such actions by extending sales tax relief to the purchase of specially equipped motor vehicles for transporting individuals with disabilities.

[*Translation*]

In this same area, other measures contained in this bill relate to GST and HST exemptions on speech therapy, osteopathy and psychotherapy.

Bill C-24 reflects the government's commitment to making the taxation system fairer for Canadians. That commitment is translated into a number of different provisions.

[*English*]

The bill provides charities whose main purposes include the provision of care, employment, employment training or employment placement services for individuals with disabilities the capacity to compete on an equal footing when selling goods or services to GST registered businesses. Bill C-24 also refines the rules for the streamlined accounting method for charities.

A number of amendments contained in Bill C-24 are aimed at clarifying and refining the application of our sales tax system. In response to representations from the tax and business communities, these amendments will ensure consistency and fairness in the application of the GST and HST in a number of key areas.

[*Translation*]

For instance, further to the process of co-operation between the federal government and businesses in the energy sector, this bill proposes certain amendments simplifying the application of the GST and the HST in this sector.

These amendments will help Canadian businesses to remain competitive internationally.

*Government Orders**[English]*

With respect to other international commercial transactions, the bill also proposes to make air navigation services provided to carriers tax free in relation to international flights, and to refine the rules for exports of goods by common carriers.

Bill C-24 proposes a number of enhancements to the design and delivery of the visitors rebate program to further promote Canada as a destination for tourists and a place to hold conventions, for example by reducing the GST and HST costs associated with providing conventions to non-residents. These proposals will help to promote Canada as a tourist destination and to support the tourism industry in the creation of employment.

• (1635)

The federal government will continue to consult with the business community to improve the operation of our sales tax system. In that regard Bill C-24 contains a number of proposals to improve the rules relating to certain business arrangements and ensures that the legislation accords with the policy intent.

*[Translation]*

Our government is also continuing its efforts to improve the application and enforcement of our sales tax system. Bill C-24 amends a number of provisions in these areas, in some cases in order to bring them into line with existing administrative practices and, in others, in order to increase the effectiveness of assessment, appeals and collection provisions in general.

*[English]*

As I mentioned earlier, Bill C-24 also contains measures relating to taxes and tariffs on specific products. In accordance with the 1997 decision of the World Trade Organization, the bill contains the amendments that repeal the provisions relating to the excise tax on split-run editions of periodicals.

With respect to tariffs, Bill C-24 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.

*[Translation]*

Our government remains committed to increasing aboriginal self-government and has frequently reiterated its desire to conclude tax agreements with first nations interested in exercising fiscal authority.

This bill proposes technical amendments to improve harmonization of first nations sales taxes with the GST, and to ensure that the definitions in implementation legislation are consistent with those used in other federal statutes.

*[English]*

In conclusion, the measures contained in Bill C-24 which I have outlined here today propose to improve the operation of our tax system while at the same time responding to the social issues that are important to Canadians.

*[Translation]*

I therefore urge hon. members to give their full support to this bill.

*[English]*

**The Deputy Speaker:** Order, please. 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 York North, Infrastructure; the hon. member for Mississauga South, Health; and the hon. member for Cumberland—Colchester, Airports.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I would like to add some comments to the debate on Bill C-24 as reported to the House by the committee.

The parliamentary secretary has just finished giving us a quick summary of some of the main points of the bill. Most of what he has said sounds pretty reasonable. What I find absolutely incredible is that he can say in such nice smooth language what the bill does not say at all. I need to reword that. He described the bill in nice, smooth language but the bill itself is convoluted legalese which I defy even an accountant to understand. It is absolutely incredible.

I have read a number of things in the bill. I will give one little example. One thing the bill does which the parliamentary secretary did not allude to is it clarifies the tax situation with respect to HST and GST when it involves barter exchange. I read it twice and I still cannot clearly understand it. I would have to get a tax lawyer to help me interpret this. I cannot understand whether bartering is out of the tax loop or in. I think it is out as a result of the bill. I will read a little bit of it because it is so incredibly interesting. It reads:

(6) For the purposes of this Part, each of the following is deemed not to be a financial service:

- (a) the operation, maintenance or administration of a system of accounts, to which barter units can be credited, of members of a barter exchange network;
- (b) the crediting of a barter unit to such an account;
- (c) the supply, receipt or redemption of a barter unit; and
- (d) the agreeing to provide, or the arranging for, anything referred to in any of paragraphs (a) to (c).

• (1640)

That is clear, is it not? It goes on to state that this section is deemed to have come into force on December 10, 1998. That was a year and a half ago. It goes on:



*Government Orders*

(3) If a designation of a barter exchange network under section 181.3 of the Act, as enacted by subsection (1), takes effect on the day on which this Act is assented to, that section applies to the giving of any property, service or money at any time before that day, by a member of the network or the administrator of the network, in exchange for a barter unit that could be used as full or partial consideration for supplies of property or services between members of the network as if the designation and that section had been in effect at that time, provided that no amount was collected as or on account of tax in respect of the supply of the barter unit.

That is perfectly clear. And it goes on and on like that. It is endless.

I stand to be corrected but the bottom line is that if people arrange to have a barter unit established with an administrator, they can so register it. If they then exchange goods and services in return for these so-called barter units, which is perhaps a new currency to be introduced in Canada outside of the Bank Act, then they can exchange those barter units for other activities, services or products and they are not considered taxable.

I would venture to guess that if this is actually implemented in this way, then competing with the loonie will be the boonie, the barter unit. People will be using it in great amounts in order to avoid the GST. Why? It is very clear.

One of the things the parliamentary secretary said was that in order to encourage the use of Canadian facilities for conducting conventions and meetings of international organizations, the GST rules would be altered so there would be a GST exempt portion for those people who are from outside the country. That is a clear admission on the part of the parliamentary secretary that where GST is applied it makes Canada less competitive. The government is ready to remove the GST on that part of it in order to make it more competitive. That makes sense to me.

Generally it is true that the more an activity is taxed, the less there is of that activity. The less the government taxes it, the more it will get of that activity. If international organizations are encouraged to have their meetings here, which of course would bring a lot of money into the community and the country, then reduce the tax.

How I wish we could persuade the federal government to apply that principle to our own citizens. We are taxed to death. The GST is one of those taxes. And this bill does a lot to change the way the GST and now the GST and HST rules are applied.

It is interesting the government would choose to bring in these amendments to the GST. We know the Liberals were first elected to government primarily on the promise that they would eliminate the GST. There are a whole bunch of really good quotations by the Prime Minister when he was in opposition. He said, "I am opposed to the GST. I have always been opposed to it and I will be opposed to it always". Back in 1990 when the GST was being introduced he said he would always be opposed to the GST. The Liberals at that time were sitting on this side of the House and the Mulroney

Conservatives were on the other side and were proposing this wonderful new GST.

• (1645)

After all these years of GST the government in a piecemeal way, one little group at a time, is saying that it should take the GST away because it is unfair, inhibits economic activity, is bad for business, costs the government too much money, or whatever. Now it is introducing some amendments in this bill to change some of the GST rules.

Here is a quotation from the individual who is now the Deputy Prime Minister. On December 21, 1992, he said "The thinking is that we want to get rid of the GST".

A little less than a year before the 1993 federal election when the present Prime Minister was leader of the opposition he said "We will replace it. No doubt about it". In retrospect I guess he has a bit of doubt. He also said "We will replace the tax. This is a commitment. You will judge me by that. If the GST is not gone, I will have a tough time in the election after that".

He further said "The only specific promise I am going to make is to replace the GST". I guess we have it replaced all right. It is now the GST-HST in those provinces that have bought into it. Instead of being 7% it is 15%. Yes, it was replaced. Was that a great commitment?

Interestingly just weeks after the 1993 election when asked by a reporter what he would do about the GST because of his election promise, the Prime Minister said "It will be gone in two years". That was 1993. According to very simple arithmetic, much beyond the ken of mathematicians on Liberal side, two years after 1993 is 1995. We would have expected by 1995 that the GST would be gone. Is it gone? I do not think so. It is still here. It is as big as ever.

Let me refer to the Prime Minister speaking in the House Commons. We can look it up in *Hansard*. In 1994, again just six months after the election, he said "We hate it and we will kill it". That is what he said in the House of Commons, still thinking about his election campaign, but he never really did it.

Here we are some six and a half years after that election and the Prime Minister and the Liberals have done nothing to change their so-called election promise to get rid of the GST but they are removing it.

How can I stand in the House and either speak or vote against a reduction of GST as applied to vehicles needed by people who are handicapped? One would have to be very thoughtless to say no. If someone is handicapped and needs a special vehicle to haul them around, it would be wrong to say that we think the federal government should get some GST money out of that vehicle or the extra fittings required to make it work for them.

*Government Orders*

I will have a little dilemma because I will vote against the bill due to all its flaws. Despite that, it is like eating tapioca pudding that has some gravel in it. In this case some of the good tasting parts are the reduction of the GST for people who have special needs because they have disabilities. To exempt them from GST is the right thing to do, but how about all the other people who have needs?

How about students who have to pay GST on books? To add insult to injury, they are now paying it two, three and four times. Let us take a look at our pages in the House, young people who are students. When they buy a used book they end up paying GST on a book that has already had GST paid on it. I know all of them would love to keep the books they used when they were students in their youth as an ongoing building of their personal libraries. However they will not be able to because of the high cost of education. They will put their books up for sale. Those books, which have had the GST paid on them when they were new and first bought, will have the GST paid on them again the third time, the fourth time and however many times they are recycled.

• (1650)

If students who are trying to obtain an education are charged GST on books every time the books are moved from one owner to the other, the word I use is greed. It was invented by the Prime Minister. It was used by him just a couple of weeks ago. He talked about people who want to keep some of their own earnings as being greedy.

I say it is a greedy government that does not have consideration for young people trying to get an education. It insists on taxing them to death on their earnings and then when they use the earnings that are left over for the books they need for their education they are charged GST on them. There is nothing in the bill about reducing the GST to zero on reading materials and on books. To me that is a huge flaw. That alone is a good reason to vote against the bill. It is totally inadequate in that regard.

A number of other things in the bill are commendable and a number of them are very questionable. As legislators in the country we have an obligation to stop the huge tax bite. The little things that the government does from time to time by changing a little tax rule here and a little tax rule there do not make it any simpler. In fact it greatly increases the complexity. It does not relieve Canadian taxpayers of their crushing tax burden in any substantial way. It is just a little dithering and nothing substantial happening.

I cannot stand in the House to talk about a budget implementation bill, some of which goes all the way back to 1990, believe it or not, without also mentioning that the Canadian Alliance has a very good tax plan that has the approval of many Canadians and many notable economists including Dr. Mundell, a Nobel prize winner. He said that our plan was workable, that it would give a substantial

kick to the economy and that it would give real tax relief to Canadian families who are struggling to make ends meet. That is the type of tax overhaul the country needs.

Of course we have critics who say a flat tax is only a tax cut for the rich. They try to make political hay out of that. I do not apologize for the fact that under our plan everyone pays less taxes. The fact of the matter is that the Liberals always misrepresent this aspect of our plan incorrectly. The Minister of Finance particularly loves to talk about it. He gives a totally false message that it is for rich people only.

Contrary to the Liberals, we would take some two million Canadian taxpayers off the tax rolls completely, those people who make less than \$20,000 for their families per year and are deprived of at least \$6 billion of their earnings by this government. Six billion dollars of tax revenue comes from Canadian families whose family income is less than \$20,000 a year. It is shameful, absolutely shameful.

• (1655)

Our tax plan would give them a 100% tax break. It is true that when people earn more money they would pay the same rate of tax on all their earnings. That does not mean that people who make more money pay less. They pay proportionately more. It is a truly progressive system. Anyone who says otherwise is not staying with the facts but is distorting them.

I emphasize that this is the way to go. It has the approval of no less than the WEFA group, which has done financial studies for the Department of Finance and the Minister of Finance in the production of his budget and his income projections for the government. By using that same model and running our proposal we showed that every year tax revenue to the government would go up. That is even before we take into account the boost that a massive tax break would give to our economy.

Government revenue would go up. There would be more money available for health care and education. There would be less money under our plan for boondoggles and for building fountains in Shawinigan. The money would dry up for fountains very quickly if we were in power because we simply do not believe it is correct to use the hard earned money of long suffering taxpayers to try to bolster the re-election chances of anyone including the Prime Minister.

We would straighten all those things out. With us at the helm of government, Canadians would find some real tax changes and changes to the system, not just the tinkering around the government is prone to doing. It sort of dilly-dallies and never really gets around to doing anything substantial.

I would like to say a little about some of the other matters that are involved. There is a whole bunch of provisions in the bill on changing different things including charities. The parliamentary secretary alluded to that point, but there is one that is really

*Government Orders*

interesting. It would exempt second language training in French or English from the GST if that training were provided by vocational schools or individual contractors.

That is a step in the right direction, but once again the Liberals are guilty of tinkering. What they have done is said that students studying math or science have to pay the GST on that. However, French speaking people learning English or English speaking people learning French will be exempt from GST on that. They just cannot do that. They cannot just pepper away—I guess the Prime Minister likes pepper—at wee spots in the Income Tax Act and exempt this group, exempt that group and double the tax on this group and so on.

We need a massive overhaul, one that is consistent, one that is logical, one that makes sense, one that helps the economy, one that leaves more of the money people have earned in their own pockets and puts the country at a competitive edge such that it has never seen.

I would like to see the country run ahead in terms of its economic activity per capita vis-à-vis the United States and other G-7 countries and our trading partners. We have the potential to achieve that. We have a vigorous, well trained population. We have a wealth of resources unmatched in the world.

Despite the fact that Liberal members are all sort of shaking in their pants these days, we have a relatively stable political country. Our political regime is relatively stable. We change our governments by election. I always say we do it with ballots instead of with bullets. That is something we want to preserve in Canada.

We have all these positive things going for us, but what do we have? We have a country that is struggling, a country where our young people find it impossible to get jobs. They are lured to the United States because of lower taxes and higher salary offers. We keep on struggling in this country because of our excessive tax regime. I think we need to pay attention to the facts here and not put our heads in the sand any longer.

• (1700)

I know there are many Liberals in the House who would just love for me to carry on for a long time, but I will have to disappoint the vast majority over there. I will stop at this stage and say that I will be voting against this bill for the reasons I have mentioned. I will also continue to press forward for a new system, a new regime in this country, a system that is fair, that bolsters our economy and that leaves more of the people's hard earned money in their pockets so they can provide for their own needs and the needs of their families.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I want to say at the outset that I will be splitting my time with the lugubrious and illustrious member from Kamloops.

**The Deputy Speaker:** Does the House give its consent for the hon. member for Regina—Qu'Appelle to split his time?

**Some hon. members:** Agreed.

**Hon. Lorne Nystrom:** Mr. Speaker, I want to say a few words on the GST bill, but I will first respond to the member for Elk Island who talked about the Alliance Party's new tax policy being a fair one, which is 17% across the board.

I want to tell everybody that its tax policy would give a big tax cut to the wealthy and the rich, because someone who makes an awful lot of money, as supposedly my friend from Alberta on my left does, making \$300,000 or \$400,000 a year, one can just imagine the kind of tax break he would have if he had a 17% tax break compared to what we have today in this country.

I was on an airplane a few hours ago. I picked up a newspaper and noticed that one of the candidates for the leadership of the Alliance Party, Tom Long, had a fundraiser in Muskoka. I think when we look at where political parties get their money from, it tells us a lot about political parties. I remember the reform party, since I come from the west, talking about being grassroots and representing ordinary people who come and put money in a hat and it picks up a few dollars here and there.

Tom Long had a fundraiser in the Muskokas. What do members think they charged for this fundraiser? First, it was not a big dinner with steak and wine; it was finger foods and the sipping of champagne. What do members think they charged? The member from Kamloops has guessed \$100, while someone else has guessed \$200. They charged \$5,000 a person to go to a fundraiser for a leadership candidate of the Alliance Party, some grassroots party, some party in touch with ordinary people. It has become the party of Bay Street, the party that has been hijacked by the Bay Street barons. That is what has happened to the reform party of Canada, and then it pretends that it is speaking for the ordinary people of this country.

**Mr. Nelson Riis:** Madam Speaker, I rise on a point of order. I normally would not interrupt my friend, but he obviously has made a mistake in his speech when he said they were charging \$5,000 per person to attend that fundraiser. I wonder if he could—

**The Acting Speaker (Ms. Thibeault):** That is not a point of order.

**Hon. Lorne Nystrom:** Madam Speaker, according to a very reliable newspaper, the *Hill Times*, it was \$5,000 a person. Around 100 people attended this function in the Muskokas. They raised around \$500,000 for the leadership campaign of an ordinary grassroots Canadian named Tom Long.

**Mr. John Williams:** Fine fellow.

*Business of the House*

**Hon. Lorne Nystrom:** A fine fellow, I am told by the reform MP next to me. We now have a party that really is the party of the rich, the party of the powerful, the party of Bay Street, the party of the insiders, the party of the backroom boys. I am talking about Tom Long here. I am not talking about the old reform party that at one time said it was speaking for the ordinary citizens. This is the new party that wants to appeal to Ontario. It is the new party that is trying to imitate Brian Mulroney, despite the fact that he called it the reform party in pantyhose the other day.

That is what has happened to the Alliance Party of Canada. I can tell the House that there are a lot of people in my riding, ordinary folks, who voted reform—

**The Acting Speaker (Ms. Thibeault):** On a point of order, the hon. member for Elk Island.

**Mr. Ken Epp:** Madam Speaker, normally we would have an opportunity for debate after a speech. I think this is the last of the speeches where we do not. I would not raise this point but I really think he is quite irrelevant vis-à-vis Bill C-24.

• (1705)

**The Acting Speaker (Ms. Thibeault):** I was listening to the debate and I am sure the hon. member was just about to make a link between his propos and the bill we are debating.

**Hon. Lorne Nystrom:** I began my remarks by saying that the 17% flat tax proposed by the reform party, or the Alliance Party, would favour the wealthy people of the country, people who make \$300,000 to \$600,000 a year or more. I said that indicative of that of course was a fundraiser by Tom Long. Maybe I have to repeat that. An invitation was sent out inviting people to a fundraiser at a cottage in the Muskokas where they could eat some caviar and sip champagne. The cost was \$5,000 a head. I am sure a lot of people sitting in the House, who are members of parliament from the Alliance Party, could not go.

I do not think my friend from Vancouver could afford \$5,000 for an evening with Tom Long. I do not know if my friend over there from Elk Island could afford \$5,000 for an afternoon with Tom Long, but that is now what the party is targeting. It is targeting the wealthy people in the country which is why it is proposing tax reform in Canada.

A flat tax of 17% would see a major reduction for the wealthy, a major reduction for the privileged and more taxes for the ordinary citizen, the ordinary middle class working family, and of course major cutbacks in government services such as health care and education. People should be fully aware of what the new Alliance Party stands for. That is the kind of tax reform we do not want at all.

I want to turn my attention to some of the reasons why the bill was brought in today. It was to amend—

**The Acting Speaker (Ms. Thibeault):** On a point of order, the hon. leader of the government in the House.

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**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I wonder if the House would give me consent to propose the following motion without debate. I move:

That the House shall continue to sit after 6.30 p.m. on June 12 and June 13 for the purpose of considering the Government Orders, provided that during that time the Chair shall not receive any quorum calls, dilatory motions or requests for unanimous consent, except for a motion to adjourn proposed only by a minister of the crown;

That, notwithstanding any standing order or usual practice of the House, the Minister of State and Leader of the Government in the House of Commons shall immediately introduce and first reading shall be given to a bill entitled "An Act to amend the Parliament of Canada Act and the Members of Parliament Retirement Allowances Act" which shall be disposed of as follows:

1. The House shall proceed to the second reading stage of the said bill when it has disposed of the third reading stage of Bill C-24 or at 6.30 p.m. this day, whichever is earlier, and, when no additional member rises to speak, all questions necessary for the disposal of the second reading stage shall be put without further debate or amendment and, if a division thereon is requested, it shall be deemed deferred until 5:15 p.m. on June 13;

2. After the said bill is read a second time, it shall be referred to a committee of the whole House, provided that, after no more than one hour of consideration by the said committee, every clause or other question necessary for the disposal of the committee stage of the said bill shall be deemed to have been carried, without amendment, on division; and

3. The third reading stage of the said bill may be taken up at or after 6.30 p.m. on June 13 provided that, when no additional member rises to speak, all questions necessary for the disposal of the third reading stage shall be put without further debate or amendment, and, if a division thereon is requested, it shall be deemed deferred until the expiry of the time for consideration of Government Orders on the next sitting day.

• (1710)

**The Acting Speaker (Ms. Thibeault):** Does the hon. Leader of the Government in the House of Commons have the consent of the House to propose the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Thibeault):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

**The Acting Speaker (Ms. Thibeault):** I would like to inform the House that under the provisions of Standing Order 30, I am

*Government Orders*

designating Wednesday, September 20 as the day fixed for the consideration of private member's Motion No. 160 standing in the order of precedence in the name of the hon. member for Calgary Southeast.

This additional Private Members' Business hour will take place from 6.30 p.m. to 7.30 p.m. after which the House will proceed to the adjournment proceedings pursuant to Standing Order 38.

**Hon. Don Boudria:** Madam Speaker, in the motion just read, there was a reference to giving immediate introduction of a bill. I think you will now have to proceed with the introduction of the bill that was in the motion just read. It says to immediately introduce for first reading a bill entitled an act to amend the Parliament of Canada Act and the Members of Parliament Retirement Allowances Act.

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## ROUTINE PROCEEDINGS

[*English*]

### PARLIAMENT OF CANADA ACT

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved for leave to introduce Bill C-37, an act to amend the Parliament of Canada Act and the Members of Parliament Retirement Allowances Act.

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

**The Acting Speaker (Ms. Thibeault):** When shall the bill be read a second time? Later this day?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### 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 third time and passed.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Madam Speaker, before we broke for unanimous consent, I was responding to the Canadian Alliance and its new tax idea of a 17% flat tax. That was suggested by one of its spokespeople as an alternative to some of the taxes in the country.

This bill really deals with the goods and services tax and with a whole series of technical amendments to the GST that were introduced as a result of the budget that came into the House in February. It also makes permanent a 40% surtax on profits of tobacco manufacturers, and a number of things of that sort. We have in here a whole series of things, some positive and some negative.

What we should also be doing in this debate is going back over a bit of the history of why we have the GST in the first place. I remember very well back in 1990 when the idea was suggested by the Conservative government of the day led by the former prime minister Brian Mulroney. The GST became law in January 1991. It was a 7% tax brought in by the Mulroney government.

It was about 1990 when the Conservatives first suggested bringing in the GST and replacing the old manufacturers sales tax. My recollection is that this was never discussed in the federal election campaign of 1988. It was something that happened after the campaign. It is something that stirred a great deal of controversy and animosity in the country, as most Canadians were opposed to the GST. The GST in effect is a flat tax, with a 7% rate for everyone, regardless of whether one is rich or poor. If people are going to have a haircut or buy a certain product or a certain commodity on which the GST is applicable, it does not matter what their income is, they still pay the GST.

• (1715)

For the poor people there is of course the GST tax credit, but even with the tax credit it does not make it an equitable tax. When we get to the middle income bracket, compared to the wealthier income people, it becomes extremely regressive because it becomes in effect a flat tax. Everyone pays the same tax rate on the same commodities, which are in many instances necessities of life.

I remember very well the Liberal Party of Canada taking a strong stand against the GST. I remember the all-night committee hearing in the Railway Committee Room when the Liberals said that if they were elected and formed the government they indeed would abolish the GST. They said they would get rid of it. "Elect us and the GST will be gone". That was part of the 1993 campaign. We all remember a couple of years after that when the then deputy prime

*Government Orders*

minister, now the Minister of Canadian Heritage, resigned her seat because of a commitment she had made to the voters of Hamilton East that if elected the Liberal Party would indeed get rid of the GST.

That of course has not happened. The GST is still here. A campaign commitment that was made has disappeared. It is interesting that Brian Mulroney, when he made his first political speech on Friday, in addition to talking about the the Alliance being the Reform Party in pantyhose, talked about the present Liberal government accepting many of his policies, including the free trade agreement, NAFTA and the GST, policies that the Liberals had campaigned against, policies that they had opposed, policies that they had filibustered against in the House of Commons. Speaker after speaker rose in the opposition to say that if they were elected they would get rid of the GST. If they were elected they would not bring in a NAFTA-type deal. If they were elected they would certainly not go along with the free trade agreement with the United States. That is a bit of the history.

We also have the harmonized sales tax which was implemented in some of the Atlantic provinces in 1997. Before that, of course, Quebec introduced its harmonized sales tax in 1992. That is some of the background on the GST.

As I said, the Liberals promised to scrap the tax. They broke their promise. That is one of the reasons more and more Canadians are cynical of the political process, and are more cynical of politicians as every year goes by. Liberal politicians are seen as having broken their promises.

The whole tax system has to be made fairer and more progressive. I think the GST is among the most regressive of all taxes, except for the GST tax refund for some of the poor people in the country. It is a very regressive tax because it becomes a flat tax. Of course, as I have already said, the Alliance wants to carry it even further by having a flat tax of 17% right across the board.

In this country we have a long history of a progressive tax system. That tax system has gradually become less and less progressive with the passage of time. I remember before the Mulroney days that there were seven or eight different tax brackets on the federal side, which were reduced to only three brackets, 29%, 26% and 16%.

As announced in the last budget, we are gradually going to see that made a bit progressive within the narrow band where the middle bracket will eventually go from 26% to 23%, so we will have 16%, 23% and 29% brackets. What we have suggested many times is that we make the system more progressive. I would personally like to go back to about five different tax brackets so that we could have a more gradual scale, where we would tax people more progressively based on their ability to pay. I think that is only fair. If someone makes more money than someone else, the long tradition in this country has been that they should be taxed in accordance with their ability to pay.

We are moving away from that. The Reform Party wants to go the extreme distance by having just one flat tax in the country, which would be extremely unfair.

• (1720)

**Mr. Charlie Penson:** Madam Speaker, I rise on a point of order. I notice the member for Regina—Qu'Appelle has referred to our party as the Reform Party several times. I wonder if he could use the correct term for our party.

**The Acting Speaker (Ms. Thibeault):** I remind the hon. member to please call the Canadian Alliance by its proper name.

**Hon. Lorne Nystrom:** Madam Speaker, before I was interrupted by the member from the Canadian Reform Conservative Alliance Party, I was saying that that particular party wanted to make the tax system even more regressive, more unfair and even more of a burden for ordinary middle class Canadians. That is the policy of the Canadian Reform Conservative Alliance Party. That is what it stands for.

I submit that is why 100 people showed up a few days ago in the Muskokas at \$5,000 a head to eat caviar and sip champagne with Tom Long, one of the candidates for the leadership of that party. They are excited about a more regressive tax system. They are excited about putting more of a tax burden on ordinary, middle class people. They are excited about tearing down government and putting less money into health care, education and regional economic development. That is what the Canadian Alliance stands for. It is the party of the wealthy, the rich, the insiders and Bay Street.

Canadians note those things. They are not stupid. They understand where this new party is going, that it is trying to become the party of Brian Mulroney and the old Conservatives from a few years ago, the very party which the original leader tore apart in 1993 for the foundation of the Reform Party. Like amoebae they are changing their skin and trying to form a party of big business and Bay Street. They are basically doing that by advocating a flat tax and a radical reduction in the role of government. The Canadian people will see through it and will not allow that kind of extreme right wing ideology to have any more influence.

In my opinion, the GST should be scaled back as a first step. I see that the member for Red Deer just entered the House. I wonder whether he went to Tom Long's little picnic for \$5,000 the other day in the Muskokas. It was a great fundraiser for his leadership campaign.

**Mr. Ken Epp:** Madam Speaker, I rise on a point of order. I really do not believe that who attended what function or how much they paid has any relevance at all to Bill C-24. I ask you to bring the member back on topic.

*Government Orders*

**The Acting Speaker (Ms. Thibeault):** I do not believe that is really a point of order. Relevance is a point of order and I would remind the hon. member to please keep his speech close to the bill.

**Hon. Lorne Nystrom:** Madam Speaker, I want to remind my friends in the alliance party of something that Ernest Manning once said.

**Mr. Ken Epp:** Madam Speaker, I rise on a point of order. The name of the group represented is the Canadian Alliance.

**The Acting Speaker (Ms. Thibeault):** I would remind the member again that the Chair has ruled that we refer to that party as the Canadian Alliance.

**Hon. Lorne Nystrom:** Madam Speaker, in the House of Commons we call it the Canadian Alliance. The chief electoral officer, I think, calls it the Canadian Reform Conservative Alliance. It is rather confusing to a lot of us what it calls itself. The former Prime Minister of Canada called it the Reform Party in pantyhose. It becomes more confusing day by day.

I want to remind the House that a very distinguished gentleman, Ernest Manning, and another very distinguished western politician, Tommy Douglas, a number of years ago always said to us "He who pays the piper calls the tune". We should always watch to see who pays the piper, who contributes to political parties and who pays the bills for political parties.

We are now seeing on our left a party that is going through a metamorphosis. It originally started as a grassroots party. Now we are seeing the extremely wealthy people in the country paying \$5,000 for an afternoon of sipping champagne and eating caviar with Tom Long. It is a party that has changed its rudder and its direction. That tells us an awful lot about what it really stands for.

• (1725)

What we are seeing is a direction in which the Canadian people do not want to go. The majority of Canadian people, the polls have shown, want the GST to be cut back. The most popular tax cut in the country would be to get rid of the GST, to scale it back.

We suggested taking the GST off things like books. We suggested taking the GST down one point, from 7% to 6%, as the beginning of a process to get rid of it. That is what the Canadian people want. In fact the federal government's own polling, done by the Earncliffe group, which is very close to the Minister of Finance, reported just a few months ago that the tax cut of choice—and we do not hear this from the Canadian Alliance—would be to scale back and eventually eliminate the GST, a tax which last year picked up some \$23.1 billion from the Canadian people. It is the most regressive tax that we have.

Not only is the GST unfair to ordinary citizens, it is a tax that is unfair and very difficult for business, particularly small business.

When we go up and down the main streets of our small towns and cities—and I am sure that even the premier of Prince Edward Island would be willing to admit this—we hear many business people talking about the paper burden of being a tax collector for the Government of Canada. It becomes a real burden for the small business person who has only a handful of employees, or the farmer who, compared to a large business, because of the economy of scale, can do this with much less difficulty. Indeed, it is a very bad tax for small business.

Again, the Canadian Alliance members are silent on this. The silence is really deafening when we do not hear them complain about the GST, when we do not hear them calling for the elimination of the GST and when we do not hear them asking to roll back the GST. The GST is a very regressive tax that hits ordinary Canadians and middle class Canadians the hardest. It is a bad tax for business. It is a bad tax for farmers. It becomes a paper burden. Of course, that is something which Canadian Alliance members do not complain about whatsoever.

It is also not a good tax for medical doctors. The physicians of this country cannot, contrary to what some other professionals can do, claim the GST tax refund. That makes it a difficult tax for them. In fact the Canadian Medical Association has spoken out against this and has asked for some changes in terms of how the GST applies to the medical profession.

The reason is that the designation of medical services is tax exempt under the Excise Tax Act, which means that physicians are in the position of being denied the ability to claim a GST tax refund. That of course is for input tax credits, which many other professionals and many other organizations can claim.

These are some of the inequities about the goods and services tax, some of the things that should be changed and some of the things that reflect what the Canadian people want.

The member from Kamloops is very anxious to say a few words, so I will conclude by saying that the main thing we need is a more fair and a more progressive tax system that is based on ability to pay.

If we knock on doors or if we walk down the main street with ordinary people, the people who go to Tim Hortons, to McDonald's or to the corner cafe, the ordinary people who shop on a Saturday morning at Canadian Tire or who go to the wheat pool elevator in Winyard, Saskatchewan, those ordinary people do not go to Tom Long's \$5,000 per person affair in the Muskokas with the wealthy people. The ordinary people of this country—

**Mr. John Williams:** The wealthy people have a vote too.

**Hon. Lorne Nystrom:** The member of the Canadian Alliance said something that is actually accurate. He said that the wealthy people have a vote too. Of course they have a vote. The Stronachs

*Government Orders*

of the world have a vote. Peter Pocklington has a vote. Wealthy people have votes. Now we have a political party that caters to the wealthy people, that stands for the rich, that stands for the privileged and that stands for the wealthy people on Bay Street who make a lot of money and support a backroom boy called Tom Long. He used to be on Brian Mulroney's staff who brought in the GST, who helped bring in the free trade agreement and who helped bring in all kinds of regressive policies.

• (1730)

I will be very excited if Tom Long wins the leadership of the Canadian Alliance. Then finally those guys will be out of the weeds. There will be a party here that will stand for the wealthy, the rich and for a redistribution of income where more goes to the wealthy people and less goes to the middle class and the poor. That is what that party is all about.

We are going to have a great debate about the tax system. It is an ideological debate about where we want to go in this country. Very clearly we want a tax system based on progressivity, based on fairness, based on the ability to pay and not a taxation system with a flat tax where everybody is taxed at the very same rate regardless of income. That is not where the Canadian people want to go.

I look forward to the next campaign when we can take on the forces of the far right that want to turn back the clock and return this country to the age of Fred Flintstone and Barney Rubble.

**Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP):** Madam Speaker, I too look forward to making a few comments on Bill C-24. The comments of my friend who just spoke made me think about an issue. These days there is a level of cynicism in the land attached to politicians. One wonders where that cynicism comes from, what is it that makes people—

**Mr. Ken Epp:** From the member who just spoke. It was 20 minutes of lies. That is where it came from.

**Mr. Nelson Riis:** Madam Speaker, I was not going to refer to my friends in the Canadian Alliance but since they have been calling us liars, I feel that I have to make some comment.

**Mr. Ken Epp:** That is the truth.

**Mr. Nelson Riis:** Madam Speaker, let me start off with an observation about the Canadian Alliance.

Members of that party said when they came to Ottawa their leader was not going to be driven around in a big fancy limousine because it would send the wrong message. It was to be a grassroots party and being escorted about in a nice big black limousine with a personal driver was not the imagery the then Reform Party wanted.

Today is the leader being chauffeured around in a black limousine? The answer is yes.

Then the leader said he would not want to move into Stornoway because that big mansion would send the wrong impression. He said that it should be turned into a bingo hall but lo and behold, the leader of the Reform Party moved in and occupied Stornoway.

**Mr. Ken Epp:** Madam Speaker, I rise on a point of order. Where the Leader of the Official Opposition lays his head at night is irrelevant to Bill C-24. I call for relevance in this debate.

**The Acting Speaker (Ms. Thibeault):** I will ask the hon. member to try to be relevant for the rest of his speech, even though personally I did not think that such a remark was out of order.

**Mr. Nelson Riis:** Madam Speaker, you are absolutely right. My friend is also right.

Perhaps I was trying to make my point in a roundabout way. The leader of the Reform Party said that he would not live in Stornoway. Then he changed his mind and said, "Excuse me. I made a mistake. I actually will move into Stornoway". That was the point. To be fair, it actually does not have much to do with this legislation.

Then I noticed a number of my friends in the Reform Party—

**Mr. John Williams:** I rise on a point of order, Madam Speaker. It is the Canadian Alliance party.

**Mr. Nelson Riis:** Madam Speaker, a number of my friends in what was then the Reform Party said that one thing they would never ever do was opt into the MP pension plan. Some people here did. I am not going to name the members but a number of MPs said, "We changed our mind. I guess some of us are going to opt in now".

**An hon. member:** The member from Kamloops did not.

**Mr. Nelson Riis:** Madam Speaker, the member from Kamloops was always in the plan. I was honest about it. I was in the plan and I paid for it. I did not say I would not take it and then slip in.

The point of these comments is to simply say it is no wonder people are cynical about us. When one thing is said and another thing is done—

**Mr. Ken Epp:** Relevance.

**Mr. Nelson Riis:** Madam Speaker, I am getting to the point. My hon. friend is calling for relevance. Let us go to the Liberals.

• (1735)

Bill C-24 is a little bit of fiddling around with the GST. We are anxious and glad that the fiddling took place. We support this



*Government Orders*

fiddling, but let us face it. What the government should have done was phase out the GST, and make a little change here and a little finicky switch there and so on. And we applaud that, but for goodness sake, what did the Liberal members do when they campaigned across the country?

I heard from countless candidates in the election campaign that the minute they were elected they were going to do away with the GST. I do not know if they actually said that, but they said they were going to deal with the GST. The Liberals said the GST was unfair. They said the GST was biased. They said the GST was unjust and if people elected the Liberals, they were going to change all of that. Where people made the mistake was they thought the Liberals meant they were going to abolish it. The Liberals did not. When they got elected they said they would keep this tax.

Once again a certain cynicism builds. Quite frankly I wonder why it is not even greater because again, going back to my friends in the Liberal Party, they even campaigned against the NAFTA. The Liberals said that if they were elected, they were going to do away with NAFTA. Of course, not only did they not do away with NAFTA, they have become the free trade cheerleaders of the world. They are trying to get us into NAFTA now with almost every country going. We could debate the merits of NAFTA, but the point is they said they were going to abolish NAFTA. The Liberals said they were going to get out of NAFTA but they did exactly the opposite.

No wonder people are cynical. No wonder people ask if anyone can actually believe what the Liberals say.

That same group said if they were elected they would introduce a national child care program. Have we seen a national child care program? Whoops. They forgot about that. The Liberals promised that if they were elected they would introduce a national child care program. They did not say, "If you elect us, we are going to have negotiations with the provinces". They said, "A child care program is a national priority for us". We are still waiting.

There is a long list and I could go on but I think I have made my point. No wonder people are a little cynical about this business. If we are going to deal with the GST, as my friend from Regina said, the only way to deal with it is to reform the tax system from top to bottom. A complete overhaul of the tax system is needed. The tax system right now is out of control. It is meaningless. I do not think a single member or Canadians anywhere in the country could say, "I understand our tax system".

**Mr. John Williams:** Read our proposal.

**Mr. Nelson Riis:** My friend says to read the proposal from the Canadian Alliance party. Its proposal is a flat tax. I know that my friends are going to campaign on the flat tax. The Republican Party in the United States rejected it. The Republicans said there was no

way they could go ahead with the flat tax idea because it is a tax that is going to benefit the wealthy people. The Republicans said to forget it, they were going to drop it. George Bush has never used the term flat tax.

Then Mr. Harris and Ernie Eves in Ontario said there was no way they wanted to touch this flat tax business because again, it favours the rich and the wealthy of the country. We can probably guess who the multimillionaires would vote for, because if they were making millions of dollars and only had to pay a 17% flat tax, my goodness, that would be a real windfall.

The NDP does not support a flat tax.

**Mr. Charlie Penson:** Like the leader of the NDP.

**Mr. Nelson Riis:** We have nothing against millionaires. I was just saying that millionaires like the flat tax because it means they pay a lot less income tax.

The reality is that the NDP supports the idea of improving the GST. However, the ultimate solution is not to tinker with it, with a little switch here and a little shift there, but to abolish the GST as we were originally promised.

If there was a signal it would be that any political party that said it was going to abolish the GST would be very successful in the next general election. I have been listening carefully and I hear only one party saying that, the New Democratic Party of Canada. It says that this is a regressive tax. The GST is an unfair and biased tax and it should be phased out. That is our fundamental point.

• (1740)

We have some clear differences here. The Liberals like the GST. The Canadian Alliance wants to bring in a flat tax. The New Democratic Party wants to phase out the GST, do away with the GST and have less tax.

I think I have said enough. My friends are nodding in agreement so I think I will sit down.

**Mr. Scott Brison (Kings—Hants, PC):** Madam Speaker, it is a pleasure to speak to Bill C-24.

As my colleague in the party formerly known as reform said, it was my party that actually brought in the GST. I am proud to say it was my party which had the foresight to replace a counterproductive tax called the manufacturers' sales tax with one called the GST. In fact, it has been recognized as not only one of the fairer taxes, but as one of the least negative in terms of its impact on the economy.

Members of the party formerly known as reform, the party that dare not speaketh its name, and the Liberal Party seem to have embraced that previously opposed tax because it was and is the right policy.

*Government Orders*

It took a party that was willing to take a significant amount of risk and which had a high level of vision and focus on the future of Canada, not simply a focus on next week's polls but instead on the challenges and opportunities facing Canadians well into the 21st century. That was the Progressive Conservative government of Brian Mulroney. It is to his credit that that policy has ultimately aged very well.

It is clear that Canada needs a significant level of tax reform. There has not been a significant level of tax reform since the time of the GST going back to I believe 1989 when the tax proposals were first discussed and debated. Ultimately the GST was implemented in the early 1990s. That was a major shift in tax reform in Canada, primarily because it enabled the country to move from a purely income based tax system to a consumption based system. That in itself is recognized by most free market economic theorists around the world as being more sensible in taxing income.

The fact is we have to raise revenue. Oliver Wendell Holmes once said that taxes are the price we pay for a civilized society. The question is how we tax people and the amount to which we tax people. Those questions determine largely the degree to which we have a productive and viable economy capable of producing the level of economic wealth and prosperity to sustain the very social programs, benefits, health care and education that we value as Canadians. It is very important to consider the degree to which tax reform can be a great vehicle in creating economic growth.

Other countries have leapt ahead of Canada in this very critical area. Ireland for example has had a 92% growth in its GDP per capita over the last 10 years, largely based on an aggressive and innovative tax reform strategy. Ireland's tax reform was based largely on creating a corporate tax strategy which attracted a significant amount of investment from around the world.

When the finance committee studied the issue of productivity last year, it was clear from a number of economic minds that there was a significant link between investment and productivity in the new economy. Clearly productivity gains are critical and exceptionally important in creating economic wealth and prosperity in the new economy.

• (1745)

The question is: How do we do that? Clearly there is a strong linkage between capital and productivity. The types of productivity enhancements that are necessary to create economic growth today require significant levels of capital and investment. Tax policy that encourages investment, that attracts capital, will ultimately lead to greater levels of productivity. Greater levels of productivity will ultimately lead to greater levels of economic growth and competitiveness for Canada.

Our productivity growth or lack thereof, or the degree to which our productivity growth has lagged behind our trading competitors,

particularly the U.S., threatens the standard of living that we value as Canadians.

We have seen during the 1990s a significant decline in our disposable income relative to the U.S. We have had about an 8% decline during the same period that Americans have enjoyed a 10% increase. Our productivity growth has lagged behind the U.S. while other countries—and I cited Ireland a few minutes ago—have had extraordinary growth, 92% growth of GDP per capita. In the last 10 years the U.S. has had around 15% to 20% growth in GDP per capita. Canada has had about a 5% growth in GDP per capita.

As other countries and individuals and businesses in other countries are getting richer, Canadians in a relative sense are getting poorer. That in part is the reason we have seen our dollar lose almost 10 cents under this government since 1993. A dollar that lost only a penny during the nine years of the Mulroney government has lost under this government almost 10 cents.

The Prime Minister's response was that a low dollar is good for tourism as it reduces the cost for Americans to come to Canada. His theory is that Canada can devalue its way to prosperity. The logical corollary of his illogical argument is that ultimately if we continue on this trend we could reduce our dollar to zero and thus would become the greatest trading nation in the world because we could give all our products away and things would be very productive and beneficial from that perspective. Obviously the Prime Minister's theory on monetary or fiscal policy is as sound as his theory on most policy issues.

This is a government that is a government of sound and original ideas. Unfortunately its sound ideas are seldom original and its original ideas are never sound. The degree to which the government has relied on the sound fiscal policies of the previous government and the structural changes made to the Canadian economy by the previous government to fuel its economic growth has been unprecedented. There has never been a government that has fought as vociferously against the very economic policies it ultimately ended up embracing as this government.

As we discussed, those policies included the GST, free trade, deregulation of financial services, transportation and energy. Liberals members opposite fought every one of those structural reforms tooth and nail until they were elected, at which point they embraced the policies because they were the right ones.

In some ways we should commend Liberal members opposite for swallowing themselves whole upon being elected in 1993, sacrificing their principles at the altar of reality, doing what was right for Canada and embracing the sound policies of the previous government. For that I commend them and thank them because they were willing to put aside principle in the interest of doing what is right for Canada, which is adopting the right policies that they vigorously opposed in opposition.

*Government Orders*

My colleague from the New Democratic Party spoke at length of the soundness from an economic perspective of eliminating the GST or reducing the GST with a goal of eliminating it. There would be nothing worse in terms of our tax policy reform than eliminating or reducing the GST at this point. The GST raises about \$22 billion worth of revenue, which is a greater level of revenue than what we draw from corporate taxation in Canada. Raising that revenue actually has a less negative impact on the economy than any other form of taxation. I did not have the opportunity to ask the member for whom I have a significant amount of respect about it. I disagree vehemently with many of the policies of the New Democratic Party, but I do respect its consistency as opposed to the flip-flop party in the government opposite or the party formerly known as Reform. Its members have adopted one policy of the Liberal Party to change its policies at whim to try to appeal to the populist winds that blow not just across the prairies but anywhere in Canada where they feel they may be able to buy the odd vote.

• (1750)

Even though I vehemently oppose the economic naivete that permeates NDP policy, I do respect its principles that remain fairly consistent in opposing things like the GST. The New Democrats to their credit were opposed to the GST and continue to be opposed to the GST. The New Democrats to their credit were opposed to NAFTA and continue to be opposed to trade.

I am supporting their consistency in maintaining what I believe to be bad policies. However I would prefer a party and individuals in a party that for principled reasons maintain policies that I disagree with than parties that simply embrace the latest political whim or populist leaning out there. Government by populism is an abdication of leadership.

Leadership means not just simply doing what is popular but it means doing what is right. Leadership means not just responding to today's polls but in fact looking ahead of where Canadians are today and trying to determine where the country is going relative to other countries. Leadership means looking at global trends and putting in place a policy framework that responds very strongly to the future opportunities and challenges facing Canadians.

With the abdication of leadership to a large extent that has occurred in political service, there seems to be almost a vacuum of vision, foresight and courageous leadership in today's political environment. On the other hand the Progressive Conservative Party continues to bring forth visionary tax reform policies, including the elimination of the personal capital gains tax. Certainly this is not because the elimination of personal capital gains tax is a populist idea that would resonate across the main streets of Canada necessarily but because it is the right policy.

If we want to create the greatest level of economic growth and prosperity for Canadians sometimes we have to say and do what is right. In terms of its impact on the economy there is no tax that has

a more deleterious impact on the new economy, on wealth creation and on capital formation for the new economy than the capital gains tax regime.

We have a 13% disadvantage over the U.S. in areas of capital gains taxation, even after the recent budget which was a step in the right direction but a baby step when other countries are taking gigantic leaps. Elimination of the personal capital gains tax would give us a 20% advantage. For the first time in a long time Canada would actually have an advantage in a very important area of taxation. In the most critical and fundamentally important form of taxation in terms of its impact on the new economy Canada would have an advantage over the U.S. We would become a magnet for investment in the new economy as opposed to the repellent we have become under the listless, rudderless leadership of the government.

In another area of tax reform we need a redefining of the middle class in Canada. Clearly our current tax brackets penalize success in a very unfair way. Americans do not hit the top marginal tax rate until \$420,000 Canadian. In Canada we currently hit the top marginal tax rate at about \$60,000. After full implementation of the recent budget that figure would be \$70,000. At \$70,000 Canadian, even after the full implementation of that budget, we would still see Canadians hit the top marginal tax rate.

• (1755)

A family today making \$70,000 per year is not rich. It is naive to think that someone making \$70,000 per year in Canada, and particularly a family with dependants, would be rich. This creates a huge disadvantage when Americans do not hit that top income threshold until \$420,000.

This means that a technology worker, a software engineer for instance in Vancouver who is making \$72,000 per year, is paying 52% of his income in federal and provincial taxes. The same individual at the same level of income in the same industry an hour and a half away in Seattle would be paying about 26% of his income in taxes. We need to redefine the middle class in Canada. We need to adjust our tax bracket significantly to recognize that there are many people in that very critical area.

I see my colleagues from Quebec here. Quebec's policies on the new economy have been very successful in creating a greater level of economic growth whether it is in biotech, e-commerce or knowledge based industry. Quebec has done a commendable job in terms of growing the economy in these areas, but it has been without the assistance of the federal government and with a lack of leadership in terms of the types of tax policies that would attract knowledge based industry to Canada in general.

I would hope that my colleagues from Quebec would share with us their vision of the new economy. It is extraordinarily important for all regions of Canada to develop policies that attract the innovators, not just keep the innovators in Canada which is probably the wrong headed place to start. Instead of the notion of

*Government Orders*

trying to keep the people here, why do we not develop policies that actually attract the best and the brightest?

Whenever we shoot for a fairly low goal we end up achieving a lot less. We should be developing the types of policies that attract innovators to Canada. Quebec has been quite successful in developing provincial policies that have been helpful in terms of doing so.

The federal government made a recent announcement of another \$400 million for ACOA to invest in a technology fund in Atlantic Canada. There is some discussion about that, as nebulous as it might be. Governments and government agencies have been inconsistent and continue to be notoriously bad at picking winners and losers. There is a no more complicated area of the economy in terms of the difficulty in separating winners and losers than the new economy.

As much as I think ACOA has done some very good work at various times, we would be far better served to see a reduction in corporate and capital gains tax in Atlantic Canada by the amount the government is proposing to increase the ACOA allotment for new economy investments. Reducing taxes in Atlantic Canada, particularly those taxes that have the most negative impact on the new economy, would be far more sound than increasing the budget of an agency for direct lending and grants to the new economy. That is my feeling.

In a general sense we need to reduce and ultimately eliminate the personal capital gains tax in Canada if we want to speak to the new economy entrepreneurs and create a greater level of economic growth in the sectors we need to be competitive in. We need to reduce our corporate tax levels to at least OECD levels. While the government has made a pathetic, anemic, little baby step in the right direction, other countries are leaping ahead of us far more quickly.

We need to redefine our middle class by adjusting our tax bracket significantly, but not to the extent that is being suggested by the party formerly known as Reform in its flat tax proposal. Steve Forbes fought two U.S. elections on the flat tax. He was unsuccessful in both cases because the flat tax was too right wing for U.S. Republicans. The flat tax is too right wing for the government of Mike Harris and Ernie Eves. It has been cited by individuals including Mr. Eves, the finance minister in Ontario, as being unfair overall and not being appropriate. I would argue that for very sound reasons it will be less saleable in Canada than it has been in the U.S. and, from a principle perspective, it is not an appropriate policy.

• (1800)

We should be building our tax policies around growth and not greed. We should be focusing on reducing the types of taxes that

most negatively impact on our ability to compete in the new economy. We have to recognize that lower taxes in some cases do not necessarily result in lower revenue. In fact, reducing capital gains taxes would create such a significant level of unlocking of capital in Canada that we would ultimately raise significant levels of revenue in other areas.

Alan Greenspan, the federal reserve chairman in the U.S., has recommended the elimination of personal capital gains tax from the perspective that it would unlock a significant level of capital and help entrepreneurialism and economic growth in the U.S. That is the very same priority we should have in Canada.

In closing, the legislation is a collection of tiny little baby steps on tax policies by a government that is incapable of the broad sweeping changes and courageous vision that the previous government had. After the next election, I look forward to, being in position as part of a Progressive Conservative government, making the types of changes Canadians need.

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

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the motion for third reading of Bill C-24. 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.

[Translation]

*And the bells having rung:*

**The Deputy Speaker:** I have been asked by the government whip to defer the division on this motion until tomorrow at the end of Government Orders.

*Government Orders*

[English]

**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order. Prior to proceeding to the next order, pursuant to the motion earlier this day, I was wondering if the House would consent to a small rectification. We did not provide for an adjournment debate at the end of the day today.

I would propose that the order made earlier today provide that when a minister adjourns the House, pursuant to the order made earlier this day, that this adjournment be made to be followed by the regular Adjournment Debate.

**The Deputy Speaker:** Is it agreed to proceed in that fashion?

**Some hon. members:** Agreed.

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**PARLIAMENT OF CANADA ACT**

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved that Bill C-37, an act to amend the Parliament of Canada Act and the Members of Parliament Retirement Allowances Act be read the second time and referred to a committee of the whole.

• (1805)

He said: Mr. Speaker, I am pleased to speak today to Bill C-37, an act to amend the Parliament of Canada Act, and the Members of Parliament Retirement Allowances Act, which I had the honour to introduce in the House earlier today.

The bill provides for the correction of an anomaly in legislation that was passed in 1995, which, as we all remember, ended double dipping with respect to severances. However, it should be noted that it responds to concerns expressed by various members. It is a non-partisan bill that should be welcomed by all of us in the House.

I will explain why the current situation is unfair. It is unfair to over 100 MPs who are under the age of 55 and who have been shortchanged as a result of pension changes made in 1995.

The 1995 legislation provided for a severance allowance of six months salary to MPs under 55 who entered the pension plan after July 1995. However, an MP elected before July 1995 does not receive any severance because the MP gets a small pension for contributions made before July of that year. In the case of some members, that pension is as low as \$1,400 a year, and that \$1,400 stipend—because that is all it is—in fact prevents people from

having any kind of severance, and of course those members, were they to cease to be members of this place, are not even eligible for unemployment insurance. We would not tolerate that of a private sector employer, certainly not one of the size of the Canadian government.

This situation has created two groups, almost two classes of MPs. MPs under 55 who were elected after 1995 get a severance allowance, while those elected before that date get no severance. For example, an MP under age 55 who was elected in 1993 would receive an annual pension of \$5,600 a year and no severance. In one case, as I said, this could be as low as \$1,400. There are actually two MPs in that situation. This pension would increase to \$21,000 when the MP in question reaches 55.

Need I remind all of us that the pension is not free. People pay premiums, and the premiums, even by many standards, are quite high; \$7,000 to \$8,000 or, in the case of ministers, as much as \$10,000 a year in premiums on the pension plan. That amount is subtracted from what one is usually entitled to contribute to a retirement savings plan, so that is not free either because other investment opportunities are also denied.

An MP who was elected in 1997 and retires after six years would receive a severance allowance equal to six months' salary, or \$34,000 a year, and at age 55 would receive the full pension that one gets after six years. Of course one only gets the real full pension after 19 years of being a member of parliament, another fact not too well known, particularly by those who want to portray members of parliament in an unkind way.

[Translation]

The bill we are addressing today remedies the injustice to which I have referred, in the present pay arrangements, by providing a reasonable severance allowance for all MPs.

Those under the age of 55 who were elected prior to July 1995 and belong to the MPs' pension plan will receive an allowance equal to six months salary, at the time they leave their position, less any immediate annual annuity. Thus, the allowance and the pension are not combined. The one is subtracted from the other, and MPs may only receive the difference between the two.

Members under the age of 55 who were elected after 1995 will continue to receive the allowance of six months salary after six years of service.

In both cases, the allowance would not exceed six months salary after six years of service. So, it remains the same for both groups, with the amendment I am suggesting today.

• (1810)

As a result, this change does not affect members under 55 elected in 1997, as I said earlier. Nor does it affect members who

*Government Orders*

have opted out of the pension scheme, because they will continue to receive the six month allowance when they leave their position.

[*English*]

The severance allowance proposed in the bill is reasonable. It is comparable to severance allowances provided to provincial parliamentarians. As a matter of fact, it is even less generous than what is offered in a number of Ontario provincial legislatures. It is not that high either when one compares allowances in the private sector, in particular large private sector concerns. Of course none of them are as large as the federal government, but in many medium size sectors their executives and people in higher echelons have severance packages that are far more generous. Even the municipalities have quite generous severance packages, as we have noted from reports in the media, for those who are leaving their services.

Providing all MPs with a severance allowance is also appropriate because MPs do not have access, as most people do, to unemployment insurance to support their families while they are looking for another job. Again that is something that is not too well publicized. I suspect there has been more than one case of someone leaving this high office only to find out that there were no benefits at all, not even a transition, not even unemployment insurance that every worker would get.

By the way, Mr. Speaker, in case you are wondering, yes we do pay unemployment insurance premiums even though we cannot collect. We certainly pay Canada pension plan premiums even though technically we do not receive a salary, we receive an emolument.

Let us consider the example of a former MP, a 45 year old parent of two who is eligible for a full pension at 55. I think it is perfectly legitimate for that person to receive a six months severance package to enable him or her to find another job and to try to earn a living.

I also believe that the House should be regarded and should function in such a way as to attract people from all walks of life.

At the risk of boring members with details that I have shared with the House before, I obviously did not come here from a family that was very wealthy. As a matter of fact, I came from the bottom rungs of the ladders of parliament. I started here as a busboy. I was the child of a sole support parent. I had not even completed my high school education, as members of the House now know from subsequent educational training that I have received and which did get considerable attention in this place, for which I am grateful.

The one thing that remains true is that I do not object to the fact that very wealthy people have rights if they are elected to serve in this parliament. What I am saying is that serving in the House should not be contingent upon being wealthy. People who have

families and who earn regular salaries, people who come from all walks of life, should have the right to participate in the process and to seek to hold this high office in a way where they know that the day they leave here, they can go home and at least provide for their families and provide for a transition to either going back to what they were doing or to finding something else to do for a living.

It was only a few weeks ago that a report was published and got considerable media attention. The report said that it was getting to be more and more difficult to attract candidates for public office and particularly to sit in the House of Commons.

• (1815)

I am sure that has always been true. There are vast distances for many people to travel. There is, of course, the sacrifice of office with which we are all familiar. We do not complain about it generally. It is there and it is part of the job, but just the same I believe the climate should be conducive to attracting people to become members of parliament and to want to sit in this place to represent their fellow citizens in the highest court of the land, the Parliament of Canada.

The 1998 Blais commission report on MP compensation stated:

Departing members are entitled to a relatively financially secure transition from parliament to the work force or to retirement as the case may be.

That was the Blais commission reminding us that someday we all will leave here and that it should not be a sinecure nor an experience to make one rich, but it should not be the way to the poor house either.

This transition is provided to MPs under the age of 55, and not only to MPs elected after 1995, which was the case until this bill came along. Now it will be available to everybody.

The second provision of the bill is that it provides that all members of parliament will become members of the MP pension plan as of the date the bill comes into force. This is consistent with the view that the MP pension plan is a reasonable plan for members of parliament. The Blais commission said that the MP pension plan “while appearing generous, is not necessarily out of line with public and private sector plans that recognize the impact of the mid-career hire aspect of the career path of their senior executives”.

The bill also gives MPs who have opted out of the pension plan the choice to opt into the plan retroactive to the date of their election. In other words, now that we have the bill it will be possible for someone who was not in the plan to buy back their years of service. Again, this is very logical and I commend it to the House.

It is the same for an MP who served in a previous parliament, left this place and then came back some seven, eight, ten years later.

*Government Orders*

That MP would have the right to buy back previous service. Why should we give that right to someone who sat here 10 or 15 years ago and deny it to MPs sitting in the House today? MPs sitting in the House today should be given the same opportunity to buy back that service. I believe that to be totally logical and I believe the opposite would be illogical.

MPs do not have to buy back previous service, but then again neither do members who served in a previous parliament who have returned and who must contribute to the pension plan. They are not forced to buy back previous service either. Again, it is consistent with what we are doing for others.

This also provides, in a way, a transition to participation in the pension plan. If an MP—and of course we all will, effective immediately—contributes to the pension plan, that does not make an MP who was elected in 1993 eligible for a partial pension now unless the member buys back his or her previous service. The member who does not do so would only be partially pensionable in 2006, two terms from now. Furthermore, those who do not buy back previous service would only have a full pension in 2019. That is 19 years from now. In fact, it is a form of phase-in back into the pension plan.

Those who do not opt back in retroactive to the date of their election would continue to receive the supplementary severance allowance which we passed in 1998. That is only fair. Of course, MPs who decide to opt back into the plan to the date of their election will have to reimburse their contributions retroactively to the date of their election. Again this is consistent with the case of an MP who previously served in parliament some years ago and is returning to the House of Commons.

• (1820)

[*Translation*]

I would like to cite a passage from an article by Claude Picher, which appeared in *La Presse* two weeks ago:

But, generally speaking, it is clear that the salaries of Canadian politicians are in no way commensurate with their responsibilities. . . . In reality, given what we expect of our elected officials, there is no comparison between their salaries and what they would be paid for doing a comparable job in the private sector.

Whether or not we agree with Mr. Picher, I think we would all agree that our system of pay should put all members on an equal footing. This is not presently the case. It will be with this bill. Right now, some members receive severance pay when they leave, and others do not.

[*English*]

This bill, which is designed to correct an unfair situation in the current compensation package, responds to concerns expressed by many MPs in the House.

This place is not supposed to be government of the rich, by the rich, for the rich; it is supposed to be government where all Canadians can expect to be represented by one of their own, if that is their wish. That is the case as it applies to political orientation.

Many people in the House, of course, disagree profoundly on political issues, and that is perfectly legitimate. However, it should also apply to people of various socio-economic levels. I believe that correcting these anomalies will make it such that it will make parliament work better because it will assist in attracting good candidates for the future.

The way the motion to discuss this bill is structured makes it possible to have a recorded division at the end of the debate. I am going to make a plea to colleagues. I have nothing to gain in this personally, as everyone will know. I have been a member for a long, long time. None of these changes apply to me. I would ask my colleagues to rise above the temptation that there would be to embarrass one another as we are passing a bill like this. It is easy to do. It is very hard to undo afterward. It is a temptation that some of us might have from time to time.

If we think of who we want to sit in the House in the future, not just the next term of office but maybe two or three terms down the road when my children and grandchildren decide whether they want to seek office to see if they too could participate in directing this very fine country and democracy, I hope they will be able to do so whether they are well off, which I hope they will be, or whether they start off at the other end of the socio-economic ladder, as I did.

Our country will be better served if we rise above some temptations that we might have, particularly in these times that are no doubt challenging for some of us.

[*Translation*]

In closing, the argument I wish to make to the House this evening is that we will all come out of this experience perhaps slightly better people, having ensured that the legislation will be better for Canadians, especially those who wish to represent their fellow citizens in the highest court in the land, the Parliament of Canada.

[*English*]

I want to conclude by saying that the bill corrects initially that mistake which I have described, that glitch in the system whereby some MPs had a severance package and some did not. It fixes that.

The second thing that it does is obviously to make everyone contribute and be part of the pension plan for members of parliament.

I have said consistently in the past that it was wrong to be out of the system. It was wrong to be out of the pension plan. It is just like getting the benefits of a collective agreement or anything else. It is a group plan. If I said in the past that it was wrong to be out of the

*Government Orders*

plan and I am consistent, I have to say that it is right to be back in the plan. That is why there is criticism of people who not only will be back in the plan, because we all will, but criticism of people who will join again. Even purchasing their retroactivity portion would be wrong, because joining the plan is the right thing to do. That is what I think, and I have to be consistent with my thoughts, otherwise it would not be correct or appropriate.

• (1825)

Just as some colleagues in the House before might have denounced me when they thought that my view of the pension plan was incorrect, I have to stand in solidarity with others who now think that the plan is correct. Again, that is only logic and easy for all of us to understand.

With all this in mind, I commend the bill to the House. I think it is good. I think it is right. I think it corrects historical wrongs. I think it will contribute to making this parliament in a small way a better institution than it is already. I hope that the bill will be even greater if it passes with the unanimous support of all colleagues in the House.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, perhaps you will forgive me if I do not say it is a pleasure to address Bill C-37 because I think it is always difficult for members of parliament to talk about their own compensation packages. It is a discomfort for all of us on all sides of the House to talk about what it is we think we are worth as parliamentarians, whether we think we are worth a pension or what the severance package should look like. It is the discomfort that comes from talking about one's own salary and setting one's own wages. It is a difficult thing to talk about publicly.

During the debate this evening I think we will hear a level of that discomfort in all of the discussions that come forward, because people realize that no matter how they slice this loaf of bread there will be others who will misinterpret it or have it deliberately misinterpreted for them. I think we all understand that some of that is bound to happen.

I thank the House leader for the government for giving a very accurate description of what the bill is about technically, the reasons for it and the changes to the severance package that specifically address a wrong which was allowed to stand after the last changes were put through the House.

The changes uphold what I think should be a principle of any pension plan, which is that we need to be equitable to all people in the House of Commons when it comes to what is a fair and sensible severance package for MPs. I cannot think of any logic which would say that someone elected in 1993 should not get a severance

plan, but someone elected in 1997 should. It is illogical. It is not right.

A pension plan is practical because people will often campaign right up to the date of an election, anticipating that they will be back here, only to be surprised—and many of us will go through this over the years—to find that they do not have a job the next day. Barring asking members of parliament to set up another business while they are serving as parliamentarians, it is only fair that a severance package be given. Again, the principle is that if it is equitable for one group of MPs, it needs to be equitable and fair for others. That to me seems fair.

With respect to the changes to the MP pension plan that are proposed in the legislation, unlike the last time we made changes to the plan in the House, one of the things I am grateful for is that there will be a significant amount of time, as a matter of fact as much time as people want, to speak to the bill and to put their thoughts on the record. I think it is wise for us in parliament and one of the ways that we will garner respect, even on difficult issues like salaries and benefits, to allow people to speak freely in the House, to give them as much time as they want and to allow a vote.

The government House leader has asked in a certain spirit that we not actually have a standing vote. I eagerly await the debates to see where the House goes on this issue. I think it is proper and much wiser the way we are handling this issue now as compared to the last time. We are having an open debate not just on one but on two evenings. This should do away with the criticism that this was a Friday night special or the quick passage of a bill that we were somehow ashamed of.

• (1830)

We have to vote on this issue and we will have to move on and defend it and explain it. All of the speeches and all the debate will give people confidence that members of parliament have applied themselves to this thoughtfully and have come to a conclusion collectively.

Normally legislation comes down from the executive and back-benchers and opposition parties basically have to play whatever hand is dealt to them. It is true the government has drafted this bill. The rumour mill has been working overtime for the last month. People have talked about it in caucuses. The media has been abuzz. The self-appointed watchdogs of parliament were sure they knew what was going to happen. There has been lots of speculation about changes that might come down regarding the pension plan.

Although this is a government bill there is no pretending that this issue just dropped out of on night this evening. There has been lots of talk around Parliament Hill and in different circles about this. We knew something was coming. The big question was how we would deal with it as individuals and as parties once the legislation was introduced. That needs to be acknowledged and put on the record as well.



*Government Orders*

For most political parties the MP pension plan is a no brainer and is just accepted. But there were MPs in all parties who opted out of the plan in 1995 and I think they have gone through a self-inflicted torture test each and every time this issue comes up. There is no one to blame for this but ourselves. It is a case of reaping what we sow.

If I take the government House leader at his word and if he argues the plan today is a good plan, then I believe passionately and wholeheartedly that when we opposed the plan which was in place in 1993 we did the right thing. Changes had to be made to the original plan. It allowed for a pension to be paid to someone 30 years old and even younger, an MP could double dip, and there were other parts that were unpalatable to Canadians and to many of us in the modern reality we face in parliament. Changes had to be made.

There are those who say we should not have grandstanded so much to make the changes. I think the changes would not have been made unless we were willing to push the issue to the max and no doubt we did that. Some of the quotes that will be drummed up for media reports tomorrow will refer to a plan we felt had to be changed and we initiated some change. That was a good thing. Canadians had the feeling that they had been locked out of the decision making in the House.

Once the plan was amended to exclude double dipping and benefits were only payable after age 55, many of us were still convinced that it was still a more generous plan than what was seen in the private sector. The debate about whether it is too generous or not will go on here this evening. In a genuine effort, as it was in 1993, to put pressure on all sides to offer something more modest, we created two classes of MPs. There were those who would get the newly revised plan, the 1995 plan, and those who would get nothing. A significant number of people from all political parties chose the nothing option.

If that had been the end of the options available to MPs, perhaps this whole issue would have slowly gone away. Unfortunately after every parliament the salary and benefits package for elected officials goes through a mandatory statutory review.

• (1835)

We ended up with another plan that created yet another level of pension benefits. Currently we have the absurd situation that MPs could be entitled to a pre-1995 plan, a post-1995 plan, a 1997 plan with a different severance package than the 1993 plan, a hybrid of any of those mentioned above, or no pension at all.

Even though it was recommended by the Blais commission to offer a revised and more modest pension plan, that was not offered. Because it was not in the offering, a handful of MPs continued to opt out of the pension plan and have remained so. It is true also at that time some members from most of the parties in the House chose to

opt back into the plan, arguing, I think absolutely honestly again, that they had not campaigned on no pension plan; they had campaigned on a fair pension plan.

Zero pension was never a campaign promise. Certainly it never was in this party and it never was something that we had promised either to prospective candidates or others. We have always said that we wanted a fair pension for all MPs and not just for some.

Of course any talk of pensions results in people being pilloried in the press, by some but not all in the public, by some of their own colleagues, and so on. That is usually part and parcel of what the government House leader already described as a very unfortunate development. No matter what members do it seems like it is always the wrong thing.

Virtually all MPs, those who opted in, those who stayed out, those who get some hybrid of the plan, all MPs experience some public flogging over the MP pension plan. It does not matter whether or not one is in it. I have been out of the plan and I continue to get criticized. Even though I have not been in the pension plan since 1995, I still get flogged for it.

It is very unfortunate that those of us who have remained out of the pension plan have run that gauntlet and, as I said earlier, have reaped what we have sown. We had hoped that by staying out of the plan we could press for a more modest and acceptable plan but alas, it was not to be. Even though it was recommended by the Blais commission, it was unfortunate that option was not put forward and it has ended up that now there are four different classes of pensionable members of parliament.

Today we are faced once again with another revision to the plan. It is argued by groups such as the National Citizens' Coalition and actually it is Canadian Alliance policy that the proper way to change the remuneration package of MPs is after one campaign on it in an election. The alliance policy is that there should be an independent commission, just like the statutory review demands, to take it out of the hands of the members of parliament. No matter how we slice it we end up with accusations of being self-interested in this. It should be taken out of our hands and given to an independent commission which makes binding recommendations to the House of Commons.

If we had followed through on those recommendations in the Blais commission report, we would not be revising the plan again today. The commission recommended that we be transparent with our salaries, that we do away with the tax free allowance and call it all one type of salary. We could be up front about it and say to people, "This is what we are getting paid. We get taxed the same as other people". We could have had a pension plan that was recommended in the Blais commission report. It would have been wise. It would have defused this issue. We would have been able to move on.

*Government Orders*

Although we can campaign on that, it is not going to happen unless everyone in this place agrees that is a better way to handle it. No matter how we vote on it or do not vote on it later, people will point a finger at us and say, "You have some self-interest in it. What are you doing voting on your own salary?"

I still absolutely believe that if we gave it to an independent commission, the salary and benefits would not change a whole lot. I agree with the Blais commission. It is not that far out of line. It is just that people want the appearance of transparency; not just the appearance of it, they want it transparent. They want to know that their MPs are treated the same way as everyone else under the tax system and they want their MPs to have a pension plan. I absolutely believe they do. They say to give us the plan, make it fair, that MPs as much as any superannuate should get a pension for having served the country in this place.

• (1840)

It is unfortunate that under the current plan many MPs, including those with 10 or 12 years of service to the country, or those who are over 65 years of age, will still receive no retirement benefits at all, without even the medical benefits that would be available to any superannuate, any public servant. If one is not in the pension plan the medical coverage is not available in retirement. It cannot even be bought because one has to be a member of the plan. In that sense, I believe that the second principle, that all MPs should be treated equitably and equally as far as a pension plan goes, is also fulfilled in this proposal.

All MPs in my opinion should be in a pension plan. They should be eligible for insurance and medical coverage in old age. It should be available to all members of parliament. This bill will accomplish that. It puts us all in the pension plan whether we like it or not. It allows MPs to say to their loved ones, and I am thinking especially of those who are at retirement age, who have served the country outside parliament and have spent 10, 11 or 12 years in this place, that they will not be denied the right to buy medical coverage. To me, it was just not right to ask MPs to do that.

Frankly, I think we would have seen a different result had we even known that back when some of us opted out. The fact that we had no medical coverage and could not even buy medical coverage when we left here was not known. Nobody picked up on that. It was like the severance package. It was something we did not see when we went through the process the last time.

It is unfortunate that some of the MPs who are currently not in the pension plan will still not get any pension or benefits because public pressure or personal financial straits will not permit them to spend the \$50,000 or \$60,000 required to vest them in the plan. The unfortunate part of this is that some people very much need access to things like medical coverage and a pension plan of some sort. If they cannot scrape up the \$50,000 or \$60,000, and this is not crocodile tears and I do not expect any sympathy, it points to an

unfortunate development that has happened for a variety of reasons.

The failure to offer that more modest plan recommended by the Blais commission and the steadfastness of some people to stay out of the plan means that even with the changes in this bill some people will leave this place and will receive no pension. That is the personal financial story they will find themselves in. They opted for that. They will not go home crying for sympathy but it is unfortunate that an important principle has been violated and some people will get no pension. That has never been the policy of either the Reform Party or the Canadian Alliance. All MPs should get a pension. It should be a fair pension and it should be decided by an independent committee.

As opposition House leader, I realize the conundrum MPs find themselves in tonight and over the next couple of days as we talk about this and vote on it. It will evoke little public sympathy. On both sides of the House, whether it is about a severance package, potential for a pension plan, will there be a pension plan, would an MP ever take the pension, all those discussions will evoke no sympathy, even if I were to ask for it, and I am not.

The public is very cynical about some of the things that go on in parliament. Some of that we brought to this place by trying to bring in changes especially initially to the 1993 plan. I reiterate one last time that the proper way to handle the remuneration package for members of parliament is to take it out of the hands of members of parliament and give it to an independent committee. It is proper only because we cannot win this debate. No one can win this debate.

If I have learned anything over the last seven years, no matter how we try to spin this story, people will say that we are voting on our own pension and we are voting on our own salary. No matter how we try to spin that differently, that is what it boils down to. It is one of those things that is an unsolvable issue unless it is given to someone who takes it out of the hands of MPs who will struggle tonight to find the right balance of what an MP is really worth and so on. In the end result, whether they vote yea or nay, they will be passing judgment on someone else's personal financial situation when that is better left to an independent body that can look at the big picture and take some of the political considerations out of it.

• (1845)

That is a recommendation of our party. It is a recommendation that I personally and heartily endorse. When we come to our next statutory review of what is a proper package for all members of parliament I hope that is how we handle it in this place. I hope we will say, not just in the spirit the House leader mentioned tonight, that we will take the partisan sniping out of it, realize we are all in this boat together, and give this issue to an outside body to decide it for us.

*Government Orders*

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the easiest thing to do at this point in the debate on Bill C-37 would be to start making a political issue.

The matter of the benefits, salary, pension and everything that concerns members of parliament has become such a sensitive matter, that every time the matter is raised, it distresses and discomfites parliamentarians to do so. They are embarrassed, intimidated and never know how it is going to be received.

Let us say right off, before anyone gets in a state because of this bill, that over 50% of the members of this House do not benefit from the bill before us. Over 50% of the members of this House have nothing to gain from this bill. Some 30% of members will an injustice affecting them corrected. For 20% of the members remaining, the bill forces parliament to apply the same plan and conditions for all those who already enjoy them.

The bill therefore corrects an injustice, requires parity for all and offers no additional advantage to most of the members of this House.

Among those members who are required to join in the famous MP pension plan like everyone else, let us not forget that, while some of them may benefit, namely those who are close to retirement age, a number of others will be penalized.

That is the case for my colleague, the hon. member for Témiscamingue, a young member of parliament who has been here for a number of years and who, based on elementary financial calculations, would be better off if he did not have to join in that pension plan. Over the years, so much was made of this extraordinary pension plan that, when it was reduced, they forgot to explain to all that it now allows members of parliament to retire at age 55.

But are there not thousands of public servants in Quebec, thousands of nurses, federal public servants and people across Canada who can retire at 55? It is the same for parliamentarians in this House.

• (1850)

Some make a big fuss because it is now automatic, because a member of parliament is automatically entitled to a pension after six years. But is it not 10 years for public servants? I have never heard anyone in Quebec—I am well aware of the situation in Quebec, because I myself was a member of the public service—for example a journalist say “Today, public servants who joined 10 years ago are entitled to their pension”. Yet, in the case of members of parliament, after six years—and when we look at the average career of the members of both groups we can understand the difference—people say that they are entitled to their pension.

Yes, as public servants are entitled to their pension after ten years, along with thousands of workers who have contributed ten years to a private pension fund, they are eligible but cannot draw it until age 55. It is the same thing for MPs.

The MPs pension fund is not what it used to be. It is very close to the public service pension, but slightly more advantageous for one very simple reason: the average career of an elected member—a matter I have already looked into—whether an MLA in Quebec or an MP in Ottawa, is around seven years, or one and one-half mandates.

We know very many, of course, who last for just one mandate, and others for two or a bit more, but the average time for an MP is seven years. Nevertheless, the retirement pension applicable to them must not be accessible to only about 30% of the total. We must not get carried away here.

The conditions are particular. Who else in society sees his job open to question every three or four years, who else has to go before his bosses or his customers to find out whether he can keep his job for another four years? There will always be differences for MPs. What seems to be just a slight positive difference as far as the number of years is concerned is a major inconvenience.

If we asked any public servant—and there are some here—if they would be interested in running for election every four years, provided their pension plan were altered slightly, we know very well that not a single one would say yes.

That said, this bill before us makes no change for most MPs, remedies an injustice for a certain number of them, and requires the rest to accept the same plan as everybody else. This is no big deal. This is not a coup that has been organized to take advantage of the end of a session in order to do something to benefit MPs, far from it.

It is a matter of justice, and this is my second point. In our society, everyone has protection at work, even those who work and are protected under minimum labour standards. I will speak of the case of Quebec, because I know it best.

In Quebec, those who are subject to the minimum labour standards are entitled to vacations when they lose their job. They are entitled to paid vacations. They are entitled to compensation when they have been in their job a period of time. It is understandable, no one can reasonably lose their job overnight and end up without a cent.

People have access to employment insurance, are protected under minimum labour standards and everyone has a transition allowance. Except in extremely difficult cases, and perhaps our society should correct them, the vast majority of people who lose

*Government Orders*

their job are entitled to certain benefits: vacations, a separation allowance, certain severance pay and employment insurance for a year or nearly.

What about parliamentarians? Some, because of a discrepancy in the law, do not have this transition. Let us consider our colleagues, professionals, lawyers, doctors, engineers, people who left their office work and who tomorrow morning, because of elections, lose their job and do not have even a month's transition.

• (1855)

Among my colleagues on both sides of the House, there are 45-year-old fathers who have interrupted their career to serve one or two terms here in parliament. Because of a loophole, they could find themselves home tomorrow without employment insurance, severance pay, or anything, after two terms. These members would go back to their families with nothing.

Is it so scandalous to ensure that every member of the House gets six months of severance pay, i.e. \$34,000 gross, or approximately \$17,000 to \$20,000 net, depending on individual situations? Is it a tragedy to give members somewhere between \$17,000 and \$20,000 to support their family for a few months while they find a new job? Of course not.

I am sure that those listening understand this. They know that, if they lose their job, they can collect EI benefits for 40, 45 weeks—perhaps a bit longer, I am not sure, depending on the region—but nobody wants anyone to lose everything overnight and have to rely on public charity to survive and support their family. It is therefore a matter of fairness and equity for parliamentarians in this House.

I will close by saying that the cost to society is ridiculous. We do not build the finances and the economic future of a country like Canada on the backs of 50 members of parliament who were penalized through a bill by mistake. No one would be proud if, following the next election, the Parliament of Canada had 20 or 25 of its members with no money and no job, simply because one day, when the pension plan was reduced, there was something missing in the act and some people were not covered by the six month severance pay, the transitional allowance.

I do not think that the taxes of the Canadians listening to us will go down by one quarter of one penny per year if we take action to avoid penalizing 50, 75 or 100 members of parliament.

It is easy to engage in demagoguery. Tomorrow, many people will talk about this. I am curious to see how they will do so. I know that some morning men in radio stations will say that the members of parliament voted themselves a generous severance package. But the fact is that these people earn three, four or five times the salary of the parliamentarians in this House. Yet, not one of them will

mention that fact. Not one of them will say “I earn \$300,000 per year. I make five times as much money as a member of parliament, but I object to parliamentarians voting themselves a six month transitional allowance, in case they lose an election”. We have to realize that some people will say such things.

There are journalists who will write about this. Some will do so correctly, they will look at the facts, but others will say that members of parliament voted themselves a generous benefit. Most journalists who work on the Hill have a salary equal to or higher than that of MPs. This has to be said. Society has the right to know how things are made difficult for certain individuals.

We are not talking about salary increases. We are not talking about giving rash benefits. We are talking about correcting something that needs correcting. While political rhetoric is easy, justice requires we proceed this way.

So, as of tomorrow or whenever the bill is passed, all parliamentarians in this House will have the same working conditions regardless of their political party and this is only right. When this bill is passed, all parliamentarians in this House will know that at least they will have a transition period of six months' salary to enable them to take a new direction and feed their family should they lose in an election.

• (1900)

This is no irresponsible benefit. Once we pass this bill, everyone in Canada, as well as in Quebec, all those watching us will know that parliamentarians did not give themselves more benefits. They simply corrected a terrible error that risked putting a few of our colleagues in a very difficult situation, were it not corrected.

I do not think that a good MP—for those watching us—closes his eyes to the need to respect others here. A good MP respects his colleagues, respects the duties of an MP and respects his fellow citizens for having risen and said “I think this makes good sense, I think this is just and fair”.

I very definitely support this bill, because it corrects a flagrant injustice. It does not cost a lot and it will save social costs, perhaps major ones for some of us, that would have benefited no one.

So I support the government on this. My party should support the government on this matter. It seems to me a simple matter of fairness, justice, honesty, candour and courage. I thank the government leader for introducing the bill.

[English]

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I echo the sentiments of others, but perhaps for different reasons, when I say I take no pleasure in speaking to this bill because I for

*Government Orders*

one associate the debate about the pensions of MPs with a great deal of unpleasantness, both personal and political.

This is the third such debate I have been in. I was here in 1981 when the pension plan that became so controversial in the early nineties was designed out of amendments that were made to the pension plan that existed before 1981. At that time in 1981 I voted against the amendments to the pension plan which involved not just changes to the pension plan but also a very significant raise in pay for members of parliament. However I have to say, even though I voted against that measure in 1981 and had my own criticisms and reservations on the plan, that I came to despise the way the plan was misrepresented for political purposes over forthcoming years.

I came to despise the way in which I constantly read in the newspaper and other places analyses of the pension plan which either implied or stated in bald faced misrepresentation that members of parliament qualified for lucrative pensions after only six years of service, when in fact what was true was that members of parliament who served for six years qualified, because it was a 15 year qualifying period, for six-fifteenths of a pension. Six-fifteenths times 75% times the average of the five best years service in the House is a long way from making the claim that members of parliament only have to serve six years and they can collect wonderful pensions. Yet I read this time and time and time again. I came to read it more often in the late eighties and early nineties as it became part of a political strategy on the part of a particular party.

- (1905)

The House leader of the official opposition said that he and his party favoured an independent commission to arrive at recommendations on how members of parliament should be remunerated. This has been the policy of the New Democratic Party since the beginning of time, to exaggerate the metaphor.

I say that because having that policy did not save us from the kind of criticism that came out of certain quarters. Having exactly the same policy as the House leader for the official opposition just advocated did not save us from the kind of criticism, both legitimate and illegitimate, both modest and extreme, that emanated from certain quarters in the late eighties and early nineties.

My leader at that time, Audrey McLaughlin, the former member for Yukon, was the first leader in the House of Commons to suggest that the pension plan ought to be reviewed with a view to addressing some of the things being said about it, but that did not save us from the kinds of criticisms being offered at that time.

While I will do my best to hold to the non-partisan tone that has been set or that some have tried to set, it is very hard to do because this pension issue has been a partisan issue. It has been employed for partisan purposes—

**Mr. Gerald Keddy:** People lost elections on it.

**Mr. Bill Blaikie:** I do not need the help of the hon. member. He should just let me talk. It was employed for partisan purposes and often in ways that I found quite unacceptable.

I was one of the people who was targeted in the literature of the Reform Party. I remember seeing my name in pamphlets as someone who was receiving a \$1 million pension because I had the good fortune, or misfortune some might say, to be elected when I was 27 years old. They calculated everything I would receive from that year on and, because I was so much younger, there would be that much more distance between my age and when I was 75. It would all be added together, figured out through some kind of formula about indexing that would kick in when I was 60 and amount to this enormous sum. That was the sum put beside my name.

My children would come home from school and ask “Daddy, are we millionaires?” I asked them what they were talking about and they said “The kids at school are saying that you are a millionaire. They are saying that you get a million dollars. How come we don’t see any signs of it?” It is hurtful to have those kinds of impressions left and to have those kinds of questions asked, yet that is the kind of thing that not just myself but others had to put up with.

I would certainly beg the indulgence of the House if hon. members can detect the difficulty I have in speaking to this issue. I do not mean this in an entirely partisan way, but I also have some satisfaction in speaking to this issue because I hope this legislation could bring to an end what I regard to be a very ugly chapter in Canadian politics. Members of parliament were played off against each other and this began to happen even within the parties that started it. I think this was the beginning of wisdom which led to this day and the legislation we now have before us.

- (1910)

All members of parliament will be in the plan, as it should be with pension plans generally speaking. No one will be able to exercise any kind of self-righteousness with respect to the other whether in the collective sense of one political party over another or in the individual sense of one MP over another. There is some room left for that in the way this works out because of the buyback provisions, et cetera.

I would echo the sentiments of the government House leader in hoping that it will not become the object of that sort of thing but that this will be something people will be left to decide individually, that their decisions will be respected but not regarded as cannon fodder for political rhetoric.

The opposition House leader verged on this. Perhaps this is what he meant to say when he said that this is no secret and there has

*Government Orders*

been talk around the Hill. There has not just been talk around the Hill. There has been talk between the House leaders. What we have before us tonight is something that was negotiated. It is a product of cross-party or inter-party negotiation, whatever is the appropriate word. I have heard it said and some reporters even asked me today "Don't you think the government House leader has tried to outmanoeuvre Canadian Alliance members, former Reform Party members or what have you?" I said "No, that is not what is going on here".

The first thing that had to be done out of fairness to all members who found themselves in the anomalous position that was created by the Reform of 1995 was to address the particular anomaly, something that was not noticed at the time. That had to be done anyway, but there was the second dimension of whether or not one more opportunity would be provided for members who had opted out of the plan in response to what I consider as the Prime Minister's bluff in 1995, but in some respects a bluff that was called by those members who opted out. Perhaps they were not sure who bluffed whom after it was over.

There was a need to give those members, a felt need, not on the part of other members but a debate in the minds of those of us who had been the object of this political strategy to ask why should we. Why should we allow them back in after all they said about the plan even after it was amended? There was a felt need to do that, particularly on the part of many members who had opted out, and that was made clear.

The end result was that the legislation reflects the fact that it is better for everyone, and particularly for those parties who have opted out members because we do not have any, if everyone went back in together rather than being vulnerable to the kind of not necessarily public political sniping that might go on but even the internal political sniping that might go on. What we have before us is an amendment that puts everybody into the plan and gives those who are able and willing an opportunity to buy back.

One could be tempted to say many other things. It is part of a process that we have seen on the part of my colleagues to the left, who came to this House without any institutional memory by definition. It was not their fault. They just did not have one. Therefore, they did not always understand the reason why certain things are the way they are.

• (1915)

This is a profoundly conservative argument I am going to make, but sometimes when we find things the way they are, sometimes there is a reason for it and it takes a number of years to find out or to appreciate why things are the way they are.

We have seen a lot of changes. The leader does not sit in the second row any more. They have critics. They do not belong to

Pods, or whatever it was that they belonged to when they first got here.

**An hon. member:** Pods?

**Mr. Bill Blaikie:** I think there was a group of critics that they called pods or envelopes or something.

They did not want to go on parliamentary trips. That was a bad thing too. Parliamentary trips are not a bad thing. They are part of our job here, trying to get to know people in other countries, in other parliaments and to be citizens of the world. I think they have come to appreciate that, which is a good thing.

There are other more political things that have happened, which I will not go into for fear of entering into a form of partisanship at a lesser level, like Stornoway and Ontario and what is happening with the new party and that sort of thing. Let us save that for a town hall meeting some night. Let us save that for the election. Let us save that for moments when we are not trying to do something that has to be done and do it in the most dignified way that we possibly can.

Having said all of that, I express the support of the New Democratic Party for this particular amendment to the Parliament of Canada Act and to the legislation having to do with pensions. We hope that we might be able to deal with this expeditiously, not because we have anything to fear and not because we have anything to hide, but because I am sure the Canadian public do not want us wasting any more time on this than is absolutely necessary.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I always am fascinated when listening to the NDP member for Winnipeg—Transcona. He has been around this place a long time, having been elected at a very young age. This is an issue about which we have spoken to each other in private as well, that is, the unfairness in terms of the public perception of the pension plan which the member mentioned in his speech.

The lady sitting next to me is probably one of the most famous politicians in the country. As an example of this so-called gold plated pension plan, this woman would have to live to be 117 years old, if in fact she were to reach that number. She is a woman who has spent most of her adult life serving the public and she would have a pension of about \$20,000 a year. I have actually had people on the street talk to me about the member for Saint John and the pension she will get. The reality is that she will be looking at a pension of about \$20,000 a year.

My question to the member is, how did this story spin totally out of control? How did we get to the point where now, on second sober thought and reflection, some members have to re-think their position?

*Government Orders*

I do not mean this member personally. I know that he is one who firmly believes that public servants, politicians and others working in the workplace should be rewarded for their service.

How did we reach the point that we brought public perception down to that level when it comes to talking about pensions for politicians?

• (1920 )

**Mr. Bill Blaikie:** Mr. Speaker, first I want to say how much all of us share the view that the hon. member for Saint John should live to be 117. However, we do not know if we want her to hold her seat that long.

The member makes a good point. He was asking me what went on in that time, which is not completely over, of misrepresenting political life and the perks that go with it. I was very hard on members of the Reform and Alliance earlier. It was not only them, it was also a general sense which they both contributed to and also played off of and exploited. The tragedy of it is, as politicians we do not want to be a closed club in which we defend our collective habits, come what may, no matter what. On the other hand, we all need to defend politics collectively because politics is the art of democracy. If we do not defend the democratic enterprise, if we do not defend the democratic task, if we engage either collectively or individually in calling that down and feeding public cynicism about it, then who will?

The member may not like this answer, but I personally feel that the extent to which the Conservative government created a lot of cynicism about politicians and politics, which was sometimes centred on the prime minister, was that this was part of the problem. From my point of view, I would like to see more decisions made here about Canada's public life rather than elsewhere, rather than in the corporate boardrooms or by trade bureaucrats or in the courts or by the first ministers or in all of the other places where decisions are now made that at one time would have been made here.

Everything we do collectively or individually to disparage this place for short term political gain is, in a way, an unprincipled attack on democracy. That is not say that we should not be critical or that we should not encourage public skepticism. Skepticism yes, but cynicism no; criticism yes, but exaggerated attack no. We have seen too much of the negative and not enough real reflection on how important it is to hold this place up, and not for our own sake. If we do it only for our own sake, then we do nothing. We hold it up because in so many ways this place is under attack.

There are many quarters in this country, both politically and non-politically, which take joy, which celebrate, which rejoice in the erosion of the power and the prestige of parliament. They would like decisions to be made somewhere else. We should all

keep that in mind every time somebody sticks a microphone in our face and we are tempted to say things that perhaps we should not just to get on the news.

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, one thing I always had a problem with, long before I ever became a politician, was the fact that a group of people might get together and accomplish a mission that sits before them and then draw their own package as to what they should earn, how they should be paid, et cetera.

I have believed for a long time that a totally independent body of people, made up of citizens of the country who are not affiliated with politics, who have never been members, who are genuine, hard-working taxpayers who expect a service from each of us, should be put together to settle this thing once and for all on behalf of all Canadian people, rather than us, through debate, determining our own fate.

• (1925 )

I believe that with all my heart. I wish that would happen rather than any kind of debate or discussion or bills being presented in the House. I wonder how the member feels about that.

**Mr. Bill Blaikie:** Mr. Speaker, I agree with the hon. member. In fact, I think I began my remarks by saying that NDP policy for many years had been to have an independent commission. We do have commissions after every parliament, but they have been subject to criticism because they are commissions made up of former members of parliament. A cynical public will say "Yes, but they are guys from the club". That is a legitimate point of view, and it can be a legitimate point of view without reflecting on the integrity or the objectivity of the people who have made up those commissions. It is just a fact that some, not all, but some members of the public will never trust the recommendations of former members of parliament.

Others have said that there should be a completely independent commission of people who do not come from parliament.

The interesting thing about that is—and I will say this by way of saying how complex this is—now that we have been members of parliament for a while, could we pull somebody in who has lived his or her entire life in the business world who could have an appreciation of what being a member of parliament is like, how different it is from so many other jobs? I assume it is very different. However, that is neither here nor there. The fact is, if we brought people in from the corporate sector and if the recommendation was that we be paid \$150,000 a year or \$200,000, we would have to live with it. It would have to be binding before they were given the mandate. Otherwise we would end up voting on whether to accept the recommendation and we would be right back in the same box we were in to begin with.

*Government Orders*

This box is not easy to get out of, unless we want to completely hand over judgment with respect to the remuneration of members of parliament to somebody, if we want to give up that responsibility. There may be members of the public who would say "Isn't that cute. You guys want to wash your hands of it altogether". Then we would be criticized for who we appoint. "They appointed a bunch of high rollers from the corporate sector to determine this. Those people think that anything under \$150,000 is peanuts. No wonder they appointed those guys". If we appointed somebody else, they would have some other criticism to make.

We can all say everything that we said here today, but we should not be under any illusions that we are not going to get out of the world, this side of the kingdom, without these kinds of criticisms which will prevail.

I remember seeing in a bookstore a book of headlines from the last 100 years or so. I just happened to turn to 1905, to a headline about MP salaries. It comes with the territory.

We need to determine amongst ourselves what we think is fair either in terms of process or in terms of outcome and realize that no matter what we do there will always be a certain amount of public criticism.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, a recurring theme around this place is that only in the dying days of a session would a debate like this take place. I guess what is worrisome to some members, and I could refer to the House leader of the NDP who just spoke, is that much of this debate takes place among House leaders but individual members of parliament are not involved. In fact most of us in this place, with the exception of the House leaders and very few others, would have no idea of what is being debated today. It is brought in a fashion to allow the expedient passage of the changes to the members' pension plan.

What has to happen is that there has to be transparency, not only for the public but for members of parliament.

• (1930)

The hon. member from Nova Scotia next to me and I found a glitch in some of the numbers that are being presented as part of the package. There are some inequities that involve certain members of parliament, myself included.

If we are going to talk seriously about this, we must have some notice of what is on the table, what is being discussed. We are talking about individual members of parliament, their retirement packages and what their families or they themselves will be left with when they leave this House, provided they can leave this place alive.

I know we do not want to get into too much of the politics of this issue, but there is at least one party in the House that has swallowed

itself whole on the pension issue. I am speaking about the Canadian Alliance party, formerly known as the Reform Party. Again, we are talking about goodwill and even personal goodwill from the reformers, if some of these inequities are going to be changed. One might say I am going to be shooting myself in the foot, because they are not going to show much generosity to me as an individual member of parliament if I cannot show it to them.

I want to put on the record how some of this stuff started and what their position was on the pension issue a few short years ago prior to the 1993 election. In fairness, many people come to this place not really knowing what the job entails. They come not knowing what sacrifices they make as individual members of parliament when they leave their jobs, their careers, their farms or their businesses behind. Many members of parliament do that.

We can argue that members of parliament are overpaid. We can say that I am personally overpaid or that other members are overpaid, but there are members on both sides of the House who are certainly working below what they would get in the private sector. We all know that. Many members made more in remuneration in their private lives than they are making as members of parliament. Sometimes we have good fortune in the marketplace and sometimes not as good, but on a yearly basis in terms of compensation, many members can certainly exceed what they are paid as members of parliament.

When they came to the House, many members did not realize they would be taking a pay cut, because what a member of parliament gets paid and what the pension will be all looks pretty good from the outside. That is the feeling of many members in what was then known as the Reform Party.

Mr. Speaker, I do not see any quotes here that are attributed to you. I think being a former businessman and understanding the pitfalls involved in the business of politics that you had pretty good idea of what you were getting into. Therefore, I do not think you were one of those who railed against the so-called pension scheme.

I want to quote the former leader of the Reform Party, the man who is now seeking the leadership of the Canadian Alliance party. It is a quote from Preston Manning which I am reading from the Vancouver *Sun* of September 28.

**The Acting Speaker (Mr. McClelland):** Order, please. The hon. member for New Brunswick Southwest is well aware of the fact that we do not refer to sitting members by name, only by their position or riding.

**Mr. Greg Thompson:** Mr. Speaker, I am quoting from a newspaper article.

**The Acting Speaker (Mr. McClelland):** The hon. member for New Brunswick Southwest is also quite aware of the fact that we do



not bring in through the back door that which we cannot bring in through the front door.

**Mr. Greg Thompson:** It is something like the pension plan. You cannot bring it in the front door, so you bring it in the back door. I think this is what the leader of the former Reform Party, the member for Calgary Southwest who is certainly seeking the leadership of the CA, was referring to and this is what he is quoted as saying in the September 28 edition of the *Vancouver Sun*:

The obscene [MP] pension scheme cannot be justified. The Reform Party is the only federal political party to consistently advocate a change in the MP pension plan in order to bring the benefits in line with private sector standards.

• (1935)

The present leader of the CA, the hon. member for Beaver River at the time, said this about the pension plan. This is from *Hansard* of November 22, 1994:

But this particular MP pension plan is a "scheme a dream" when you think about what has gone on in the last several years to make sure MPs look after themselves.

The hon. member for Macleod is quoted as saying:

I looked for a different way to say to those potential constituents of mine that I will not take the plan. I wrote in public a letter to my constituents: "I, Grant Hill, the Reform Party candidate for the Macleod riding—

**The Acting Speaker (Mr. McClelland):** Order, please. The hon. member for New Brunswick Southwest is very well aware of the fact that we do not refer to sitting members other than by their constituency or by their title.

**Mr. Greg Thompson:** Mr. Speaker, the hon. member for Macleod stated:

I . . . the Reform Party candidate for the Macleod riding, do hereby state that I strongly oppose the current MP pension plan. I will not accept this pension if I become eligible for it and I will do everything that I can do to reform the plan and make it fair.

The former leader of the Reform Party who is now seeking the leadership of the CA, the hon. member for Calgary Southwest said:

It is the intention of Reform MPs to opt out of the MP pension plan. We call upon every other member of the House to do likewise. "Opt out or get out" will be the cry in the constituencies. It is a cry which must be respected if fairness and leadership by example and integrity are to be restored to Parliament and any budget it endorses.

That is typical of what the former leader of the Reform Party had to say. He basically said the same thing in terms of his limousine, "Here are the keys. Take it. I do not want it." That was in 1993 when he first came to the House. He regretted making that decision because he eagerly took the keys to the limousine when he was re-elected in 1997 and he became Leader of the Official Opposition. To my knowledge he still has the limousine, the driver and the keys.

### *Government Orders*

He said the same thing of Stornoway. Remember that one? He said that Stornoway was nothing more than a bingo parlour and that he would never live there. It would be obscene to think that the leader of the Reform Party would live at Stornoway at public expense. "I simply will not do it," said the leader of the Reform Party, the hon. member for Calgary Southwest who is now seeking the leadership of the CA. However he is there and he is not holding any bingo games for charity. He is living there at public expense, which is what we would expect every leader of the opposition party to do. However, it was convenient at the time to rail about it. "I will not do it," he said. Now he is doing it and he is entitled to do it but he railed against it until he got there.

It has been mentioned that he started out sitting in this place in the second or third row because he did not want to be a favourite or a star. He wanted to be a lonely MP and not lead the pack. It did not take him long to realize that if one is going to be a leader of a party in the House, then one sits in the front row and leads the attack on the government. It did not take him long to change his mind on that one.

• (1940)

It did not take him long to change his mind on the fact that his hairstyle might have been a little outdated. I cannot say the same thing because I do not have much anymore. He had a bit of a makeover in terms of hair and a dye job and all the rest of it, including a facial and voice lessons to make his voice sound better in the House of Commons. I would call those enormous flip-flops.

Not knowing how politics worked, they came into this place almost defying the House of Commons itself and the so-called professional politicians who are in Ottawa. It is like the west wants in and they are going to stick to their principles. The principles just went out the window. Now the principles are going to be watered down by this so-called broader base of support called the UA or the CA. The cry that the west wants in is going to be diminished because Ontario is going to take over the party. We will find out how lost or disoriented those members become once that happens, which will probably be on June 24 if my calendar is right. Those are major flip-flops and are the types of things that have to be considered when we look at this issue.

This issue was brought up in this place by the very party that defied pensions. Those members said they would never take them, that they would never opt in. Those members wanted out and in terms of the quotes, I could go on and on.

The leader of the CA party, formerly the Reform Party, said in the September 12 edition of the *Vancouver Sun*:

Canadians will know which MPs are greedy and which really care about taxpayers. . . . Believe me, the voters won't soon forget those MPs who promised integrity in government but decided to 'pig out' while the trough was still full.

*Government Orders*

Words can hardly describe that type of attitude in this place.

Now those people want the pension issue put to rest. And why would they not? They have suddenly realized that they have given up eight years of their career to sit here like we all do, knowing when they leave there is nothing for them or their families if something should happen to them, except for a bit of life insurance. I suppose it has been a hard lesson for them and that is one area with which I can sympathize. Maybe they were opposing it for the right reasons, but I do not know what they would be.

A certain sense of reality has set into the minds of many of those members since 1993 and the reality will be when they are done with politics. Most of us are done with politics beyond middle age because most of us do not come into this place at the age of 20 or 30. Some of us have had a career or two before we came here. In most cases this is basically ending our working career.

For those that leave businesses behind, there has to be a little bit of something there. The argument is that they are going to retire on a gold plated pension plan. As I mentioned in a previous intervention, under the existing plan, which will still exist after this debate and will not change but will allow the people who opted out to come back, the deputy leader of the Conservative Party and I would get all of \$20,000 a year in a pension. How many times have we read in the newspaper about a million dollar pension for this MP or that MP? What the press and some politicians were doing in a case like that, including some Reformers at that time, was taking the worst case scenario or the best case scenario.

● (1945)

For example, they might point to the present Prime Minister who has been here since 1962, having come to this place when he was younger than 30 years of age, or the Deputy Prime Minister who has been here just about as long having been elected at the early age of 30. They extrapolate from that that he will live to age 90 after having served here 30 years. They use that as the example which fits all of us.

The truth is that most members in this place do not qualify for a pension. The life of a federal member of parliament, believe it or not, is equivalent to that of a pro football player. How long does a pro football player play in the NFL or the CFL? On average it is about four years. The average life of a member of parliament is just slightly higher than that but it is certainly less than six years. All the statistics will prove that.

The sad reality is that most members will leave this place without a pension, with nothing. Most people that leave this place usually go out feet first politically because most of us are defeated. There are a few of us that get defeated and have the opportunity or the privilege to come back into this place, but that is not the norm.

We are talking about some fairness on the part of those that oppose pensions for MPs and the media. Why do they not take as an example the member for Saint John, the deputy leader of our party, who has spent most of her adult life in public life? The only pension that she will have at the end of this term would be a pension of about \$20,000 a year.

We do not fall into our seats in this place. Most of us have worked in our communities and have worked in other levels of government or behind the scenes of government as volunteers. We worked in our communities and left our homes and families behind to come to Ottawa. None of us believe in a gold-plated pension plan, but the truth is the public wants good people representing them.

If every safety net completely disappears in this place called Ottawa, good and worthy Canadians of standing in this place who represent their constituents will say they are not sure they want to drive or fly 3,000 miles a week to go to Ottawa, only to find out at the end of four years they are defeated and have nothing. At the end of six years they would have a measly \$20,000 pension. The truth is in the private sector just about anyone in here could make more than that.

The truth is politics, and this should not happen, diminishes people's attractiveness to the private sector once they have been here. There are many exceptions to that rule and many people flourish after they leave politics. Those people are exceptions to the rule. At the end of an election when we are on the losing end we are not in high demand, believe me.

We have been saying all along that there has to be fairness and equity in the pension plan. If members want to opt in, my position is that they should be able to do so. If they do have to swallow themselves whole on this issue as the Reformers will have to do, let them do so. They have probably learned by their mistakes in terms of railing against it for so many years in this place.

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Mr. Speaker, it is a pleasure for me to rise this evening, despite the somewhat late hour, to address some of my comments on Bill C-37.

● (1950)

I rise tonight to address an issue that strikes at the very heart of my political philosophy and personal credibility. I joined the Reform Party of Canada in 1988. The party at that time was less than a year old. I made the decision to leave the family farm and run as a candidate later that summer in what became known as the free trade election. I lost as did all Reformers. However the party's platform of fiscal accountability, criminal justice reform and changing the very way in which government operates that first attracted me lived on. In fact it flourished.

I was subsequently elected along with 51 other Reformers in 1993, partly because people believed the time had come to change the system. Reformers believed we were undertaking a noble mission to come to Ottawa to push for fundamental changes, reforms, the very reason for our name.

Constituents knew that because we were in opposition there were limits to what we could accomplish and how many changes we would be successful in convincing the Liberal government to adopt. One of these was to strive to change the MP pension plan.

This is the third attempt at convincing the Liberals to fix the plan and to bring it into line with what is available to other Canadians. I am afraid I must report that once again we have been unsuccessful, for this bill like its predecessors does not address the basic fact that the MP pension plan is still too rich. It still needs reforming.

I did not and I do not begrudge politicians a pension. However I do begrudge that the pension is richer than anything other Canadians are able to access. I also find it unpalatable that politicians are able to set their own level of remuneration. We have heard a number of speakers from almost all the parties talk about this point tonight.

I was and still am offended by the lack of accountability and transparency under which the federal government operates. I was first elected in 1993 and during that session of parliament I stood in the House and spoke out in adamant opposition to the self-serving generosity of the MP pension plan. I am no better than any other Canadian and I am therefore undeserving of special treatment. I am still opposed to the generosity of the present plan.

As chief opposition whip part of my duties include caucus morale. It is hard to create harmony among a team that is treated differently. Within the Canadian Alliance caucus there exists those MPs who opted out of the 1995 pension revision and an MP who opted into the 1995 revision. There are those who were given no choice but to participate in the pension plan by being elected in 1997. There are those who opted into the MP pension plan in 1998 and those who continue not to participate.

One would think all MPs are treated the same. After all, are we not all endeavouring to do the same job despite what party we might belong to? This is a difficult situation to manage and one that I feel should never have occurred. Rather than face another opt in clause with how divisive that is, I believe the clause forcing all MPs into the plan is a step in the right direction.

Equality is the underlying principle of the Canadian Alliance and its predecessor, the Reform Party of Canada. Anything less than equality of all MPs is unacceptable. As a result of this legislative change MPs will no longer be allowed to opt out or remain out. They will be legislated into the plan like those elected for the first time in 1997.

### *Government Orders*

MPs should not set their own level of remuneration. One of the worst conflicts of interest a person can be placed in is to have the responsibility to decide upon one's own remuneration, that is paid pension and perks. A CEO has a board of directors to do it for him or her. The CEOs are in turn responsible to the shareholders of company. The government shareholders are the taxpayers. Yet who is responsible to them?

• (1955)

Ministers of the crown have to declare their assets and have their holdings administered by a blind trust. This is necessary in order to ensure that cabinet removes even the appearance of a conflict of interest.

An act of parliament should not directly affect the net worth of a minister or a member. Yet what are we doing here tonight? We are amending legislation that substantially affects the net worth of members of parliament. We have our hands in the till deciding how much we personally are worth. It is a conflict of interest and I submit it is wrong. It is extremely difficult and some would argue impossible to be completely objective.

The MP pension plan is overly generous in that it provides pension benefits for MPs at a level that other Canadians cannot legally obtain. Yet this same government restricts the RRSP choices of Canadians who are trying to provide for themselves.

How can we as parliamentarians make decisions that affect the lives of all Canadians if the laws do not apply to we who create the laws? Canadian Alliance has a policy on this issue, debated and passed by grassroots Canadians. It is one that I believe in wholeheartedly. It is policy position No. 70 which states:

Parliamentary compensation will be recommended by an independent commission according to private sector standards. The decision of Parliament will be implemented after a subsequent election.

In other words it is our policy to amend the pension plan once elected to government and to make those amendments retroactive.

Following the last general election the Blais commission, about which others preceding me in the debate tonight have talked, was charged with reviewing the allowances of members of parliament. One of the commission members was Mr. Ray Speaker who served as Reform House leader, had a long and distinguished career in the Alberta legislation, and served one term as a member of parliament in this place.

The Blais report was quite comprehensive and made numerous recommendations, made laudable by the fact that the commissioners did not have a direct stake in the outcome. Yet the government has selectively chosen the recommendations it likes and has

*Government Orders*

disregarded others such as doing away with tax free allowances for MPs to which Canadians in the real world have no access.

I have been a loud opponent of this pension plan and here I stand today about to enter the plan. I have said before that I believe that members of parliament are fully deserving of a pension, just not this one. Therefore I stand here with three options tonight.

First, I could support the bill, surrender my opposition to the inequality of the MP pension plan, go back on my stand to reform the MP pension plan and malign the fiscal sacrifices some of my colleagues and I have made in the past. I believe that would be wrong.

Second, I could abstain from voting if this issue actually comes to a vote. This would be difficult for someone who has stood in the House and referred to the plan as the piggy plan. I would be as self-serving as Liberals opposite who begrudge the responsibility of administering taxpayer money wisely. That too would be wrong.

Or, I have a third option. I could vote against the bill. Some would say it is insincere to stand and vote against a bill that I will personally stand to profit from. I am opposed to the level of pension remuneration that is included in the bill. I am opposed to the fact that I as a parliamentarian am put in a precarious position of voting on my own pay and benefits. I am opposed to the fact that the Liberal government has had three opportunities to rectify the inequality in the pension plan and has chosen to criticize those who have fought for change.

Unfortunately my colleagues and I who have fought for seven years to change the pension plan will be looked down upon for re-entering it, and those who have held no regard for the taxpayers will be without consequence. I am sure that many of my constituents will provide me with their views on this issue over the summer, and as always I look forward to their input.

● (2000)

This matter is not over. It will be rectified after the next election when the Canadian Alliance takes over and refocuses the balances of power in the interests of Canadian taxpayers and takes the decision making on MPs' remuneration out of the hands of the MPs themselves.

In conclusion, let me reiterate my three main points. First, I have never been opposed to a fair pension for all MPs, but fair must mean in line with plans accessible and legal for all Canadians to attain.

Second, an independent commission must determine the level of remuneration for MPs, removing all potential conflicts of interest.

Third, the Liberal government has had three opportunities: two years ago, in 1995, with Bill C-85; about the same time in 1998 and

now today. It has had three opportunities, including the bill before us, to rectify the flaws within the pension plan and yet has chosen not to do so.

[*Translation*]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, this evening we are debating a bill in second reading which concerns MPs' pensions.

There is one thing I would like to clarify right off the bat. It is very true that it is easy to get involved in demagoguery within such a debate, because the people debating it are the ones directly concerned. It is easy to blame other people, or to make political judgements without stepping back from a subject such as this. I do, however, have reservations about the process and about the bill per se, but I shall come back to that.

There is one thing I want to say right away: it is perfectly normal for MPs to have a pension plan like a good many other people do, whether in the public service or in the private sector.

There are also plans in place, such as the Quebec pension plan, to ensure that the greatest possible number of people have a retirement income. Parliamentarians must not be left out, and it is normal that they would have a pension plan. It is also totally normal in that—and it is important to point this out—the MPs who benefit from the plan also contribute to it.

Currently, members who participate in the pension plan contribute 9% of their salary to it. In the months or years that followed the 1993 election, the government decided to change the pension plan so that MPs could no longer start collecting a pension immediately, but only at age 55. Such a change made perfect sense. Indeed, it was totally unacceptable that, for example, a 40 year old MP leaving after sitting six years in parliament would collect a pension until the age of 55, while getting a percentage of his salary.

Under the pre-1995 plan, an MP would accumulate a pension at a rate of 5% per year in office. Therefore, a member with eight years in the House, or two mandates, would get 40% of his salary upon retiring, until his death.

Under the change made, it was no longer possible to collect that pension before 55. So, a person leaving office at 40 cannot receive any pension until age 55. That pension is deferred and paid only at retirement age. That change made sense and it was welcomed by the public, because it made the plan more realistic, more in line with the reality elsewhere, both in the private and the public sector.

At the time, MPs had the option of not participating in the plan. That was my case. I chose not to join in that plan. This means that I do not contribute to the plan, but will not benefit from it either. That was my choice and it still is.

*Government Orders*

What I do not like about this bill is that as soon as it is passed—and I am convinced it will be, because a majority of members here will support it—I will no longer have that option. I will automatically be covered by the plan, even though I do not wish to be covered, and I have a problem with that.

• (2005)

I was allowed to opt out and now I am being forced back in. I would like members to continue to have the option or, if people are forced to contribute, see the government at least wait until election is a thing of the past and say “From now on, there is a universal system that applies to everyone. It will apply to anyone who is a candidate and who wins the election”.

I opted out. I also told my constituents that I had done so. Now, I will have to tell them that the government has introduced a bill that forces me to opt back in, effective tomorrow morning. I have a lot of trouble with that and that is why I cannot vote in favour of the bill.

Not everyone is familiar with the bill. Why is it being introduced at this particular time? In the amendments to the legislation in 1995, there was an oversight by the government. The result was that members under 55 years of age who had contributed to the pension plan and who ceased to be members, no longer received severance pay, while members who had opted out of the plan, as I had, were entitled to severance pay.

Obviously, this is not fair, because when members finished their term of office, or were defeated in an election, they did not have a few weeks or months of income to give them some breathing space financially speaking. Nor were they covered by EI.

The government therefore wished to correct this oversight. I have no problem with that part of the bill, which gives MPs an allowance for six months after the end of their mandate or after they lose their seat. I do have a problem with the other part, which now requires everyone to belong to the pension plan.

I know also that it is not necessarily the government MPs who are affected by this part. It is mainly a group of Canadian Alliance members. I have trouble with members who get themselves elected by saying “I do not want to belong to the pension plan” and who now will conveniently be able to say “I was forced back into it”. One could well think this provision was put there primarily for their benefit.

That does not work. I have trouble with people who made these noble speeches just to get elected. That was not the only thing they were running on, but it was part of their platform. Now they are sneaking in the back way, claiming that the government forced them to join the pension plan and the government will play along by saying “Let’s go ahead and rush this through at the end of a parliamentary session”.

It would have been better to have at least divided the two matters, the first one being to correct the fact that an MP who leaves at the end of a legislature, or after having been defeated in an election, can benefit from the allowance. I believe there is a consensus, or there might be close to unanimity, on this. I have no problem with that part, but I do have one with the second part, which states that, as soon as there has been royal assent, I am going to have to start contributing again to this plan to which I do not want to belong for a variety of reasons.

Members will also be able to buy back past years. They have at least been given this option. There is no requirement to buy them back. Happily, the door has been opened, meaning that I am not forced to join retroactively. But in the future, I will have no option.

I repeat that if it were at least done after an election, after an announcement was made to the effect that there will be a new plan and that members elected in the next Parliament will be subject to such and such conditions, people would be more aware, and the government party would have the leisure to leave things as they are. That would have been clear, transparent and understood by all.

I do not want to talk for hours on this. I have made my point. I think it is too bad that things often happen in an improvised and hasty fashion. Had it been otherwise, it would have meant no need to return a few years later to correct an error, because it was done in haste the previous time. People quickly saw that something was left out in the case of severance pay, but no one wanted politically to take on the dirty job of bringing it all to the table.

• (2010)

It takes ability and courage to defend the things one believes in. I have nothing against those who say “I do not believe in that. I think the plan should be mandatory for everyone”. Such arguments and such an opinion are defensible. At least they should have the courage to do it a little more transparently.

If they had involved a few more people in the discussions at the time, had it not gone on at just one level, had people been more involved, at least forewarned, they would have avoided this sort of error. Except for a few people who were involved in the negotiations—and here again, I would say that that has been limited to people very close to the government House leader—we are hearing about this bill for the first time today, with technical amendments to the plan, with the result that questions are being raised by those who will join the plan retroactively.

I will give an example that concerns me. For the 2000 tax year, I contributed to my own RRSP. I prefer to manage my own affairs and I therefore contribute to an RRSP. With this bill, I am being forced to contribute to the government’s pension plan. I will therefore find myself in the situation of having over-contributed for this year. I will have to withdraw contributions from my RRSP, be over-contributed, because I was not aware of this fact. I have a lot

*Government Orders*

of trouble with a plan that operates this way and which, on top of that, forces on me a choice I did not make, when I had been allowed to opt out.

This deserves some thought, and I would have liked members to have a bit more time to examine the bill, and go through first and second reading, committee of the whole, and third reading in 48 or 72 hours. I imagine that the government is worried that people will start being swayed by public opinion, but it should have the courage to say what is going on.

Earlier, the Bloc Québécois House leader quite rightly said “I too can just imagine what some radio and television commentators will have to say tomorrow about those MPs who voted themselves severance pay”. That may be, but we must also have the courage to say that these people are earning more than most of us here, and than all of us because, except for ministers, all members’ salaries are the same.

The sanctimonious elements in our society should take a look at themselves, because they enjoy much better conditions than we do. Meanwhile, we must have the courage to face criticism here and there and say “Listen, we will do this. We will take a little longer to do it properly”.

There is a legitimate debate on this which is related to the whole issue of enhancing the role of members of parliament. I was going to conclude, but this brings another point to mind.

Salaries and pensions are two things that may attract people to political life, but they are not the only ones. If the government is serious when dealing with issues such as salaries and pension plans, if it really wants to enhance the role of members of parliament, it should also take a closer look at the concrete work and real powers given to MPs.

I am convinced that if it improved that role somewhat, if it gave more flexibility to both government members and other members, if the Prime Minister did not control everything from his office, the work of members would be enhanced in such a way that the issue of salaries would become less important. There are elements to consider, but these elements are part of a whole.

It is not true that people enter politics only because of the conditions that relate to their duties. They also do so because they want to change things, to have a say in the decisions made. There is a lot of work to be done in that respect and I am convinced that all members of this House, except for a few ministers and those who hope to become ministers, share my view.

We talk about this a lot among ourselves but, at some point, we will have to take action. Compensation is also an issue. We must have the courage to tell people that, if they want good MPs, they have to accept the fact that these MPs must have a good salary and

a good pension plan. I have no problem saying that. Often, the type of people we get depends on what is expected of them. To attract quality people, the whole package must be interesting, including the compensation aspect, the influence aspect, and so on.

There are several factors which motivate someone to go into politics, including the desire to change things and to improve the lot of the people one represents, but also the capacity to do it under reasonable working conditions compared to what one would earn elsewhere in society. All that should be taken into account.

I do not agree with the members of the Canadian Alliance who say that this issue should be left entirely to people from the outside because we must be able to make our own decision on this issue. I have no problem doing it and I would have great difficulty accepting that this decision be left to people who would not be accountable to the public.

In short, I think we must be able to have that debate, even though it might open the door to a demagogic kind of rhetoric. Some may have already gone in that direction, and others will do so, I am sure.

• (2015)

Because of the way it is being put through and because of its content, forcing us back in after we had been allowed to opt out, as I did, I cannot vote in favour of the bill, whether at second or at third reading.

From what I can understand of the motion, there is little possibility either of amendments at the report stage. I would have liked to have seen that possibility provided, so that the possibility for people to opt out if they wish, which had been allowed, could be retained.

In future, after another election, having it apply to new members is not a problem. Those who were allowed to opt out could at least be left with the choice they made in the past, a choice that should be respected. Whether they are now telling us that it is better to belong to it, or not to belong to it, the decision is up to us. Those who made that choice made an informed decision, and I have no problem with that. I can live very comfortably with what I decided. Today, however, I must say that I am not all that thrilled with this bill and my being forced back in the plan.

I am therefore submitting these comments to the House. I hope they will cast some light for certain members and that, between now and when it is passed at third reading, there will at least be a minimum of leeway for some arrangements to ensure that the choice made by individuals to opt out can be retained.

[English]

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, this is one of those debates that comes along from time to

time about which one begins to wonder exactly why are we having it. What will be the end result of this debate and what will be achieved by having a debate of this kind?

We ask ourselves a whole lot of questions because it brings into question, at least for me, the whole question of what this place is about. Who are we as parliamentarians? How can we concentrate and get so involved in a question of this kind when in fact we have big things to discuss in our nation?

I cannot help but think about Chuck Colson who has written a number of books about the role of government. He made two observations. He said that a good government exists for two purposes: One, to resist evil, and the other, to be a ministry for good. If those are the fundamental issues of good government, to resist evil and to create and minister to that which is good and make it better, then I ask myself what this has to do with what we as parliamentarians are here to do.

We all need to be paid, we all need pensions and we all need to be looked after. That is certainly true and I do not want to denigrate that in any way. However, what is it that will make a good government do something that is good for Canada? I would like to suggest that the number one requirement here is to demonstrate balance, equity, equality and fairness and that we recognize that there ought to be a reward for a job well done. There should be recognition for people doing what is right.

If that is something that is positive, something that is desirable and something for which we are looking, then where is the balance in this situation right now? Is it a balanced situation when the rules of the House are, if not changed, bent to suit a particular direction? I find myself in a real argument about the way in which this is being done.

I want to refer to the comments made by the hon. member who spoke just before me. He was in a similar situation. He wanted to know why this was suddenly forced upon us to deal with now at the end of the session. He wanted to know why we could not have had months to study it and to look at all the nuances of how it would affect people. That was what he was after and that is what I am after as well.

We have had all kinds of leaks to the press. We have had all kinds of comments and presentations made to our caucus and other caucuses. We were sworn to secrecy on these things but what happened? What is it that we are trying to do here? We are trying to create a balance between that which is confidential and that which is transparent and open.

There is something else that has happened. There is divisiveness in certain elements of what happens in this place, and that is the divisiveness based on party lines. The Liberals will do things because they are Liberals and the Canadian Alliance members will

### *Government Orders*

do things because they are the Canadian Alliance. There is a division along those party lines.

● (2020 )

We have an issue here that is not a division along party lines. We have a divisiveness that has been created between parliamentarians. Individuals are finding themselves in opposition to other individuals, sometimes in the same party and sometimes in other parties. However, the issue is one of non-unity. What this does is it disturbs what we should be doing here. We should be building an environment where people can see that there is some equality, some fairness and some way in which we can have balance in our country. This is an issue where we could demonstrate and exercise a leadership role, but what do we have? We have divisiveness, not along party lines, but essentially pulling one group of MPs against another group where we have different plans for different people. I believe that is wrong.

The hon. member who spoke just a moment ago said that he did not like the idea of a third party coming in, perhaps an independent group, and telling us the way we should be remunerated, so we as parliamentarians do not speak to that issue. There is a lot of merit to that particular idea. I do not want to abrogate my responsibility to some other group and tell them that it should determine what I should be paid, what my pension should be, what my benefits should be and what my perks should be. I think it should have an input but it should not be the ultimate determining factor.

We are the supreme body in this country. We are the ones who determine the laws of the land. I think we need to look at that. While the opinion of other groups should be taken into account, I am not sure it should have the final say. There is a balance here that has to be looked at as well.

There is more than that. The strength of a nation does not lie in divisiveness. The strength of a nation comes from working together and from being strong. If there was an outside party or an outside country that suddenly decided to commit acts of aggression against Canada, what would we do? Would we divide ourselves along party lines? If somebody was threatening the welfare of our nation and wanted to destroy our nation, what would we do? We would come together and take care of that aggressor. The unanimity of pulling together is what builds a nation. This is one of those areas where we could pull together, and I think we should.

As I was preparing for this particular debate I asked myself why I came here and why I was a Canadian Alliance member. I told myself that it was because I wanted to make a difference. There are some things that should change. I am sure there are Liberal members opposite listening to this speech right now who are saying "Yes, and I too wanted to make a difference". I commend them for that, but the interesting thing is that there are some things about which they made no changes whatsoever.

*Government Orders*

There are some very significant ways in which I think we can agree. One of those ways is that we have to make the decision making process of the House transparent. We have to make it democratic so that it reflects the four areas in which we can represent. Those gentlemen opposite—there are no ladies at the moment—will recognize only too well that one of their roles as elected MPs is to represent their constituencies. When they have found out exactly what those constituents want, they represent them by saying what their constituents want.

Another way is where they have to sit here and say that they do not know what their constituents want them to do in this case, but that they need to make a decision in a certain area and that they will exercise their best judgment and apply all their knowledge and skill in order to resolve the issue and become a trustee on their behalf, acting in their best interests. That is a very important role that we all have to play.

We also have a role to play on our mandate. We all ran on a certain platform and we must do the things we said we would do. If constituents voted us in and gave us a majority, which the people sitting in the chairs opposite have, we are obligated to live up to that particular standard. Finally, of course, we need to advocate particular positions from time to time.

What is the mandate that we have taken? What are the promises that I made as an MP when I ran in 1988, in 1993 and in 1997? One of them had to do with changing the democratic system in Canada. It had to do with really representing the people and doing what the people felt was right. It had to do with free votes in the House and a clear indication of what the people wanted regarding senate reform and fiscal responsibility. It had to do with recognizing that people wanted tax cuts, a balanced budget and the debt paid.

• (2025)

Have we had that? These are the things to look at. Some people will say “Oh, but Mr. Schmidt, you also said that you did not like this pension plan”. I did say that and I do today. I will oppose this bill, partly because of the way in which it was introduced and partly because the benefits in it are still too generous as far as I am concerned.

We need more than that. We also need to recognize that if we are really going to be democratic in this country we need to give the people a voice that is meaningful, a voice where they can determine what happens. That means that on certain issues there ought to be a referendum. We are not the wisest people. We do not always have the answers for everything. The people have a right to express themselves and there are certain issues upon which we should listen to them and let them decide what the issues are.

We also need to balance our country so that no one part of it is stronger than another or that no one part is given more advantages than another.

What will happen after all this? We have all listened to the debate. We know we came here to change things and to make things happen, and we did. There is a balanced budget today. Why? Was it because the finance minister wanted a balanced budget or was it because the pressure from the people was mounting and he had to do it?

Balancing the budget was a good thing. We were the catalysts to that balanced budget and I feel very proud of that.

We achieved other things. We made a change to the pension plan. It was in the right direction. This is another step in the right direction, but is it enough? The answer is no, it is not enough. There are more changes that have to be made.

What else have we done since we came here? We have learned a lot. We have learned that there were some things that we did and some things that we stood up for that were actually pretty stupid. We really did not have to do them but they were done for cosmetic reasons and people will never forget them.

When the leader of our party took the keys for a car and gave them back the first time around, I do not think there is any Canadian who at this time will not remember that particular incident, but what did it really achieve? It was not one of those things over which a big issue should have had been made.

We need to recognize that there are things that really matter and there are things that do not matter as much. We have learned some of those things.

We have also learned that some of us have very deep emotions. We have sometimes allowed those emotions to colour our better thinking. We need to think with our heads and we need to feel with our hearts. The balance we need is to bring those two together so that the compassion we feel in our hearts is mediated through the intellect in our heads which says that if we go this way we have to look at what the implications will be down the road. We need to be really careful about that.

That was one of the things that happened when this particular pension plan was changed in 1995. Yes, it was changed and it did move in the right direction, but not everything was thought about and it should have been. It was rushed through.

For example, the insurance and other benefits were cut off. Certain people were treated unfairly with regard to severance. Had we been given enough time to study this, we all would have recognized that. However, we were not given enough time and consequently the thing did not come through the way it should have.

We have learned that to rush usually creates more problems than it solves. Therefore, I would strongly recommend and urge the government to re-look at this bill and ask itself if it really has to be



*Government Orders*

done this fast. What is wrong with waiting until the fall session? Why can it not happen after the next election? Why does it have to be done right now? Who said that it has to be done right now? Someone in his or her imagination decided that it has to happen now. We did not say that. The MPs generally did not say that. However, someone in his or her wisdom decided that it had to happen now. I do not accept that.

Something else seems to be at work here. There are two characteristics that are very significant. One of them is greed. We all need money to live and we all need pensions to live. Yes, I am one of those who thinks that we as MPs should be paid properly. We should be paid in a fair and reasonable way. We should also receive pensions and benefits similar to those of other Canadians. That is not the issue here. The issue is that we should not become greedy in that pursuit. That is the issue we need to look at.

• (2030)

There is another one that has to do with power. The leader of the government has simply said, "This is the bill. Take it or leave it. You are going to do this". The seeking of power very often takes a lot of energy but the degree to which people hang on to that power often means a greater energy being expended. This is a sop that is being thrown to certain people and I do not believe it is complete.

I wish to deal with one other subject. It has to do with the leadership of MPs in their respective communities and their families. It has to do with stewardship. Stewardship means that we are handling the resources and finances of other people on their behalf in their best interests. Stewardship is not an easy thing to learn. It is something that has to be learned and taught and it has to exist in a variety of areas.

There is stewardship in our finances, how money is managed and applied in such a way that it can be defended. When asked by the boss or family, one can say how much is made and explain what is happening. If a father comes home having spent the week's wages in a casino or bar, what kind of stewardship or financial responsibility is that?

There is another responsibility and it has to do with health. There is stewardship in health. How do we look after our bodies? Do we exercise them properly? Do we eat properly? These matters are very significant. When symptoms arise that should be dealt with, have they been dealt with?

There are the skills we have and how we use them. Are we lazy or are we diligent and aggressive in applying them so that our entrepreneurial talent and skills actually bring about a greater economy, a better production of goods and services? The abilities and talent we have involve stewardship. Are we creating music or art? Do we create for ourselves or for the benefit of society and lift the level of cultural awareness in relation to art and music, and things of this sort?

These are very significant issues with regard to stewardship. They have to be dealt with. We should be leaders in this area as to how we manage other people's money. We have not demonstrated a very good example in that regard. We have created deficits. We have created a burden for our children and grandchildren simply because we wanted services and goods for which we were not prepared to pay. That is wrong.

We have to teach this to our children. We have to teach it to our friends and neighbours. We have to be accountable to one another. We have to call each other to account and ask, "Is that really the way you should be managing your time? Is that really the way you should be managing your money or the people's money?" We have to address these questions.

We have to recognize that we need to develop stewardship as individuals. It is so easy to become part of a herd, to be sheep and follow one person in a particular direction. Where is the individuality here? We are being denied the individuality that is possible.

I cannot as an individual MP do what I feel I should do. I can do only one thing and vote against it. However, when it is all over, I will be forced to do it the way the government wants it done. On an issue like this, where it is not a partisan matter but rather an individual MP matter, we should be allowed to speak our minds. We should be allowed to vote. We should be allowed to exercise what we think is best in the exercising of stewardship for our people.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I wonder how the hon. member feels about people who have given 25 years of their lives. Does he not feel they should have any form of pension whatsoever? Perhaps their spouse is ill and they need some form of health care plan, which one also loses when one leaves here. Does he not feel they should be able to look after that person? How does he expect them to feed and care for that person? How does the hon. member expect the family will survive? I truly am in absolute shock.

• (2035)

For 18 years I served at the local level. I gave right from the heart and I am glad I did. I hope I was able to do something positive for my people. When I left and came here they shook hands with me and said, "Thank you very much for being with us". In fact, some have asked me to come back. I get no pension for that, absolutely not a penny, but a lovely hug and a thank you. I thank them for that hug and the thank you they gave to me.

I came here. I probably made history in 1993. We did not have any money for research when there were just two of us. I did not know I could put in for my living expenses. I paid for it all out of my own pocket from 1993 to 1997. I did not know that we could be compensated.

*Government Orders*

Here we are with a little pension that someone told me tonight was around \$20,000 a year. Heavens, when I heard about the gold plated pension, I thought it must have been something that was around \$40,000 a year. After 25 or 30 years of their lives, people are going to get \$20,000 a year. Is that not something?

I am not just looking at my life but I am looking at the lives of so many who are here, people who have been here much longer than I have, 20 to 25 years. Do they not deserve something? I have never had one single solitary person in my riding say to me, "We do not want you to have a pension". Not one person has ever said that to me.

I say to my hon. friend that I just cannot believe what I am hearing tonight. All members are deserving of something. I think if every Canadian from coast to coast knew the sacrifices made by members and their families and spouses who allow them, whether they are male or female, to come here to this House of Commons to serve their people, not one that I know of, if they were told the truth, would not want members to have some form of compensation through a pension when they leave here.

**Mr. Werner Schmidt:** Mr. Speaker, I have three comments. The hon. member obviously was not listening to what I said. At least on three different occasions I said very clearly that I am in favour of a pension and I think we should be properly remunerated and that we should have the appropriate benefits. I said that at least three different times during my speech. That is the first point. I am not in any way denying a pension to anyone, not to myself nor to anyone else. That is not the issue.

What I did say was that the pension should not be more generous than those available in industry and the other superannuates. That is what I said. It is not a denial of pensions. The hon. member has misrepresented rather severely what it is that I said.

Should people be remunerated for what they do here? Of course they should and I said that too. It is really unfortunate that the hon. member has taken upon herself to say what she did just a moment ago.

I would appeal to us all. Let us build a pension that we can all support, one which makes sense, is fair and creates the equity and balance we want. That is what I am after and that is what I said.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I stand in my place to speak to an issue which I think is very important to Canadian taxpayers and voters. It is the whole issue of how we manage their money. I talk a lot about this because I am on the finance committee. Over and over I have been on record as saying that we should give Canadian taxpayers a break. It is time that we reduced their taxes.

• (2040 )

Here we are on a Monday evening in June debating the change in the pension plan.

I have not had a great amount of time to look at the bill since we only got it today. It has been a bit of a rush job. From what I see, like most bills we get here, parts of the bill have some gravel mixed in with the tapioca pudding. Some things are probably necessary and should be done and then there are a few things that perhaps are beyond what should be done. I will try to put this into perspective from my own point of view.

I have heard several members say that there is no Canadian who thinks that members of parliament should not have a pension. I am not sure that is accurate. Some people I have talked to have said that they do not get a pension so why should we. There are some who think we should get no pension at all from the taxpayer. Some others have quite the opposite view. Some say they know how hard we work. They know how many hours we put in and therefore, we should have a pension. Some people have even said to me that they think I am a fool to have opted out. So be it; that is their opinion.

One lady even told me she would not vote for me again because if I was that stupid not to take a pension, I must lack intelligence in other areas too. I told her that was her choice. I made that choice because I believed it was the right thing to do at the time. I found out later that she had been kidding and had a great deal of admiration for a politician who finally acted on principle and actually put his money where his mouth was. But it has been a real personal dilemma.

I do not think that in making speeches here tonight we are going to elicit a whole bunch of sympathy from the taxpaying public no matter what we say or do. I have an idea that two-thirds of Canadians have no pension plan other than what they provide for themselves. If that is the case, then we need to be rather discreet in how we describe our work. I am not trying to elicit any sympathy but it is important to put some facts on the table.

I worked at the Northern Alberta Institute of Technology for a number of years. Tonight while some of the other members were speaking I did a quick calculation. I was in that pension plan. I have not yet taken my pension. I have not yet retired from NAIT in the sense of actually receiving my pension payments. I did go through the retirement procedure so I could be replaced by a permanent staff member instead of perpetual temporary staff. I thought it would be fair to that person. But I have not yet begun taking my pension.

My pension at NAIT is rather mediocre, if I dare say it, in the sense that the politicians of the day in Alberta made themselves a very good pension, but did not make a very good one for the civil servants. Our pension plan is actually reduced by the amount of Canada pension plan. Basically my contributions to the Canada

*Government Orders*

pension plan are just a gift to the Government of Canada since whatever I get from the Canada pension plan is the same amount by which my pension from the provincial government plan is going to be reduced. So that is not a great deal of money there.

I thought about the salary. I did a quick calculation and my gross salary at NAIT when I quit was around \$24 an hour. That was before deductions. We all know after deductions that is about \$12 per hour. I made about \$24 an hour.

Many people think that having left NAIT to become a member of parliament I am rolling in the dough. I again did a quick calculation and based on my salary here, I make \$16 an hour. Of course, I make a lot more money because I have the privilege in this job of working easily 80 hours per week, whereas at NAIT even though we were required to work 36 hours per week, I usually only worked about 55 hours per week.

• (2045)

My hourly rate of wage is down and that is just a fact. I am not trying to elicit sympathy. It is a choice I made. Very frankly I have to admit that at the time when I decided to run for parliament I did not compute that. As a matter of fact it was after my nomination or perhaps just shortly before when somebody asked me what my salary would be. I said that I had better check that out.

I was always under the impression that MPs got paid lots and so I had not paid any great amount of attention to what the pay actually was. I discovered that it was about 15% higher than what I was making at NAIT so I thought it would be okay. However I no idea of the amount of the expenses in this job and what it costs to be a member of parliament. Again those are just the facts.

Having given up the growth in my pension at NAIT, I came here and I was upset because there were some critic groups, people such as the Canadian Taxpayers Federation and others, who had drawn a great amount of attention to the MP pension plan. They called it the gold-plated plan and everything else. I looked into and, sure enough, there were some aspects of the pension plan available to members of parliament that were actually somewhat offensive. I found several things really offensive.

First, in order for me to collect 70% of my salary, including Canada pension, when I worked at NAIT I would have had to work for 35 years. Thirty-five years of service at 2% per year, which was the rate of accrual, gave me 70% of my salary. As I said earlier, the amount we earn from Canada pension is taken away from that pension so it is not really even a full 70%. That is after 35 years of work.

Then I looked at the MP pension plan and I found that MPs would be eligible for 75% of their salary on retirement if they had worked for 15 years. To me that seemed a little high. For the Liberal members who just came in and do not realize what I was

talking about, this was before the revisions to the plan, when it was still at a 5% accrual rate.

I was then told that the Income Tax Act did not permit ordinary participating pension plans to accrue at more than 2% per year and that in the federal government a special law was passed by MPs and senators that basically exempted them from the Income Tax Act. I felt that was wrong. It was not right for members of parliament and senators not to have the whole law apply to them as it applies to every other Canadian.

After I was elected in 1993 I went to the payroll office and asked if I could opt out of the pension plan. I was told that I could not. It is an act of parliament and I was required to participate in it. If I remember correctly, about \$590 per month in contributions would be taken off my paycheque before I ever got it and I was in it whether or not I wanted to be,

I know that some of my colleagues at that time actually filed a letter saying that they wished to be exempted from the plan and not participate in it. I did not file a letter. I did it verbally. When it was denied I said "If you are going to take my money anyway, I guess there is nothing I can do about it". As a new member of parliament trying to get two offices organized, staff members hired, learning the ropes in a brand new job and everything else, I did not have a great deal of time to work on that part of it.

We know the history of it. About two years later for fairly political reasons the Liberal government decided that it did not like all this criticism of the MP pension plan and said that it would call the bluff of those MPs. In a piece of legislation it offered us the opportunity to opt out. It said that it would get us to stop criticizing the MP pension plan by having half of us opt out and the other half stay in. It would cause dissension in the ranks and that would be the end of it. Then it could have its MP pension plan and live happily ever after.

Imagine the government's surprise when 51 of 52 on this side opted out. I did so on principle. It was an individual decision. I was asked "What about the one who opted to stay in? What is going on? You guys are divided". I said "No, it is the strength of our party. We are not told what to say. We are not told what to think. We are certainly not told how to act in our party". This was an individual decision. The fact that 51 out of 52 opted out voluntarily without coercion from anyone else is a mark of what principled people we are.

• (2050)

I was very proud at that time to opt out and decided to make the best of it. At that stage we had that opportunity. We got back our contributions into the MP pension plan minus income tax, which meant that we got a very small amount of money after tax. Some of us were able to roll that back into an RRSP.

*Government Orders*

I started contributing to an RRSP as my way of supplementing my living after I retire. That has been sort of a difficult thing to do. Other members have been enrolled in the MP plan. They contribute approximately \$590 or \$600 a month into a very generous plan. I did a little computation and found out that if I wanted to give myself the same benefits they are getting, because of my age and not having enough time for the money to grow with interest, I would have to put about \$3,000 a month into an RRSP. That is not permitted under the Income Tax Act so I cannot do that, besides which I could not afford it.

I therefore have kept on making payments of around \$600 a month into my RRSP just as before. This is one of the big reasons I will be voting against the bill now before the House. If I decide that I want to continue to contribute to my RRSP because of the fact that my total savings for the future are not that great, with the plan before us today I shall lose all my RRSP room or the bulk of it.

I am not ready today to announce whether or not I will be running in the election following the next one. I have already stated publicly that I plan on running again in the election this fall or next spring, but after that perhaps I would like to see some younger guy come in and represent Elk Island with all the energy that he could bring to the job.

If that is the case, I would get only my contributions back because I will not have put in the six years under the plan that we are speaking about today. In the meantime, for the next six years I will lose my RRSP room so I will be able to do even less in terms of looking after myself.

I think it is not a well thought out plan. I am against it on that account. I am also against it on the account that it still provides for members of parliament and senators benefits which are not available to ordinary Canadians.

I believe that if ordinary Canadians can accrue 2% per annum on their pensions then so should members of parliament. That should be the limit. Really in a sense the plan before us is simply a way of deferring the tax on a fair amount of income.

I did a little calculation. If one looks at just the contributions into an annuity to provide similar plans, we would have to put in, depending on the age of the person and how many years he or she will pay in, anything between \$1,700 a month and \$2,500 a month. That is an eight year plan. When I did my original calculations of \$3,000 a month it was on the assumption that I would be a member of parliament for four years.

The fact of the matter is that it is not really possible for a person to contribute enough into an RRSP with the present RRSP rules. I think what should be done is very simple. We should have a system whereby the amount that members of parliament and senators

contribute to their future retirement plans is within the same limits as those provided to and restricting ordinary members of the public.

• (2055)

I also want to take a bit of a swipe at the the taxpayers association. I have tried to talk to it about one of the things that has bothered me over the years, but I have not been able to get together with the association. Now that I have said it in the House I imagine that my phone will ring tomorrow, but it has not rung when I phoned before and it has not returned my calls.

I have tried to get them to actually admit publicly that the difference between what one contributes into the plan and what one gets out is not all coming from the taxpayer per se. Some of it could appropriately be called interest on one's contributions.

I think that by and large the taxpayers association has failed to take that into account. It has simply added up the total amount of the benefits, and that is what it has put on its billboards along the highways. Since I am a mathematician of sorts and I know the math of finance, I have always felt that was intellectually dishonest of the association. It has not served Canadians well by giving them that misinformation.

It is true that it is still too rich compared to what is contributed, even if one matched dollar for dollar on behalf of the employer the taxpayers of the country. It is still richer, but it is not rich by the amount the association claims. For example, if people contribute \$1,700 a month to an RRSP or to a growth annuity, if I can use a calculation here again, after 19 years they would have put in \$395,000. That contribution alone would entitle them to \$1.5 million in total of annuity payments taken out over 30 years.

Let us say for the sake of round figure that people paid \$400,000 in and got \$1.5 million out. Then they would get \$1.1 million that they did not put in. Where did it come from? It came from the accumulated interest. In a sense, the difference is what the contributor has lent to the federal government, not unlike buying a Canada savings bond or a government T-bill.

There is a loan to the government. It has the use of that money over that time. Some of it is simply interest taxpayers would have paid to the holder of a bond if it had not been that the government had that money available from the contributor to the pension plan. That is true for every public servant. That is true for everyone who is a member of parliament or a senator.

I would simply say to the taxpayers association that it has a case, but its case is not as strong as what it has been saying because of the lack of taking into account the proper, legitimate interest portion of the growth as opposed to being totally subsidized by the taxpayer. In fact the money does all come from the taxpayer, but

*Government Orders*

like I said it was also partially interest on the loan that the taxpayer got by the contributions the particular member has contributed.

It is most unfortunate that I am being signalled since I could speak some more about this subject. I would like to simply say in conclusion and in summary that I intend to vote against the bill because of the coercive force of it and because it is still outside the parameters available to ordinary Canadians.

At the same time I would say that as a person who has always been the sole provider in our family I do have to look very carefully at what the options are, because I believe I have an obligation to my family. I will have to look at it very carefully. It has been a dilemma for me and continues to be. I want to say that I have, above all, a deep desire to serve not only the taxpayers of Elk Island but also the taxpayers of Canada with honour and with respect.

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, I would like to add a different aspect to the debate before us. My remarks will be related very much to the politics of this issue, as opposed to the substance of the bill itself. As most members of the House know, the matter of pensions for members of parliament has been a lightning rod in the last number of election campaigns, which has been largely promoted by one political party over another.

• (2100)

In that regard the concern that I have is that this was used as a political wedge in a very aggressive fashion in the 1993 election campaign and in the 1997 election campaign as well.

When that was done the language that was utilized and the literature that was produced was against very noted members of parliament, including my former leader, Mr. Charest. I know that every member who sits with the Alliance, the former Reform Party, utilized that particular document in terms of the amount of compensation the former member for Sherbrooke, the hon. Jean Charest, would actually receive from pension benefits. It was based on the fact that he may live to be 90 and that if he had lost the election at that particular time it would have amounted to such and such an amount.

My comments are in defence of the solid, hon. members of parliament who lost their seats in the election of 1993 because this issue was used as a political wedge.

I have difficulty in terms of taking this approach initially because some members of parliament who sat formerly as Reformers, who are now with the Alliance, I regard as very honourable individuals. I compliment the member of parliament whose father was the former provincial leader of the Socreds. He said "We did some really silly things that we should not have done in the first place". They gave away the keys to the limo. They were going to turn a national institution, Stornoway, into a bingo hall. They attacked all senators, including Senator Ron Ghitter, who was a very solid legislator at the provincial level as well as the federal level. Personal attacks were made by Ezra Levant and the member

for Calgary West which were clearly over top. At least they had the fortitude to apologize for their remarks.

Reform Party members opposed pension plan schemes for members of parliament. They went on to say that the Reform Party would support the provision of pensions for MPs only—the key word being only—if those pensions were no more generous than private sector norms and met all requirements for a registered plan under the Income Tax Act. That is the litmus test that was established by Reform members of parliament. My concern is whether they are following that perspective.

There were very moderate approaches made by some individuals who clearly said that the pension plan is too generous and should reflect what we would see in the private sector. There were other members of parliament who chose to ratchet up the rhetoric. This is what they will have to deal with when they go back to their ridings in the next election campaign.

One of the gimmicks that we know still exists within the Reform protocol is the issue of recall. In the event that constituents do not support the way their member has voted, that member could be recalled. The number of signatures that is required to do that is not all that great. I suspect that there are a number of members of parliament who are now with the Alliance, formerly the Reform Party, who are a little apprehensive about that particular aspect which they advocate. They did not advocate the pension plan, now they do. They did not advocate residing at Stornoway, now they do. They did not advocate taking the car, now they do. Maybe they do not advocate recall now.

• (2105)

I know what the current leader of the Canadian Alliance said on a previous occasion about the pension plan. She came to my riding the other day and made a very direct comment. She said "We are going to win the riding of Saint John. We are going to win the riding of Fundy—Royal. We are going to win the riding of New Brunswick Southwest". This in spite of the fact that they did not have one poll to substantiate their capacity to win even one seat. They said that they were going to send them home whether they received a pension or not. The point is, that would be a purely political jab with respect to the pension plan.

With these comments on the pension plan Canadians will know which MPs are greedy and which ones really care about the taxpayers. Those are not my words; they are the words of the member for Edmonton North. She went on to say "Believe me, the voters won't soon forget those MPs who promised integrity in government but decided to pig-out while the trough was still full".

**An hon. member:** Who said that?

*Government Orders*

**Mr. John Herron:** That was said by the member for Edmonton North, the current leader of the Canadian Alliance.

Another concern I have is with a hard working Alliance MP for whom I have a lot of respect. These are debates and challenges which they will have to work out among themselves. On August 6, 1998 he stated, when a member of parliament chose to opt into the pension plan, "Members who opt back in are liars or hypocrites". That was very callous, and perhaps short-sighted.

**An hon. member:** Who said that?

**Mr. John Herron:** That was the member for Calgary Southeast. I suspect that will be a difficult issue for them as time goes on.

I also recall comments made by the former House leader for the Reform Party. He stated "It is those principled individuals who took it on themselves to opt out of the gold plated MP pension plan who got on the alternative pension placed before the House today".

The member for Elk Island spoke just a few moments ago. The approach he takes in the House more often than not is one of moderation. He said that the kind of language which uses such terms as gold plated pension plan was rhetoric that was not becoming of the House. I commend him for that. However, I question the tenacity and the visceral approach that the member for Langley—Abbotsford took on that particular day.

When I look at the comments of what other individuals have said, I believe it is time to build a strong coalition of Conservative voters, ones who want to pay down the debt, lower taxes, grow our economy and acknowledge where they were wrong.

Last weekend the member for Calgary Southwest said that Prime Minister Mulroney still had not apologized properly to the Canadian taxpayers for what he did with the free trade agreement, which has grown our trade with the Americans from about \$100 billion in 1988 to over \$320 billion annually. The free trade initiative was brought forth by the Progressive Conservative Party. It was an initiative which represented the fact that Progressive Conservatives are prosperity builders of this nation. We are very proud of that. Those members should apologize for the language and terms they have used and for accusing our members of taking a pork barrel approach.

• (2110)

I will comment on another member of parliament for whom I have a lot of time. He is a very learned member. He is one of the best questioners in the House. I am talking about the member for Medicine Hat. He tries to do his work on the finance committee. However, again an apology is required for the language he uses when referring to the pension plan as only being available to

members of parliament: "It is disgusting. It is the height of hypocrisy". These are the words of the Canadian Alliance.

I referred to the House leader of the Canadian Alliance. He is probably one of the most moderate, nicest guys that we have here in the House of Commons. When he made his remarks, Mr. Speaker, I know that you were in the chair at the time. I hasten to add that the member for Fraser Valley chose not to state this particular quote: "All Reform Party members are going to opt out of the pension plan because we stand on principle and we do not swim in gravy. We are going to opt out".

I will now refer to the hon. member for Calgary Southwest who is vying for the Canadian Alliance leadership. We will have to question the leadership candidates in terms of what their particular issues are as well, be it Tom Long or Mr. Day. There are questions about when the member for Calgary Southwest, the son of a former Alberta premier, said: "It is the intention of Reform MPs to opt out of the pension plan. We call upon every member of the House to do likewise. Opt out or get out will be the cry in the constituencies". Is it the cry in the constituencies? Will it be the cry that will actually precipitate recall?

It is a cry which must be respected if fairness in leadership by example and integrity are to be restored to parliament and any budget it endorses. When the word integrity comes into play, I am very proud to be a member of the Progressive Conservative Party and to be part of a team led by the Right Hon. Joe Clark. Mr. Clark is an individual who has taken a very honest approach to government. His integrity and honesty has always been beyond question. Again, I want to build a coalition with members of parliament who are in the Canadian Alliance, the moderates within that caucus with whom I have had the pleasure of having conversations.

I want to really do the things that we need to do in this country. We have to pay down the debt. We have a \$580 billion debt, which is a mortgage on the future generations of this country. I want to lower taxes to grow our economy and to maintain our international competitiveness. We must recognize the fact that the economies of the Irish, the Danes and the Finns have taken off. There has been 18% growth in the United States, 14% growth in Germany and 14% growth in the U.K., while Canada has fallen behind with only 7% growth. Those are figures for 1992 to 1998.

We need to get our tax regime in order. To do that we need to build a coalition, an alliance, a further conservative consensus. We will not be able to do that if members continue to make visceral attacks on our leader, Mr. Clark.

• (2115)

A comment has been made that maybe I want some time out, but I do have more to say. At the time the member for Beaver River said that they would win Fundy Royal. I had the honour in my

*Government Orders*

riding association to have all eight MLAs who actually share the boundaries of Fundy Royal at my nomination just about nine days ago today. They endorsed my campaign. All eight riding associations came forward to endorse my campaign. The most fiscally conservative premier in the country, Premier Bernard Lord, was actually there as my guest speaker. I know the strength of my riding. She attacked me. She was going to send us home whether or not we had a pension.

I want everybody to know who threw the first dart. This particular member of parliament said that the pension plan was a scheme, a dream, when one thinks about what has gone on in the last several years to make sure MPs look after themselves. In other words some may opt out but the rest will continue to pork out. It is what I understand. Those people who are still in an overbloated pension system because they have qualified now will just continue to pork out while some people will opt out.

There were some immoderate approaches taken by reform alliance members. I spoke of the moderate language of the member for Elk Island and the member for Esquimalt—Juan de Fuca. He mentioned quite simply that the MP pension plans should be converted into a money purchase system, the same as many private companies are doing.

I do not have any problem with taking that kind of an approach if that is a belief he wants to follow. However, visceral attacks were made by the member for Elk Island about the gold-plated pension plan. He attacked hon. members of parliament who actually tried to advance public policy in the country, hon. members of parliament who actually stood in the House and delivered principles that built the prosperity of this nation.

I look at the member for Cumberland—Colchester. I know he was attacked on that very issue in 1993. I look at the former member for Charlotte as it was called at the time, and now the proud member for New Brunswick Southwest, who was attacked on that very same issue. The visceral hatred brought forth against our candidates at that time should be remembered.

I know that my colleagues in the Reform camp or the Canadian Alliance camp, with reform as its middle name, may look at the language in terms of reciting these quotations and be a little upset over it. The intent of what I was trying to do was to say that the language the former leader of the Socreds brought forth provincially was wrong. It was wrong to use hatred and visceral attacks condemning our leaders in terms of Brian Mulroney to the degree they did. They utilized hatred in terms of attacking with respect to the keys and not taking the limo, not taking the house in Stornoway or the chauffeur, and opting out of a pension plan and maybe opting back in.

If they want to build a coalition of Conservative voters, I think it is time that the hand is more than just extended and they say that they went over the top time and time again in what they said about

some hon. members. It probably was not in the spirit of developing sound public policy.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I think I will make a comment. Very frankly I do not require a response from the member. I would like to point out to everyone who happens to be listening to the debate that in fact the then Reform Party, which is now the Canadian Alliance, was the only party that ever both publicly and privately said it would do something to try to make this pension plan fairer for Canadian taxpayers at the same time as giving a commitment to fix it for everyone. As far as I am concerned we will form government.

• (2120)

The member can bray all he wants about how we are such terrible guys, but we are the only ones that have ever done anything about it. All other members, including those on that side, have always very happily taken whatever they could get without ever questioning whether or not it is fair.

We will continue to question the fairness of it. I will personally. We need to work on it until we get it right. Right now there are some changes being proposed in this bill. As far as I am concerned they do not yet fix it. The work is not yet finished. With that I end my comments. As I said, no response is needed, nor required, nor wanted.

**Mr. John Herron:** Mr. Speaker, I want to try to be a little generous in that regard. I think the reform alliance actually did the Canadian public some degree of service by recognizing the fact that the pension plan, as was stated previously, probably was not the best pension plan to reflect the will of Canadians in that regard. I give him credit in that regard.

I also want him to go back to their platform in “Let the Future Begin” in 1997 on which every one of his members ran. They indicated that people would not be receiving pensions until they were 55, which was probably a step in the right direction. I say this to correct the record.

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, I have a comment and a question for the member for Fundy—Royal. I listened intently to what he said. I thought his comments were quite profound and quite illuminating. A fair amount of light needs to be shone on a lot of the statements that have been made in this place since 1988 and especially since 1993.

The hon. member for Elk Island said that somehow this policy would change the pension plan for everyone else. This policy would change the pension plan for the Canadian Alliance. No one else opted out. No one else said they would not take it. This pension

*Government Orders*

plan is being changed for one group of people only, and quite frankly there is a term for that. There was some talk about braying, but I will talk about con. I have heard crows on a gut pile before and that is what it sounds like to me. I would like an answer.

**Mr. John Herron:** Mr. Speaker, the member is wrong in one aspect. It is not just Reform or Canadian Alliance members that this bill actually applies to. It applies to about 90% to 95% of Reform or Canadian Alliance members. That would be the accurate number. This bill has really been brought forward because of them. There are a couple of members in the Bloc, but the bill was brought forward mostly for the Reform Party.

The issue that will come into play at home over the course of the summer is the Reform vehicle which I think is wrong in terms of recall. I am not an advocate of that. The number of signatures required to precipitate a recall situation would be quite difficult, especially when I look at the comments.

In August 1998 the member for Calgary Southeast stated “earlier this week the MPs who opt back in are liars and hypocrites”. That is a very difficult situation for them to sort out internally. I know reform alliance MPs work for their constituents and try to do the best they can in that regard.

• (2125 )

What I am trying to illustrate is that one of the fundamental principles of conservatism is that of self-responsibility and responsibility for our own actions, our own community and our own families. In order to do that we are responsible for our own words, our own actions and our own visceral attacks. That is the issue that I had in play.

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Mr. Speaker, I do not want to get into a great debate which I do not think will be beneficial to anyone whom the particular bill benefits or does not benefit. For those whose idea it was to bring it in and who participated in the negotiations and for those who did not, I want to read from a Reform Party of Canada blue book from the past. Then I will ask the member if he supports that policy just so we are clear.

I think what is happening here this evening is that a number of members are stating what our policy was or was not in the past, and I think we need to be clear about it.

The Reform Party supports the provision of pensions for MPs only if those pensions are no more generous than private sector norms and meet all requirements for a registered plan under the Income Tax Act. Reformers also support using an independent body to make binding recommendations to parliament with regard to MPs' pensions and that these recommendations be applied to the future benefits paid to both retired and currently sitting members.

That is what the blue book used to say for the Reform Party of Canada when there was a Reform Party of Canada. I just wanted to point that out to the member and ask him if he has a problem with that type of policy, although I do not believe he has.

**Mr. John Herron:** Mr. Speaker, the issue is that they have a vote before them and they have to make that determination. The key word is only, only if it did not exceed what was found immediately in the private sector. The issue here is not to cloud what we have before us. It is whether this bill does or does not and whether they will vote for it or not, whether they want to deal with it.

With respect to the reasoned approach that was just quoted, I think a lot of Canadians agree with it, but that is not what we are debating today. I thank the hon. member for his question and the opportunity to participate in this evening's debate.

**Mr. Leon E. Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, I would like the member to answer the question. The question was regarding Reform Party policy. It says in the blue book:

The Reform Party supports the provision of pensions for MPs only if those pensions are no more generous than the private sector norms and meet all requirements for a registered plan under the Income Tax Act.

The member for Prince George—Peace River asked specifically for the member's comments on this Reform policy. The member sounded like he was opposing it. Could I get an answer on that, please?

**Mr. John Herron:** Mr. Speaker, Canadians, this member included, believe we should have a competitive regime. A pension plan should be something that would reflect the level of risk and the level of investment and contribution found in the private sector. That is the gist of the comments that may be in the book.

The issue is only if. During the vote that we will have later they will have to make their own determination. That is the relevant issue. I would say to the hon. member that is the issue before the House. As I said before, I wanted to talk about the politics of the issue in that regard. The visceral language, the attack, and the rhetoric used before was wrong, was over the top and was not becoming of this place House over the last seven years.

• (2130 )

**Mr. Greg Thompson:** Mr. Speaker, I rise on a point of order. I just want to inform the House that this is going to be carried to a vote. There is not going to be unanimous consent to move this ahead as reformers wanted. We will be here the rest of the night but we are going to force the vote on this issue.

**The Acting Speaker (Mr. McClelland):** That was not a point of order but it was certainly illuminating.



*Government Orders*

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I am going to be splitting my time with the member for Surrey Central.

Going back to the comments which were made from the back corner, they seem to be prejudging how people are going to vote in the House. I do not know how they would know that. I certainly do not know how some of my colleagues are going to vote so I am not sure how they have decided that already.

I want to talk about how this issue has come to where it is at today. It seems I have had this date with destiny for quite some time. Mr. Speaker, you will know that there has been a bit of a tortured past with this issue within our own caucus. Why is it that this has come about?

When I campaigned in 1991 and 1992 I heard a lot of constituents say that there was a problem with the MP pension plan. I was not hearing much about the pay issue but I was hearing about the pension plan. Certainly there were some politics being played as I suggest there are today.

I heard over and over again that people thought that the MPs of the day had failed, that they did not want to deal with the issue of pay increases so they had decided to give themselves an increase through the back door. That is what bothered constituents more than anything else. They wanted the government and members of parliament to be up front on this issue. I agree and I think that still has not been done.

I do want to raise the issue. Some excellent comments were made earlier in the debate by people whose judgment I value, the member for Winnipeg—Transcona, and the member for New Brunswick Southwest in terms of the history on these issues of pay and pension. They were valuable and important to the debate.

I know it is hard not to take a few swipes along the way. I have been guilty of it myself. In 1995 I spoke out very strongly against the revised pension plan which was brought in. Why did I do that? I believe we still have not achieved the MP pension plan that most Canadians want. All we want, and I believe all that Canadians want, is a reasonable pension plan for members of parliament.

Was it a reasonable plan when we were raising this issue back in 1991-92? Let us examine that for a moment. At the time it was about a \$6 contribution by the Government of Canada for every dollar the member put in. At the time a member only had to serve six years in the House. As someone said earlier, a member could be 27 years old and have a pension for life, albeit if the member only served six years it would not be that much, but it would continue until the member is 75 years old.

If that was a fair plan, why did the government change it in 1995? I suggest that improvements were made in 1995. They were

not as much of an improvement as I would have liked to have seen, but there certainly were improvements.

Let us look at it for a moment. It was a step in the right direction. It was taken down to \$3.70 for every dollar the member contributed. Although it is probably still twice as generous as a private sector plan, the age limit was changed to 55 years. People could not start drawing it until they were 55 years old.

Of course there was an opt-out provision for the class of 1993 and some of us took it because we were essentially dared to either take the second plan, which is kind of super-enhanced to a lesser degree, or nothing. So we did take it. But there were improvements. It ended the double dipping as was said earlier. We ended up with closure on that debate. I think we are still a ways away from it.

We need to talk about what happened in 1997. After the review, in 1998 the legislation went through, but in 1997 there was a plan calling for expense allowance increases, an enhanced severance package, and of course the opt-in provisions which some of our members took advantage of.

• (2135 )

There was no provision for that more reasonable plan at least for the very MPs who had opted out. Some people have made the case that we do not want to do that because that creates another class of MP pensions. There are four classes of MP pension plans now. What difference would it make if there was a fifth? That was not a good argument.

What bothered me more than anything in the 1997 package which was put before the House, and which I vowed I would never be part of again, was it was essentially passed in the dark of the night. There was no debate and no vote in the House of Commons. The very thing we are sent here to do by our constituents is to debate the issues and vote on those issues at the end of the day. I must say that today's package moves a long way to recognize that was a problem. That was my biggest single problem with what happened in 1997. Many people in my riding asked me what we were trying to do by sliding that package through in the night.

Every elected member in the House should have the opportunity to debate the issues. If it is our pay, that is still fair game. We have to debate those issues. There needs to be a vote at the end of the day. I wanted to ensure that happened this time around.

Some of my colleagues joined in 1997 and I do not fault them for that. We have different situations. We have different financial situations. But the 1997 plan, the 1995 plan and of course the plan today still are all overly generous and do not meet the test we put forward in 1992.

*Government Orders*

What I am trying to say is I am not in favour of the current plan, although I understand many members are and most probably will be opting in. I have a problem with it. We need to go further to change it to a plan that is less generous than it is right now.

As I said earlier, there have been many good cases for different points of view on this issue, but I wanted to put my point of view on the record. I think this enhanced plan today has missed the mark again. There should have been a plan offered for those members of parliament from the class of 1993 that were out that was based on a fifth option, a fifth package. There are four classes in the plan right now. What would have been wrong with having one more class for those people?

I have talked to a number of constituents over the last seven years regarding this issue. They want us to be up front and honest with them about the issues. If we feel we deserve a pay increase, we should get up in the House and make the case for it.

I see some benefit in having an independent panel make recommendations to the House, but it really is for the members of the House to make those kinds of decisions in the end. It seems to me the most important issue from the point of view of our constituents is that we do not want to do through the back door what we are not willing to do through the front door, which is to have a super-enhanced pension plan because we are not addressing the real issue which is probably the pay issue.

In the previous parliament, Jim Silye, a former colleague of mine from Calgary Centre, made an important comment about what he believed was the best way to handle this. I agreed with him at the time and I agree with him today. If members were paid a proper amount we could do away with the special tax free portion, the tax free expense allowance, and members could look after their own retirement income. He made a good suggestion at the time. People laughed at him because he was a self-made millionaire and did not need the pension plan himself.

However, we do have to recognize that people come from different walks of life and we do not want to limit this place just to people who can sort of buy their way in here, people who are independently wealthy. We want a cross-section of Canadians in the House of Commons.

The class of 1997 as I said are automatically in the plan. There is no opt-out provision for them. The class of 1993, the ones we are really talking about today, are going to be compelled by this plan to be in it. Members of our party have been involved in some of these negotiations and I do not fault them for that, but my own view is I think we still have a way to go to correct this plan and I would like to see that happen.

In 1993 I committed to work to make this pension plan a fair one. I think that is what my constituents want. They want members

of parliament to have a good basis for pay and they want members to have a good pension plan but it has to be fair. It has to meet the test and I do not believe that has happened today.

• (2140)

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, what those members are proposing certainly has not met the test, because this scheme, and that is what it is, it is a scheme, was hatched in secrecy. Not one member of parliament with the exception of the House leaders had any idea what was going on. This was laid on our table tonight at 6 o'clock. Every one of them on all sides of the House should be ashamed of themselves.

Basically this is being forced by the party formerly known as the Reform Party, presently known as the CA. What those members did in a previous life in a previous parliament was to make the decision that they did not want in. They staked their whole political careers on this pension plan. They raged against it back home.

Some of that party's own members are now sitting on the backbenches because they defied their own party a couple of years ago when they opted in. They want to set the rules of the game themselves. In fact they are forcing the government's hand on this very issue. Unless it involves them, they do not want to have anything to do with the renewal of the pension plan. They are setting the rules and the government is stupid enough to fall into their trap, because now they can conveniently go back home and say the majority of parliament overruled them. That is exactly what they are doing. They are the hypocrites of all hypocrites.

We have heard the present leader of the party—

**The Acting Speaker (Mr. McClelland):** Order, please. I understand the member for New Brunswick Southwest is incensed over this, but I would ask that the remark hypocrites of all hypocrites be withdrawn.

**Mr. Greg Thompson:** Mr. Speaker, I withdraw the term hypocrite, but it was very hypocritical of the member, which is very parliamentary—

**The Acting Speaker (Mr. McClelland):** Order, please. I asked the hon. member to withdraw the direct implication of the word hypocrite as directed to a specific member. In my judgment, to refer to the action of a specific situation as hypocritical is parliamentary.

**Mr. Greg Thompson:** Mr. Speaker, Canadian Alliance members are holding the House hostage, if you will, on this very issue, because many of them now realize that they have to go back out to get elected.

Their party is going through a huge transition at this time. They do not know who their new leader will be. Whether the new leader

*Government Orders*

will be from Ontario, which they will detest if that happens, whether he will be the recycled leader from Alberta or possibly a new leader from Alberta, there is a lot of uncertainty in that party. It creates a lot of anxiety and now they are trying to build that very safety net they took away about 10 years ago.

**Mr. Charlie Penson:** Mr. Speaker, I may have to take back some of the words I said earlier. There is a lot of venom coming from that corner of the House of Commons today.

Because the member for New Brunswick Southwest may not have any kind of relationship with his House leader, he may not know what was going on, but his House leader certainly did. The fact that he may not have shared it with his members says quite a bit about that party.

Dealing with the specific issue he raised about whether we wanted pension plans for our members of parliament in terms of the Canadian Alliance, I reject categorically what the member has said. A couple of our members have read from our 1991 blue book. We have always taken the position that we want a pension plan for our members, but the pension plan has to be a reasonable plan. I think that is in *Hansard* a number of times. For the member to suggest otherwise is a total fabrication that misrepresents what was read into the record from *Hansard* just a few moments ago when he was sitting in the House. I cannot understand how he could possibly have missed it.

It seems to me that there is a lot of politics being played in that corner and we want to move on.

• (2145)

I do not know how I will vote on this issue. I think I might vote against it, but we are being prejudged by members down at the other end who are already telling us how we are going to vote, which is, in my view, pretty hypocritical.

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, on behalf of my constituents of Surrey Central and my colleagues I would like to participate in the debate on Bill C-37, an act to amend the Parliament of Canada Act and the Members of Parliament Retiring Allowances Act.

Before I begin I would like to share a short story with the House. Yesterday it was raining cats and dogs at about 5 p.m. before I got on my flight to Ottawa. About 10,000 members of the Fijian community held a rally in sympathy and for the protection of the rights of their friends and relatives who are victims of violence and persecution in Fiji, where an attempted coup has taken place. They presented me with this yellow ribbon and made me promise that I would wear it in the House today. I am keeping my promise to honour the efforts of those 10,000 people in Surrey and Delta from the Fijian community by wearing this ribbon today.

Now to Bill C-37. A number of passionate speeches have been given in the House, particularly by the House leader and the whip of the official opposition, as well as many members of the official opposition. Passionate speeches and very valuable comments have been made by members of other parties, particularly by the House leader of the NDP. All of these members command high respect in my mind, irrespective of the political parties to which they belong.

However, while I was listening to the debate I noticed that a few members used this occasion to throw around political rhetoric. They were probably the left-over members of the Progressive Conservative Party who were taking this opportunity to show their resentment because they are dissatisfied with the direction in which their party is going, so they tried to use this opportunity to throw around political rhetoric.

The debate about pensions and retirement allowances is a very emotional issue.

There are four different tiers of pension in the House. One is the class of '97, to which I belong and, therefore, I stood to speak on behalf of my colleagues. Another tier is the class of '93. Another tier is those members of parliament who were defeated and then came back to the House. There are different tiers of pensions in the House. Should they not be equitable? Those tiers should not exist.

There should be only one type of pension for all members of parliament because all members of parliament are expected to do the same job and to have the same duties. All members are supposed to represent their constituents. All members are supposed to work hard and make themselves available to their constituents. They are supposed to try to help them as much as they can. They are supposed to show leadership, skill, courage and determination. Therefore, I believe that all members of the House need to have the same type of pension.

We should look at the different factors, which vary from individual to individual in the House. Every member has different responsibilities as far as family is concerned. Some members are rich and others are poor. Members of parliament serve this great nation, but they are members of a political party and they are branded as such.

For example, my qualifications are in the field of business administration and marketing management. When I look for a job after my political career is over, I have already planned it. It might be the case that very few businesses would want to hire me because I have a political brand on me, as do other members of parliament. It is not easy to find a job.

• (2150)

It is important that members have some sort of compensation. The Canadian Alliance members, formerly the Reform Party of

*Government Orders*

Canada members, have never said, to the best of my knowledge, that they did not want a pension. Even the blue book policy has been read a couple of times in the House. What these members are against is the gold plated pension. They do not want an overly generous pension plan for members of parliament which is not in conjunction with the terms and conditions of private sector pension plans.

It is not that they did not want the pension; they wanted to reform the pension. All the people who are talking about pensions need to appreciate that these members tried to reform the pension while they were in opposition. They asked the government to reform the pension plan. Instead of appreciating this, the issue now becomes that they are opting into the pension.

In my view, the issue is not whether or not they are opting into the pension; the issue is that they tried their best to reform the gold plated pension and the credit goes to the Official Opposition of Canada, the Canadian Alliance, which has been effective in toning down the gold plated pension. Now this pension plan is much more reformed than it was many years ago.

The member for Peace River has already mentioned that the contribution used to be six to one. Then it was four to one, and now it is a different type of pension.

These are the same members of parliament who not only sacrificed the amount of the pension they were supposed to get, but who also sacrificed the other medical and insurance benefits associated with the pension. I do not see any appreciation from members opposite or anywhere else saying that these members sacrificed their own benefits.

Another big factor is the quality of members of parliament. Members of parliament in performing their responsibilities try to do their best. They work hard, but they should be compensated for the amount of input they put into their work.

The point I want to make is that it is the sacrifice of members which should be appreciated. They tried their best. They put their money at stake. They put their livelihood for their retirement at stake to reform the gold plated pension, which should be recognized.

Members on the government benches have picked this time to introduce this bill, when we are about to break for summer. They want to drive a wedge between members. They did not give enough time for members to digest this plan, to think about it, to discuss it and then to vote on it. The Liberals just introduced the bill and we are to debate it late into the night.

For members who sacrificed their pension or who opted out of the pension in the past, it was a very difficult choice. They can support this bill, they can oppose it or they can abstain. Since the gold plated pension has been changed quite a bit I would encourage

my colleagues to support the bill so that we can bury this issue once and for all and then focus on the more important issues which are confronting our nation.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I am wondering how the party formerly known as the Reform Party can square itself on this issue.

One of its members is getting a bit vexed, and I guess I would too if I campaigned on the idea of eliminating a pension plan and all of a sudden I wanted to jump into the so-called trough which they talked about, which the interim leader of the party has referred to in the past. I could quote from speech after speech which she made on the issue.

• (2155)

**Mr. Charlie Penson:** What does Peter have to say about that?

**Mr. Greg Thompson:** Mr. Speaker, the member will have a chance to get on his hind legs and speak. He has already spoken to this issue. I am speaking in the sense that members of the former Reform Party, now known as the CA, have completely swallowed themselves whole on this issue. It is very symbolic. It is something like Preston's flip-flop on taking the keys to the limousine in 1993.

**The Acting Speaker (Mr. McClelland):** I know the time is getting late and I am sure it was a slip of the tongue, but we do not refer even by first name to current members of the House.

**Mr. Greg Thompson:** Mr. Speaker, I apologize. I should refer to the member by the riding he represents and not by his first name. I was speaking of the former leader of the Reform Party, now the member who represents the riding of Calgary Southwest, who is vying for the leadership of the CA. I guess we know who we are talking about.

How can they swallow themselves whole on an issue like this, which was such an integral part of their campaign strategy in 1993? Many members of parliament were defeated on the very issue of pensions. Basically, the Reformers in 1993 were saying not to vote for this person or that person because it would mean that when the person went back to Ottawa he or she would get a pension. They were against pensions.

That is what the Reformers were saying. Now they are saying that they want pensions, that they like them. The reason they want them is because they are now in a vice. Many of them are up for re-election with a very slim possibility of winning, so they want that golden handshake. They want that safety net. They are willing to swallow themselves whole. That is exactly what they are doing on this issue.

**Mr. Gurmant Grewal:** Mr. Speaker, Bill C-37 is not about leadership. It is not about the Canadian Alliance. It is not about

partisanship. The bill is about a gold plated pension. It was the member of this party who showed courage and leadership in the House so that the gold plated pension could be reformed.

The hon. member who asked the question should think twice. He should worship the leader of the Canadian Alliance who showed courage and who stood in the House against the old line political parties which have been governing the country for more than 132 years. They never thought of reforming the gold plated pension. For 132 years their members have been receiving those pensions.

It was up to the Canadian Alliance members to stand in the House. They wanted a positive change. They wanted to bring about a change in favour of the Canadian taxpayers. He should worship those members. Moreover, the hon. member should talk to his own House leader about the pension.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, I am pleased to be here tonight to talk about the retirement allowance pension plan that is being amended for members of parliament.

Prior to 1993 the political parties of the day set up a pension plan that was not in keeping with what Canadians wanted their members of parliament to be rewarded. As a result, in 1993 the Reform Party members came to this place and began the march for change and a more sensible compensation plan for members of parliament. Tonight we find ourselves continuing on that march to a reasonable, sensible and fair pension plan for members of parliament.

In my riding no one has a big problem with our pay scale. In fact, some people say it should be more. People realize the amount of our tax free allowance that we have to spend. That is not the issue. When they look at the pension plan, they say it is an issue.

• (2200)

The bill before us tonight does not go to where the Canadian public's position is on pensions for members of parliament. I fail to see at this time why the Liberal government, which has a majority in this place, could not have negotiated with the leaders of the other parties and brought in a bill that would have satisfied everyone, especially the Canadian public who pay the bills.

Tonight we have seen the federal Progressive Conservative Party members in the House attack, not the Liberals for the way they brought in this bill, but the Canadian Alliance. I would like to quote a statesman in our country, who happens to be a provincial premier, to bring into perspective the fact that we, as opposition members, as conservative thinking and conservative voting members, should be working together with regard to the bills and the amendments that Liberals bring in on various bills.

Here is what was said. I will read it into the record so that it is clear to all Canadians watching this debate tonight that the enemy

### *Government Orders*

is not on the opposition side. The enemy, in political terms, is on the government side which has mismanaged our economy, mismanaged the spending of billions of dollars and has mismanaged the compensation issue in the House for members of parliament causing untold harm to many members.

The following is a quote by Mr. Klein, the Premier of Alberta:

It seems sort of odd... especially when he's talking about the Alliance splitting the conservative right. The Alliance is really a consolidation of the conservative right. Many PC members left the federal PC party because of a lack of fiscal accountability. It seems to me Brian Mulroney lost a lot of his popularity because of his fiscal responsibility... The Alliance is a unification mechanism to bring Conservatives who were fiscal conservatives to the table.

The Tory collapse in 1993 was "a manifestation of Brian Mulroney and his policies," Mr. Klein added.

We see conservative thinking people across Canada coming together in the Canadian Alliance that we are building at this time. That is the fear on the government side. That is why we, as Canadian Alliance members, are working together to bring in a pension plan that Canadians will accept, a reasonable, sensible pension plan that we can all vote for at a future time when we in the Canadian Alliance are the government of this country.

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, I have just a couple of questions because I have always been intrigued about how this would make out.

I want to compliment the member for his remarks because his level of rancour was in proportion to the debate.

I have two concerns. Given the problem we have with the speed by which the bill has been brought forth, perhaps there are ways to ask the House, since we are masters of our own domain, whether the bill could be hoisted, debated over the course of the summer and then brought forward in the fall in order to have a proper debate in committee with witnesses. Would the hon. member support that initiative?

Does the member think that this issue would be eligible for recall if a significant number of signatures could be obtained?

**Mr. Howard Hilstrom:** Mr. Speaker, the member's last question does not require an answer because there is no recall legislation in place in the House.

Realistically, had the government not wanted to essentially take care of its own members for the most part in this legislation, it could have, in good faith, come over to our House leader and the House leaders of the other parties and talked about a plan with which Canadians themselves could be happy and satisfied that they were paying a reasonable amount of compensation for us through our pension plans.

*Government Orders*

• (2205)

We on the Canadian Alliance side of the House certainly believe that members of parliament should have a pension. However it is impossible for me to support this particular legislation because it does not provide the plan that not only the Liberal Party but all parties in the House know should be in place.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I want to point out the hypocritical nature of the position taken by the party formerly known as the reform party and now known as the CA.

I want to quote from the June 14, 1996 *Hansard* where the member for Prince George—Bulkley Valley said:

Mr. Speaker, the MP for Winnipeg North Centre has just returned after travelling all over the country and talking with Canadians who are concerned about their public pensions. The travelling MP said that restoring faith in the CPP is as important as reforming the plan itself. No kidding.

While hardworking Canadians worry about their pensions, is the Liberal member from Winnipeg North Centre concerned about his? No. Did the member for Winnipeg North Centre care one bit about average Canadians when he refused to back away from the Liberal pension trough? No.

Did the Liberal government care one bit about Canadians when it firmly re-established its pension trough position last year? No. Did the Liberals care one bit that Tobin and Cops, the \$7 million pension couple, are out campaigning at the taxpayers' expense today? No.

**The Acting Speaker (Mr. McClelland):** Once again, I would ask the member for New Brunswick Southwest, who knows this as well as I or anybody else in the House, that we do not refer to sitting members by other than the constituency they represent or their office, period.

**Mr. Howard Hilstrom:** Mr. Speaker, the member for New Brunswick Southwest was in parliament between the 1988 and 1993 timeframe. I believe there is a question now as to whether or not the members who served during that time are in fact really trying to have their contribution level increased from 4% to 5%. It may be a little self-serving to be debating like this in the House at this time.

**Mr. Greg Thompson:** Mr. Speaker, the point that we are attempting to make is that the party formerly known as the reform party and now known as CA is attempting to change the rules in the middle of the game. It is attempting to swallow itself whole on this pension issue and it is doing a very good job of it. If we look at the agitated faces of those members we will understand why. They came into the House railing against pensions and now they want the pension act changed. Why? They want it changed to benefit themselves.

When that party went through this exercise a couple of years ago what did it do when some of its members bought back into the

pension plan? It put those members in the back row. It actually punished those members because they voted and supported a reform to the pension plan.

The question remains: Why do members get up on their hind legs and rail about us when it is their party that forced this issue to the floor of the House of Commons? They attempted to sneak it through in the dying days of this session with not one single member of parliament knowing what was going on until 6 o'clock tonight. Talk about transparency. They were the ones who did it. Talk about a House leader. Every House leader here is surprised by the reform members' flip-flop on this issue. Here they are standing on their hind legs supporting something they fought against for 10 solid years of their political lives. This is hypocritical—

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

• (2210)

**The Acting Speaker (Mr. McClelland):** I have previously said often that the use of unparliamentary words directed to a specific individual is unparliamentary. There are times when the use of a word in the English language may not make people feel good, but it is an English word and it is descriptive.

In my judgment the use of the word hypocritical to describe actions in an abstract form is entirely appropriate, unless someone can figure out another word that would be just as good.

**Mr. Howard Hilstrom:** Mr. Speaker, certainly there is no reason at this time to use words like that in the House. I certainly concur with your ruling. All of us have had our House leaders, including the federal Progressive Conservatives, in on the discussions and what has been going on. For the member to stand here and take the position he has is clearly unreasonable.

The Canadian Alliance is composed of 57 members that were in the Reform Party. The Canadian public has received a great service from us. Prior to 1993 I recall that taxpayers were contributing something like \$6 for every \$1 that a member of parliament put into pensions. After the 1993 election Reform Party members came here saying that was not right and that we needed a more reasonable pension plan for members.

They did not get everything they wanted, but they did manage to get it down to about \$4 for every \$1 as a contribution level and increased the age to 55. Canadians appreciated the effort of those members in 1993 and they appreciated the sacrifice they made by not jumping willy-nilly into the gold-plated pension plan. The Canadian public owes a debt of gratitude to those people. They have rewarded us by voting for us in vast numbers.

We are continuing our fight in regard to making this pension plan an acceptable and reasonable one, and I know voters will reward us again in the next election.

*Adjournment Debate*

**The Acting Speaker (Mr. McClelland):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. McClelland):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (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):** Pursuant to the order made earlier today, the division stands deferred until Tuesday, June 13, at 5:15 p.m.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order. Pursuant to the order made earlier this day, I move:

That the House do now adjourn.

**The Acting Speaker (Mr. McClelland):** Agreed and so ordered.

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## ADJOURNMENT PROCEEDINGS

• (2215)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### HEALTH

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, two weeks ago during question period I had the opportunity to address a question to the Minister of Health. It concerned a newspaper report that evidence had been conclusively found that the tobacco indus-

try was explicitly targeting our youth in terms of marketing and sales of tobacco products.

When I became a member of parliament I asked to be put on the health committee because of my interests from my prior work. One of the first issues we dealt with on the health committee was tobacco related products and some of the health concerns Canadians have.

We went through extensive hearings. Experts from all across North America came before us. Evidence was presented of some of the things being done. For instance in the United States young people were being invited to rock concerts but the admission was two empty packages of cigarettes. There was also evidence that there was advertising in children's comic books for cigarettes and anecdotal evidence that scantily clad women went to schools to hand out cigarettes to students, somehow to glamorize or to draw attention to tobacco.

There has been no question for a very long time that the tobacco industry has recognized that if a person does not start smoking by age 19, it is very unlikely that person will ever be a smoker in adulthood. Knowing that fact, it has been very clear to health care advocates that children, our youth, are the ones being targeted by the tobacco industry to try and sustain tobacco sales. It was no surprise to find out that there is hard evidence that this is the marketing strategy for the tobacco industry.

On Friday, June 9 there was a Senate hearing on a Senate bill dealing with increasing the price of tobacco with the additional resources to be made available for use cessation programs et cetera. It was interesting to find that the tobacco industry mysteriously has come on side after all that has gone on, and Canadians will know how much has gone on with regard to the tobacco industry.

Now we have a situation where everyone knows that is exactly what has been happening. There is no debate. There is no question.

I raised the issue with the minister and I raise it again tonight. I think it is important that Canadians know that there is going to be a concerted effort to communicate with Canadian youth. This issue is not a surprise to us. Obviously Health Canada has been working on this for some time.

I wanted to raise the question again tonight with the parliamentary secretary. Could he help us to understand better how committed Health Canada is to addressing the issue of youth smoking? Maybe he could share with us a couple of the ideas or strategies we have to ensure that we will not have a false start on a very important health initiative.

[*Translation*]

**Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, I would like to begin my remarks by pointing out to our colleague from Mississauga South

*Adjournment Debate*

that Health Canada made a commitment to work with the provinces and territories, with health care professionals, young people and other key partners to prevent and reduce tobacco smoking in Canada, especially among young people.

We now have solid proof, taken from tobacco industry documents, that the industry's promotional activities were directed at young people, among others.

The federal government's current initiative against smoking is a co-ordinated national strategy worth \$100 million over several years and involving legislative, regulatory, statutory, preventive, anti smoking, protective and public education activities. Young people are the primary target of this national initiative.

• (2220)

Health Canada made every possible effort to capture the imagination of young people and make wise use of the enormous influence of peers to help change young people's behaviour. The national advertising campaign really connected with young people.

The ads put together by young people clearly showed the toxic nature of nicotine, which creates a dependency and has serious consequences on health, including the loss of life.

[English]

In 1999 Health Canada established a youth advisory committee to advise Health Canada on realistic and effective approaches to reduce youth smoking, empowering youth to return to their own communities to initiate and participate in tobacco control activities.

Furthermore, Health Canada has made available on its website the quit for life teen cessation program. By addressing their unique needs and issues, it provides teens with useful information and tools to help them quit.

[Translation]

Over the past year, Health Canada developed new labelling regulations that were just recently adopted. The new labels include graphic pictures, warnings about health and also information inserts. These labels were largely tested with young people to ensure they have the expected impact.

[English]

A key element of any comprehensive tobacco control strategy is price. Health Canada is committed to working with the Department of Finance and others to increase tobacco taxes as a means of reducing tobacco use in Canada.

[Translation]

In conclusion, we must continue to work together to protect young Canadians from this threat.

[English]

## AIRPORTS

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, I rise to follow up on a question put to the Minister of Transport on May 30. I reflected on some words the minister used in a committee meeting that afternoon which put into question the future of the airports in New Brunswick, Saint John airport, Fredericton airport and Moncton airport.

All three airports are having a difficult time maintaining viability because of a convergence of two government policies. One is the divestiture policy which divested the Department of Transport of these three airports and put responsibility for them to the communities. The other one is the merger of the airlines. These two policies are starting to cause a great deal of difficulty for the airports.

In his comments the minister seemed to indicate that the future of these airports was at question. When I asked him about this he did not do anything to alleviate anyone's concern. He said the marketplace will determine which local airport authorities and which airports have the best means of serving the public.

He went on to say that in reference to airports in New Brunswick, the people of New Brunswick will make accommodations and sacrifices in the same way they do in Ontario in using their airports. He then went on to say there is no pretence at all that those airports should disappear. The question is not whether they should disappear. The question is will they survive?

Will the Department of Transport and the Minister of Transport ensure that these three longstanding airports survive and are viable, and continue to serve the people in the communities of Fredericton, Saint John and Moncton? Will the Parliamentary Secretary to the Minister of Transport absolutely ensure the survival and prosperity of the airports in Saint John, Fredericton and Moncton?

**Mr. Yvon Charbonneau (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, on behalf of the Parliamentary Secretary to the Minister of Transport, I would like to tell our colleague from Cumberland—Colchester that Saint John, Fredericton and Moncton airports in New Brunswick are part of the national system of airports established with the announcement of the national airports policy in 1994.

[Translation]

This system consists of 26 airports, which handle approximately 94% of all passenger traffic and connect the country from coast to coast.



*Adjournment Debate*

The federal government promised to ensure the continued operation of airports in this system. To that end, the federal government has retained ownership of 22 of the 26 airports in the national system of airports, which were transferred to local interests under 60-year leases.

[*English*]

The same long term lease will be used to transfer the four remaining national airports system airports, including Fredericton, which the federal government continues to operate as part of the national system.

The Department of Transport is administering these leases in consultation with the various airport operators. This will ensure the national airport system operates effectively and remains a vital effective component of the transportation infrastructure in this country.

[*Translation*]

The transfer of control over airports in the national airport system to local interests will also make it possible for decisions taken by airport operators to reflect the interests and priorities of the areas they serve, in addition to the fact that these airports will continue to belong to the national system.

These airports are thus making a very important contribution to the prosperity of the areas served.

[*English*]

**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 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 10.25 p.m.)

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# CONTENTS

Monday, June 12, 2000

## PRIVATE MEMBERS' BUSINESS

### Labelling of Genetically Modified Foods

Motion .....	7785
Mrs. Tremblay .....	7785
Mr. Grewal .....	7786
Ms. Wasylycia-Leis .....	7788
Mr. Murray .....	7789
Mr. Casey .....	7791
Mr. Desrochers .....	7792

## GOVERNMENT ORDERS

### Species at Risk Act

Bill C-33. Second reading .....	7794
Mrs. Kraft Sloan .....	7794
Mr. Lincoln .....	7795
Mr. Riis .....	7797
Mr. Lincoln .....	7797
Mrs. Kraft Sloan .....	7797
Mr. Lincoln .....	7797
Ms. Girard-Bujold .....	7797
Mr. Chrétien (Frontenac—Mégantic) .....	7799
Ms. Girard-Bujold .....	7800
Mr. Bellehumeur .....	7800
Ms. Girard-Bujold .....	7800
Mr. Riis .....	7801
Mr. Assadourian .....	7801
Mr. Riis .....	7801
Mr. Laliberte .....	7802
Mr. Keddy .....	7804
Ms. Carroll .....	7806
Mr. Keddy .....	7806
Mr. Hilstrom .....	7807
Mr. Epp .....	7808
Mr. Hilstrom .....	7809

## STATEMENTS BY MEMBERS

### The Environment

Mr. Caccia .....	7809
------------------	------

### Prostate Cancer

Mr. White (North Vancouver) .....	7809
-----------------------------------	------

### Amyotrophic Lateral Sclerosis

Mr. Charbonneau .....	7809
-----------------------	------

### Transportation of Goods

Mr. St-Julien .....	7810
---------------------	------

### ALS Society of Canada

Ms. Bennett .....	7810
-------------------	------

### Syria

Mr. Grewal .....	7810
------------------	------

### Cadets

Mr. Pratt .....	7810
-----------------	------

### The Environment

Mr. Finlay .....	7810
------------------	------

### Prime Minister

Mr. Strahl .....	7811
------------------	------

### Education

Mr. Adams .....	7811
-----------------	------

### Hundredth Birthday of Sister Bernadette DeBlois

Mr. Guimond .....	7811
-------------------	------

### Women's Rights

Ms. Wasylycia-Leis .....	7811
--------------------------	------

### National Public Service Week

Mr. Proulx .....	7812
------------------	------

### Employment Insurance

Mr. Thompson (New Brunswick Southwest) .....	7812
--	------

### National Public Service Week

Mr. Sauvageau .....	7812
---------------------	------

### Stroke Awareness Month

Mrs. Redman .....	7812
-------------------	------

## ORAL QUESTION PERIOD

### Human Resources Development

Miss Grey .....	7812
Mrs. Stewart (Brant) .....	7813
Miss Grey .....	7813
Mrs. Stewart (Brant) .....	7813
Miss Grey .....	7813
Mrs. Stewart (Brant) .....	7813
Mr. Penson .....	7813
Mrs. Stewart (Brant) .....	7813
Mr. Penson .....	7813
Mrs. Stewart (Brant) .....	7813

### Parental Leave

Mr. Duceppe .....	7814
Mrs. Stewart (Brant) .....	7814
Mr. Duceppe .....	7814
Mrs. Stewart (Brant) .....	7814
Mr. Gagnon .....	7814
Mrs. Stewart (Brant) .....	7814
Mrs. Gagnon .....	7814
Mrs. Stewart (Brant) .....	7814

### Status of Women

Ms. McDonough .....	7814
Mr. Gray .....	7815

### Child Poverty

Ms. McDonough .....	7815
Mrs. Stewart (Brant) .....	7815

### National Defence

Mr. MacKay .....	7815
Mr. Eggleton .....	7815
Mr. MacKay .....	7815
Mr. Eggleton .....	7815

### Health Care

Mr. Mills (Red Deer) .....	7815
Mr. Rock .....	7816
Mr. Mills (Red Deer) .....	7816

Mr. Rock .....	7816
<b>Parental Leave</b>	
Mrs. Guay .....	7816
Mr. Gray .....	7816
Mrs. Guay .....	7816
Mrs. Stewart (Brant) .....	7816
<b>Fisheries</b>	
Mr. Cummins .....	7816
Mr. Dhaliwal .....	7816
Mr. Cummins .....	7816
Mr. Dhaliwal .....	7817
<b>Canada Day</b>	
Mr. de Savoye .....	7817
Ms. Copps .....	7817
Mr. de Savoye .....	7817
Ms. Copps .....	7817
<b>Agriculture</b>	
Mr. Casson .....	7817
Mr. Vanclief .....	7817
Mr. Casson .....	7817
Mr. Vanclief .....	7818
<b>Amateur Sport</b>	
Ms. St-Hilaire .....	7818
Mr. Coderre .....	7818
<b>Health</b>	
Mr. McCormick .....	7818
Mr. Rock .....	7818
<b>Housing</b>	
Mr. Schmidt .....	7818
Mr. Gagliano .....	7818
Mr. Schmidt .....	7818
Mr. Gagliano .....	7819
<b>Taxation</b>	
Mr. Riis .....	7819
Mr. Martin (LaSalle—Émard) .....	7819
Ms. Davies .....	7819
Mr. Martin (LaSalle—Émard) .....	7819
<b>CHST</b>	
Mr. Thompson (New Brunswick Southwest) .....	7819
Mr. Martin (LaSalle—Émard) .....	7819
<b>Revenue Canada</b>	
Mr. Casey .....	7819
Mr. Boudria .....	7819
<b>Foreign Affairs</b>	
Mr. Assadourian .....	7820
Mr. Paradis .....	7820
<b>Justice</b>	
Mr. Cadman .....	7820
Ms. McLellan .....	7820
<b>Jean Lesage Airport</b>	
Ms. Alarie .....	7820
Mr. Boudria .....	7820
<b>Health</b>	
Ms. Wasylycia-Leis .....	7820
Mr. Rock .....	7820

<b>Revenue Canada</b>	
Mr. Casey .....	7821
Mr. Boudria .....	7821
<b>Federal Public Service</b>	
Mrs. Jennings .....	7821
Ms. Robillard .....	7821
<b>Justice</b>	
Mr. Cadman .....	7821
Ms. McLellan .....	7821
<b>CINAR</b>	
Mr. Bergeron .....	7821
Ms. McLellan .....	7821
<b>NAFTA</b>	
Mr. Blaikie .....	7822
Mr. Pettigrew .....	7822
<b>Employment Insurance</b>	
Mr. Thompson (New Brunswick Southwest) .....	7822
Mrs. Stewart (Brant) .....	7822
<b>Presence in Gallery</b>	
The Speaker .....	7822
<b>Points of Order</b>	
<b>Comments during Question Period</b>	
Mr. Cummins .....	7822

## ROUTINE PROCEEDINGS

<b>Government response to petitions</b>	
Mr. Lee .....	7822
<b>Committees of the House</b>	
<b>Procedure and House Affairs</b>	
Mr. Lee .....	7823
<b>Petitions</b>	
<b>Divorce Act</b>	
Mr. Harb .....	7823
<b>Genetically Modified Organisms</b>	
Mr. Bellehumeur .....	7823
<b>Health Care</b>	
Mr. Riis .....	7823
<b>Gasoline Pricing</b>	
Mr. Sauvageau .....	7823
Mr. Marceau .....	7823
<b>Criminal Code</b>	
Mr. Valeri .....	7823
<b>Volunteer Emergency Workers</b>	
Mr. Keddy .....	7823
<b>1911 Census</b>	
Mr. Keddy .....	7824
<b>Bill C-23</b>	
Mr. Keddy .....	7824
<b>Gasoline Prices</b>	
Mr. Crête .....	7824
<b>Child Poverty</b>	
Mr. Szabo .....	7824
<b>Importation of Plutonium</b>	
Mr. Turp .....	7824
<b>Parental Leave</b>	
Ms. Wasylycia-Leis .....	7824
<b>Health</b>	
Ms. Wasylycia-Leis .....	7824
<b>Canada Post Corporation</b>	
Mr. Bergeron .....	7824

**Employment Insurance**

Mr. Fournier .....	7825
Mr. Gruending .....	7825

**Importation of Plutonium**

Ms. Girard-Bujold .....	7825
-------------------------	------

**Gasoline Pricing**

Mr. Rocheleau .....	7825
Mr. Bellehumeur .....	7825

**Gasoline Prices**

Mr. Bellehumeur .....	7825
-----------------------	------

**Canada Post Corporation**

Mr. Bellehumeur .....	7825
-----------------------	------

**Questions on the Order Paper**

Mr. Lee .....	7826
---------------	------

**GOVERNMENT ORDERS****Canadian Tourism Act**

Bill C-5. Report stage .....	7826
Motion for concurrence .....	7826
Mr. Eggleton .....	7826
(Motion agreed to) .....	7826
Third reading .....	7826
Mr. Eggleton .....	7826
Mr. Cannis .....	7826
Mr. Penson .....	7827
Mr. Riis .....	7829
Mr. Riis .....	7831
Mr. Jones .....	7831
Mr. Brien .....	7833
Division on motion deferred .....	7837

**Sales Tax and Excise Tax Amendments Act, 1999**

Bill C-24. Report stage .....	7837
Motion for concurrence .....	7837
Mr. Eggleton .....	7837
(Motion agreed to) .....	7837
Third reading .....	7837
Mr. Eggleton .....	7837
Mr. Cullen .....	7837
Mr. Epp .....	7838
Mr. Nystrom .....	7841
Mr. Riis .....	7841
Mr. Nystrom .....	7841
Mr. Williams .....	7841
Mr. Nystrom .....	7842
Mr. Epp .....	7842
Mr. Nystrom .....	7842

**Business of the House**

Mr. Boudria .....	7842
Motion .....	7842
(Motion agreed to) .....	7842
Mr. Boudria .....	7843

**ROUTINE PROCEEDINGS****Parliament of Canada Act**

Bill C-37. Introduction and first reading .....	7843
Mr. Boudria .....	7843
(Motions deemed adopted, bill read the first time and printed) .....	7843

**GOVERNMENT ORDERS****Sales Tax and Excise Tax Amendments Act, 1999**

Bill C-24. Third Reading .....	7843
Mr. Nystrom .....	7843
Mr. Penson .....	7844
Mr. Nystrom .....	7844
Mr. Epp .....	7844
Mr. Nystrom .....	7845
Mr. Epp .....	7845
Mr. Nystrom .....	7845
Mr. Williams .....	7845
Mr. Nystrom .....	7845
Mr. Riis .....	7846
Mr. Epp .....	7846
Mr. Riis .....	7846
Mr. Epp .....	7846
Mr. Riis .....	7846
Mr. Epp .....	7846
Mr. Riis .....	7846
Mr. Williams .....	7846
Mr. Riis .....	7846
Mr. Epp .....	7846
Mr. Riis .....	7846
Mr. Williams .....	7847
Mr. Riis .....	7847
Mr. Penson .....	7847
Mr. Riis .....	7847
Mr. Brison .....	7847
Division on motion deferred .....	7850

**Business of the House**

Mr. Boudria .....	7851
-------------------	------

**Parliament of Canada Act**

Bill C-37. Second reading .....	7851
Mr. Boudria .....	7851
Mr. Strahl .....	7854
Mr. Gauthier .....	7857
Mr. Blaikie .....	7858
Mr. Keddy .....	7859
Mr. Blaikie .....	7859
Mr. Blaikie .....	7860
Mr. Thompson (New Brunswick Southwest) .....	7860
Mr. Blaikie .....	7861
Mr. Thompson (Wild Rose) .....	7861
Mr. Blaikie .....	7861
Mr. Thompson (New Brunswick Southwest) .....	7862
Mr. Thompson (New Brunswick Southwest) .....	7863
Mr. Hill (Prince George—Peace River) .....	7864
Mr. Brien .....	7866
Mr. Schmidt .....	7868
Mrs. Wayne .....	7871
Mr. Schmidt .....	7872
Mr. Epp .....	7872
Mr. Herron .....	7875
Mr. Herron .....	7876
Mr. Epp .....	7877
Mr. Herron .....	7877
Mr. Keddy .....	7877
Mr. Herron .....	7878
Mr. Hill (Prince George—Peace River) .....	7878
Mr. Herron .....	7878
Mr. Benoit .....	7878
Mr. Herron .....	7878
Mr. Thompson (New Brunswick Southwest) .....	7878

Mr. Penson .....	7879
Mr. Thompson (New Brunswick Southwest) .....	7880
Mr. Thompson (New Brunswick Southwest) .....	7880
Mr. Penson .....	7881
Mr. Grewal .....	7881
Mr. Thompson (New Brunswick Southwest) .....	7882
Mr. Penson .....	7882
Mr. Thompson (New Brunswick Southwest) .....	7882
Mr. Grewal .....	7882
Mr. Hilstrom .....	7883
Mr. Herron .....	7883
Mr. Hilstrom .....	7883
Mr. Thompson (New Brunswick Southwest) .....	7884
Mr. Hilstrom .....	7884

Mr. Thompson (New Brunswick Southwest) .....	7884
Mr. Hilstrom .....	7884
Division on motion deferred .....	7885
Mr. Boudria .....	7885
Motion .....	7885

**ADJOURNMENT PROCEEDINGS**

**Health**

Mr. Szabo .....	7885
Mr. Charbonneau .....	7885

**Airports**

Mr. Casey .....	7886
Mr. Charbonneau .....	7886

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