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OFFICIAL REPORT
(HANSARD)

Thursday, April 2, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, April 2, 1998

The House met at 10 a.m.

• (1010)

COMMITTEES OF THE HOUSE

TRANSPORT

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Transport on Bill C-15, an Act to amend the Canada Shipping Act and to make consequential amendments to other Acts.

[English]

PUBLIC ACCOUNTS

Mr. Ivan Grose (Oshawa, Lib.): Mr. Speaker, I have the honour to present in both official languages the seventh report of the Standing Committee on Public Accounts. The report is in relation to the Public Accounts of Canada, 1996-97. Pursuant to Standing Order 109 of the House of Commons, the committee requests the government to table a comprehensive response to this report.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, all of the opposition parties, the Reform, the Bloc Québécois, the Progressive Conservatives and the New Democratic Party, have unanimously agreed to present a dissenting opinion to this report.

The fact that all four opposition parties agreed to this dissenting opinion says a lot about the difference of opinion on this issue existing between the opposition and government members of the committee. We are all concerned with the government's failure to follow what are standard accounting procedures. We also feel that the government should take every step possible to avoid receiving another qualified opinion from Parliament's watchdog, the auditor general, on its latest budget.

FISHERIES AND OCEANS

Mr. George S. Baker (Gander—Grand Falls, Lib.): Mr. Speaker, it is my pleasure to present the second report from the Standing Committee on Fisheries and Oceans. This is a unanimous report by all committee members. It is a tribute to the excellent job done by MPs from all parties, as well as the clerk of the committee, Mr. William Farrell and the research branch of the Library of Parliament in the person of Mr. Alan Nixon. I wish to table this report in both official languages.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (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 12 petitions.

ROUTINE PROCEEDINGS

• (1005)

[English]

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, pursuant to Standing Order 109 I have the honour to present to the House in both official languages the government's response to the report of the Subcommittee on Sustainable Human Development of the Standing Committee on Foreign Affairs and International Trade entitled "Ending Child Labour Exploitation: A Canadian Agenda for Action on Global Challenges".

[Translation]

On behalf of the government, in particular the Minister of International Co-operation and the Minister of Labour, I would like to express my appreciation for the work the standing committee has put into producing such a detailed report and into ensuring that abolition of the exploitation of child labour remains a priority for us all.

* * *

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JUSTICE AND HUMAN RIGHTS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I have the honour to present in both official languages the seventh report of the Standing Committee on Justice and Human Rights. Pursuant to the order of reference of Wednesday, February 11, 1998 your committee has considered Bill S-5, an act to amend the Canada Evidence Act and the Criminal Code in respect of persons with disabilities, to amend the Canadian Human Rights Act in respect of persons with disabilities and other matters and to make consequential amendments to other acts.

Your committee has agreed to report it with amendments. In doing so I would like to thank witnesses who appeared before the committee, my colleagues on the committee and of course our clerical and research staff who were very helpful.

* * *

PETITIONS

CRIMINAL CODE

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I have two petitions to present on behalf of my constituents in and around the Athabasca area. These petitions are two more in a series of petitions presented by myself and other members asking the House to reconsider the provocation defence in the Criminal Code. The petitioners believe that the provocation defence unjustly changes the focus of the criminal trial from the behaviour of the accused and his or her intention to murder, to the behaviour of the victim. Certainly I concur with the petitioners.

CRTC

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, I rise in this Chamber as the humble servant of the constituents of Edmonton East. I am pleased to discharge my duties today by presenting to this House a petition which is signed by over 700 persons.

• (1015)

The petitioners ask for a very prudent review of the mandate of the Canadian Radio-television and Telecommunications Commission to discourage the propagation of pornography and to encourage the broadcasting of ecclesiastical programming that supports morality and wholesome family lifestyles.

The petitioners ask this House to heed their words and I concur.

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I am pleased to present petitions from the citizens of Quesnel in the constituency of Cariboo—Chilcotin.

The first petition has 50 signatures. The petitioners request that parliament impose a moratorium on ratification of the MAI until full public hearings on the proposed treaty are held across the

country so that all Canadians can have an opportunity to express their opinions on it.

HERBAL SUPPLEMENTS

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the second two petitions are also from the citizens of Quesnel. There are 50 signatures on each petition. The petitioners request that parliament deny the right of any board or group to remove or confiscate natural herbal supplements until public hearings are held across the country.

* * *

[Translation]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if question No. 73 could be made an order for return, that return would be tabled immediately.

The Acting Speaker (Mr. McLelland): Agreed?

Some hon. members: Agreed.

[Text]

Question No. 73—**Mr. Peter MacKay:**

With respect to the Canada-Nova Scotia Infrastructure Works program: (a) what projects have been approved under this program since June 2, 1997; (b) what was the location of each approved project; and (c) what was the financial contribution made by the Government of Canada for each approved project?

Return tabled.

[Translation]

Mr. Peter Adams: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker (Mr. McLelland): Agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

INCOME TAX AMENDMENTS ACT, 1997

The House resumed from March 26 consideration of the motion that Bill C-28, an act to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Conventions Interpretation Act,

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the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act and certain Acts related to the Income Tax Act, be read the third time and passed; and of the amendment.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to speak again to the bill before us today, Bill C-28.

There are a number of things wrong with this bill. There are the measures that supposedly demonstrate the government's concern with respect to social programs and the deterioration of health care, which it brought about itself by cutting provincial transfer payments in the health, social services and education sectors over the last three years.

This bill is an attempt to make us think the government has invested in social programs, especially health. The reality is that the government has put no new money into transfers, particularly not for health. The \$48 billion in unilateral cuts announced have now dropped to \$42 billion. We are told that the government is investing the \$6 billion difference, but in reality no new money is being invested; the government is cutting \$6 billion less.

We are told that health is a priority. We feel it is arrogant of the government to try to persuade the public that it is investing heavily in social programs.

As things stand now, the provinces have been cut so many times by the federal government, particularly in the health sector, that they are running out of steam and are having a great deal of trouble maintaining the existing level of health care and keeping the whole system from falling apart. And the federal government remains indifferent to what the provinces are going through.

• (1020)

Worse yet, on top of cutting transfers to the provinces, the government is set to interfere in health, which is a provincial jurisdiction. We are told that, instead of rushing into restructuring, the government is investing; it is investing, however, by cutting less than originally forecast and dropping a little money into new programs that really fall under provincial jurisdiction.

The government wants to enhance its visibility by giving everyone the impression that it is good to the people; it comes up with programs like medicare and home care, when such programs already exist in several provinces, including Quebec.

Once again, after vowing to avoid duplication and overlap, the federal government projects an image of itself as saviour while it interferes in jurisdictions that are none of its business.

Management of health, social programs, education and social assistance comes under provincial jurisdiction. Normally, the government should transfer their share back to the provinces instead of interfering in an area that is not under its jurisdiction.

The government does not seem to realize that no one has waited for it to take action. What the provinces need today is not more talks but the financial means to implement solutions designed to meet their needs.

In this respect, I would like to quote from the Quebec finance minister's last budget speech, which sums up well the mess the federal government has left the provinces, and Quebec in particular:

Since we took power in 1994, the federal government has unilaterally deprived us of \$7 billion for health care, \$3 billion for education, and \$1 billion for social assistance. This adds up to \$11 billion. The figure does not include the \$2 billion that Ottawa has refused to pay for the harmonization of the QST and the GST, although the three Atlantic Provinces were granted \$1 billion.

Were it not for these depredations, we would already have achieved a zero deficit and avoided many of the painful, sweeping spending cutbacks that some observers are trying to ascribe to our wishes alone. The health and education departments are not located in Ottawa, but it is there and without our input that the cutbacks have in the main been decided. That is how absurd the system has become. . . . The latest budget confirms the federal government's complete insensitivity to a number of our needs, notably in the health sector. Ottawa prefers to distribute cheques to the population, emblazoned with the maple leaf. Lacking vision, Ottawa is investing in visibility.

That is what we have to live with in Quebec and how we view the situation.

I would also like to share another concern regarding Bill C-28. There is an apparent conflict of interest. Through Bill C-28, the Minister of Finance is trying to have legislation passed that is likely to give his shipping company, Canada Steamship Lines Inc., of which he is the sole owner, certain tax advantages.

Clause 241 of Bill C-28 would amend section 250 of the Income Tax Act. In this 464-page omnibus bill, clause 241 is only two paragraphs long and deals exclusively with international shipping; moreover, the Minister of Finance himself is the bill's sponsor.

• (1025)

How can the Minister of Finance sponsor a bill which includes tax provisions that could benefit his own company, while continuing to suggest that these measures will not apply to him and to his shipping holding company? There is indeed an apparent conflict of interest and, given the importance of the minister's position and the integrity he must show while managing the country's finances, there should not be any suspicions whatsoever about him. However, with Bill C-28, his personal name as a shipowner and that of his holding are directly linked to the legislation.

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Even though the minister is defending himself by saying that his company has been held in a blind trust since he assumed his current position, he will not be a minister all his life and he will eventually benefit from that tax amendment.

The very first day that we questioned the Minister of Finance about this issue, he advised us to talk to Len Farber, director general of tax legislation at the Department of Finance. We did meet Mr. Farber, but he could neither confirm nor deny whether the minister might benefit from these changes, thus raising serious doubts in our minds.

Our next step was to table five motions before the Standing Committee on Finance, asking that various witnesses appear to shed light on the issue. The only witness authorized to appear before the committee was Mr. Wilson, the government's ethics counsellor, who is paid by the government and who is accountable only to the government. Nevertheless, Mr. Wilson's appearance before the committee strengthened our position, since he himself put the Prime Minister and the Minister of Finance in an embarrassing position.

After candidly admitting that he was not an expert on international taxation and that he could not adequately answer a number of our questions, Mr. Wilson also recognized that, indeed, there could be an apparent conflict of interest in this case, adding that had he been informed at the very beginning of the details relating to clause 241 and its impact, things would have been done differently.

He recognized, as we do, that there were serious problems with the way the finance minister was doing things and that the code of ethics the government had adopted in 1994 was not observed. Indeed, the code of ethics clearly states that public office holders must, as soon as they take up their duties, take necessary steps to avoid real, potential or apparent conflict of interest. Obviously, the code of ethics was not adhered to and the finance minister is at fault.

After the Liberal majority on the finance committee refused to agree to our request, the four opposition parties called a press conference to demand that the Prime Minister order a special committee to be struck to shed light on clause 241 of Bill C-28. As yet our request has remained unanswered.

The government's ethic counsellor, who answers to the Prime Minister, claims it is irrelevant to know whether or not CSL, owned by the finance minister, may benefit from provisions in Bill C-28. If so, why did Mr. Wilson get in touch with CSL management, the very first day this became an issue, and ask if it was making use or was planning to make use of these provisions?

Moreover, Mr. Wilson admitted he was no financial planning expert. And yet he seems to accept without questioning or seeking an outside second opinion CSL's statement that it does not intend to make use of Bill C-28's provisions.

For weeks now the government has been denying the finance minister is at the very least in an apparent conflict of interest because he is not the one who was in charge of the shipping provisions.

• (1030)

However, the ethics counsellor contradicted the government when he admitted that the finance minister's sponsoring of Bill C-28 gave the appearance of a conflict of interest.

Mr. Wilson stated in this regard that procedural problems within the finance department had put the finance minister in an awkward situation, and that things would have been done differently had he been contacted, as he should have been, before Bill C-28 was introduced.

Since the ethics counsellor admits the finance minister is in an apparent conflict of interest, how should the June 1994 federal government code of ethics apply in this particular case?

Mr. Wilson also suggests that the finance minister was not aware of the contents of Bill C-28 before the Bloc Québécois raised these issues in the House a few weeks ago. On the one hand, can the minister responsible for the Income Tax Act so easily avoid his responsibilities toward a bill that he is sponsoring and, on the other hand, what must the people be thinking about a finance minister who does not know the contents of his own bills? Is ministerial accountability not a fundamental principle of our parliamentary system?

In conclusion, there are many issues and these issues are serious enough that we should take the time to address them. So long as the government continues to ignore the requests of all opposition parties regarding Bill C-28, we will continue to put pressure in all possible and imaginable ways until finally, in the interest of transparency, someone answers our questions.

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, I am pleased today to talk about Bill C-28. I think this bill addresses several issues that are very important for Canadians today, and I believe it is important to discuss them.

It deals with taxes, health care, education, social services and social assistance. We have to say that this is a rather complicated bill, and this is probably intentional, to ensure that all kinds of things will go unnoticed, as my colleagues from the Bloc Québécois pointed out. There are certainly some questionable clauses in this bill.

I believe that it is very important that Canadians understand that this bill is extremely complicated, but in another way it is also quite simple. The bottom line is that we in this country still have problems with health care, education and employment, and nothing in this bill will solve these problems. It is important to talk about these issues.

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On the flight to Ottawa this week, I was sitting beside a lady from the Fredericton area and I asked her where she was going. She was coming here to Ottawa for an eye operation. The waiting period in Halifax was 15 months, but she could have this operation right away in Ottawa.

I ask myself the question: What is the difference from one province to another in terms of waiting lists? I know that, in the Atlantic provinces, there are very serious problems with hospital services, as well as with health care in senior homes such as the Villa Providence in Shediac. Seniors certainly do not have the services they need in these institutions.

• (1035)

They are short-staffed. Their employees are totally exhausted. As in many other seniors home, several staff members are on extended sick leave because they are exhausted. There is just so much a person can do between 9 a.m. and 5 p.m. Too much is being asked of these workers and our relatives in these places are suffering because of it. It is important that this be pointed out.

We are told that money is being reinvested in health care, but that is not true. Transfers were cut drastically and people have to be reminded of that. That is the truth. The only thing the government did was not cut the \$1.5 billion they had said they would cut. That is the only thing they did.

We are getting even less money than we did previously and there is nothing in this bill to reassure the people who have to wait four or five hours before they can see a doctor or the children who have to wait hours before someone can take care of their broken limbs. These are not imaginary problems; they are real and we keep hearing about them every day. We often hear about people who have to wait or even pay to get a cyst removed, etc.

On the television program *This Hour Has 22 Minutes*, there was a very good sketch where they said that if you are diagnosed with cancer, you will get your \$100 back. That is so sad. How many people will not get their first \$100 back and will still get cancer? Why? Because we have a government that took the word care out of health care.

I am also saddened to hear the opposition parties say that the United States have a better health system than we do. We should be careful with this kind of statement, because people in the United States do not have medicare. Health care is for people with money only. This should be taken into consideration when comparing health care in both countries.

Even if I do find fault with our present system, we still have a system which NDP members are striving to preserve because it is important and it should remain as a national system so that the same standard of health care should be available to all Canadians. The ability to pay should not be a consideration as far as health care

is concerned. A patient who may have cancer should not have to pay for surgery.

It is about time we take a hard look at where we are headed in this country, because we are in a sad situation. Many people cannot get an appointment because doctors are overworked. We have the same situation in hospitals. The number of beds is down, but people still get sick. And the less health care we have, the sicker they will get, and the more beds and the more nurses we will need.

In the Moncton area, right now, 300 nurses work only part time. This is a problem. We should be realistic about this situation. First of all, people deserve a little bit of security. Bill C-28 does not deal with these issues. We have 730,000 people on welfare, and the government is telling us it has put in the system \$1.5 billion more. It has not. It has simply cancelled cuts that were supposed to be made. This is the important thing to remember. The government has been cutting right and left for a long time.

We have seen in the last few weeks that if we have 730,000 people on welfare, it is largely because of the cuts in employment insurance. In high unemployment areas, we should be aware that there are no jobs, and that whatever jobs there are are part time jobs at \$5.50 an hour.

• (1040)

I meet women who have worked for 25 years in fish processing plants and who earn \$5.75 an hour. That is sad. How many of us could live on just \$5.75 an hour? Not many, I think. And yet this is what we expect the poor in Canada to live on.

The places where there are paying jobs, like the employment centre in Bouctouche, where at least three or four full time employees were earning \$13 or \$14 an hour, they close. These are jobs our children might have had eventually. They are also services that are no longer available to the public. Now people come to my office because they no longer have access to the employment centre. Members of Parliament who want to look after their constituents are the ones who have to deal with these cases and settle the problems. That is what we see.

It is sad to see them continually closing down businesses in a region where the unemployment rate this winter was 50% and where jobs are replaced by seasonal employment, which pays \$5.50 or \$6.25 an hour. And the provincial maximum is \$6.25.

These people cannot live on \$5.50 an hour anymore than I can. I cannot expect them to either. This is the sort of thing we have to deal with.

It is no different in education. There is a problem here, too. Sure, our young people can borrow. I have visits from young people who are \$40,000 in debt. They have been out of university for two years and they are still looking for work. They move. They leave. As I

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was saying the other day, half of the people in Calgary are from New Brunswick. It is sad, but that is what is happening.

So we have to look carefully at just what bills like C-28 have to offer. It is not very useful indeed. It may be beneficial to some Liberal members, but it does nothing for those who suffer, for the sick, for the growing number of children who live in poverty because of the cuts made by the Liberals and the Conservatives before them—sometimes we have a tendency to put all the blame on the Liberals, but the party that was in power before them did not do anything good either. It certainly made its share of cuts.

Social assistance is a serious problem in our region. Sometimes we do not want to talk about it, but in our part of the country, it is a reality. Those who do not have jobs live on welfare. Sometimes, when they are not eligible for welfare, they tell us they want to kill themselves.

There is money in this country. Lots of money. It is not true that there is no money. The problem is that governments have decided they will no longer help the poor in our country.

The statistics are clear: the poor are poorer than ever and the rich are richer than ever. And the middle class is paying for both. The middle class is beginning to disappear. I think the rich were sick and tired of seeing middle class people sitting next to them in the same restaurants. It was becoming a problem, a threat.

The middle class and the small and medium size business sector are constantly under attack. The ACOA, for instance, will lose one third of its funding. The government is cutting social programs in Atlantic Canada and it is also taking away the only agency that can help small and medium size businesses. We are beginning to wonder. Will the government totally abandon Atlantic Canada?

A couple of us were elected and we will see to it that Atlantic Canada is not abandoned. There is no job creation, and that is the main problem in our country. If the government did its job and made sure that Canadians had decent jobs with decent salaries, we would not have the problems we are experiencing today.

• (1045)

People are being replaced by machines, well-paying jobs are being destroyed, and then we wonder why there is a high level of unemployment. Do you want to see what high unemployment is? Come live in the Atlantic provinces, or in any rural area in the country. Then you will see what high unemployment is all about.

It is not true that the figure is 9% for Kent county, for Albert county, for Cap-Pelé or Port Elgin. I am sure it is the same in many places throughout the country, in all provinces. We will have to start by going to see how things are in the regions and then doing

some long term planning. That is what I would like to see in this House, a government that says “OK. We will have to go to the rural regions to find out why there is such high unemployment. What is not being done right? What have we done wrong? What needs to be done?”

There are factories in our region that need a five to seven year program to ensure that people can be self-supporting. There is no such program. Programs must be created in this country to fit these regions, instead of waiting for us in the regions to change to fit the programs. That is not how it is done. We are serious about addressing the problem of lack of work in the rural communities.

In my riding people are, again this year, having to live for three months without any income whatsoever. And why is that? Because they cannot draw employment insurance. This is serious. Nobody in our region can survive for three months with no money coming in without the danger of getting into a real bind. There is a surplus of close to \$20 billion in the employment insurance fund, and yet these people are expected to survive with no income. Ridiculous.

This is a great pity. All this is a real eye opener for a newcomer to this place like myself, as we see bills appear that can work to the advantage of certain companies in this country. That is a sad thing.

I have met with young people and I have asked them “Is there any tax reform that can help you?” They tell me no. I have a young fellow working for me who is way over his head in debt. There was nothing in the last budget, or the one before that, to help him out. Nothing at all. In fact things are getting worse. For 10 years our students will get some assistance, but only 7% of them, while 90% of them will be left out, and there is nothing at all for them between now and the year 2000.

If the government does not start introducing bills and promising to make job creation the number one priority in this country, we will keep on having this problem of young people graduating and unable to find work. There are people who had jobs but lost them. Money is no longer circulating. It is a problem.

It is not true that the economy is so wonderful. Come and live in my riding for a while and you will see that things are not that rosy. Our SMBs are trying, however. We are trying to develop them, but we need help. They cannot simply be told that they will have to go it alone now.

All Canadians should have the same rights, whether they are rich or poor, men, women or children. Everyone has the right to food on the table, a roof over their head, clothes to wear, and an education. These are not privileges, although it is starting to look like it. The way governments are operating, a post-secondary education is becoming a privilege. Imagine.

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Then they have the nerve to say that companies cannot find trained students to work for them. Something is not right. Once again, I think it is a lack of planning. One has only to think of how many people are on unemployment insurance, which is now called employment insurance. They have tried to change how we think of it, but it is not employment insurance. When people go to an employment centre for unemployment insurance, they are not offered a job. That is not what happens.

The government has tried to convince Canadians otherwise, but I am sorry. And I will not call it employment insurance till people go to employment centres with their little pink slip to find a job there. There would go to these employment centres in search of a job. It is not the case at the moment. People get unemployment insurance because there are no jobs.

• (1050)

The name may be changed over and over again, but no one can convince me or the people that this is employment insurance, because this is not true. We must endeavour to put these people back to work.

We must also be realistic. We have to recognize the impact this reform will have in areas with a high unemployment rate. It is sad to see the situation young people are in. There is no planning. We need long term planning. We need financial assistance for groups willing to invest their time developing our natural resources, whether in fisheries or forestry.

There is potential in our region, hard working people. There are hard working people throughout the country, in regions where the unemployment rate is high. Professionals are supposed to be working to help these people. Where are they? Who is listening when we say we need these programs? I must say that we do not hear much, because I read in the newspaper that ACOA will lose one third of its funding. The government is cutting on both ends.

The same thing is happening in the fisheries. We know that we must ask ourselves some questions about the conservation of lobster and cod. Who are the people who are making decisions that are causing so many problems?

Obviously, the New Democratic Party opposes Bill C-28. I look forward to having the opportunity to debate in the House something that will help people. Perhaps, for once, the Liberal Party will finally give priority to the poor and the destitute and the small businesses that are hurting in Canada.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I would ask my colleague from the NDP to elaborate on her view of the way the federal government is treating the provinces.

She said in her speech that everybody in this great country should be entitled to food, shelter and clothing, and I believe she is right.

We in Quebec, while we agree, express it differently because we believe it is more meaningful for people. Instead of feeding them we prefer to give them the opportunity to earn what they need to buy food and clothes, and put a roof over their heads.

There is an old Chinese saying I believe goes like this: "Give a man a fish, you feed him for a day, teach him how to fish, you feed him for a lifetime."

What the federal government is doing with its subsidies and its encroachment into fields of provincial jurisdiction is feeding individuals and giving them something for clothing and housing. It is helping them in every area, while provinces would rather educate them and show them how to earn those things and become self-sufficient.

By making the provinces poorer, the federal government can then boast to private citizens: "Look, what the provinces are unable to give you, we are giving to you now. We are putting food on your table."

But it is a lot more meaningful for people to be able to earn their keep than to have the federal government provide for them and make them dependent on its largesse. Would fishermen in New Brunswick and the other Atlantic provinces and their children not rather have the money to improve their fishing methods than be given subsidies to be able to put food on the table and a roof over their heads?

I would like to hear the member's point of view on this to know if people in the Atlantic provinces and people in Quebec are on the same wavelength.

• (1055)

Ms. Angela Vautour: Mr. Speaker, I thank the hon. member for his question.

As I said, the problem is they are handing money out but without any planning. Does this mean the planning should be up to the provinces? This would be a problem in New Brunswick because the money does not always go where it should.

Where I come from, we were always afraid to give Frank McKenna money because all of it might be used on roads, while health care would be left out.

This is the problem: how the money will be managed once in the province. I feel there is not enough control and I think it is also the case federally. That is why I say we need programs that accommodate people, and not programs where people have to accommodate the programs. That is why nothing is working and there are so many bankruptcies. No one wants to listen.

Sometimes loans are denied to small businesses or organizations looking to create year round work because they do not meet the criteria. Look what that does. A \$45,000 loan might create 25

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permanent jobs but the bank has to go by the criteria. That is a problem and it is one at every level.

That is what the expression bottom up suggests. Does it mean that the province will be in charge of managing the money? Will the Kent economic commission manage the whole thing? Someone has to do it, but first we need to have programs.

We talk about prevention. People would rather earn a living than to always take money from the government, because, at some point, they no longer know why they should get up in the morning. People get depressed in winter when they are out of work. They always look forward to spring when they can resume working.

Ever since the Liberals were elected, they have gone after seasonal workers as if they were all lazy people. When the Prime Minister came to my riding to get elected, he said he was going to take care of everything. He would help the unemployed. He came back here and said: "They all live in shacks, they are drunk all the time and unemployed". That is what he said.

We are the ones who elected him. But even worse, we believed him.

I find it sad that the Prime Minister, who chose to run in a region with the worst unemployment rate in Canada and made promises to the voters, came back here, to Ottawa, and said, as we found out later by reading the newspaper, that everyone was living in shacks, drunk all the time and on the dole. What an insult! Believe me, the next time they tried to get one of theirs elected, voters were more wary. That era is over. The people back home will not put up with this any longer.

I think it is time for the Liberals to start thinking about this. Nova Scotia has sent them a message and I am sure New Brunswick will do the same. I hope this will keep up, because we have a problem in this country.

[English]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to rise and address once again Bill C-28. We are speaking to the amendment in this case.

The first priority or perhaps at least a very important priority of any legislator is to ensure that we do our best along with our colleagues to create a foundation on which we can build a strong economy in this country. I know colleagues would agree with that.

I think we have an obligation to ensure that the legislation that passes through this House does indeed do that and contributes in some way to doing that. Sadly I do not believe that Bill C-28 really does that, certainly not in the current context. I think Canada's economic foundation is crumbling and cracking for a number of reasons.

First of all we believe very strongly that Canada's \$583.2 billion debt is just about out of control. We know that our taxes are far too high. We also know that we spend billions on wasteful programs and that spending is largely unfocused. It does not go to the things that are priorities with Canadians.

• (1100)

Those are some of the reasons we oppose not only this legislation but a number of the initiatives of the government. It simply is not focusing on the things that are most important or doing the things that will prepare a foundation upon which to build a strong, healthy, sustainable economy.

Let me speak specifically to some of these concerns. I mentioned a minute ago that our foundation was crumbling and cracking. One of the reasons for that is the situation we had with our debt of \$583.2 billion.

What hon. colleagues around the House will know is that we spend about \$45 billion a year just to pay the interest on the debt. It is an unbelievable amount of money. It is the largest cheque the finance minister will write every year. It is a lot more than we spend on employment insurance and old age security combined. It is far bigger than that amount. It is a tremendous amount of money.

I point out that for average families it means they have to pay taxes that are \$6,000 higher than they would be if they did not have pay that interest. Average families have to pay \$6,000 in taxes just to pay their share of interest on the debt. It is an unbelievable amount of money. If we compare that with our friends south of the border, their debt, as huge as it is, is about 40% less per capita than the Canadian debt.

It is a staggering amount. That is about 70% of the gross domestic product. If we combine it with what the debt of the provinces it is close to 100% of the gross domestic product. It is one of the worst levels of debt in the world. It is a huge problem.

Bill C-28 does nothing to address it. Nor did the budget which recently came done. Not only are we saddling the present generation and all the people who are struggling to make the economy move with this debt but we are saddling the next generation, the people who are yet to be born. It is wrong. It is immoral to cast a huge burden of debt on to their shoulders before they are even born. These people will not get a chance to benefit from the goods and services that were purchased with that credit. However they will be saddled with the debt. Reformers oppose Bill C-28 for that reason. We think the lack of a plan to deal with debt is a very serious omission.

I want to make an argument that is maybe a little less academic, a little less abstract, a little more practical and important in present terms with respect to the need to deal with the problem of debt.

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Not very long ago in Asia we saw a dramatic meltdown of its economies. Some of the currencies saw a devaluation in the order of 55%, a tremendous devaluation. There are tremendous economic problems in Asia.

The result was that area of the world, which represents about one-third of the entire economy of the world, saw money flee from there to get away from the uncertain economic conditions and go to other parts of the world. It went to the places where the countries had strong foundations, which is precisely what we are talking about, a strong economic foundation.

Did it come to Canada, one of the countries that should be one of the richest in the world given our vast array of natural resources? No, it did not. It went to the United States. That money went to the United States, our biggest trading partner, with the result that we saw our dollar fall relative to the American dollar, which meant that we had to pay more for all kinds of imports.

The way the Bank of Canada reacted to it also hurt Canadians. The Bank of Canada, in a effort to shore up the dollar, raised interest rates which hurt all Canadians. That is a direct impact of high levels of debt on ordinary Canadians. When that kind of situation exists, in a sense it is a form of taxation on Canadians. It means they have less money for the things they care about doing, the things most people and families consider to be important like buying groceries, paying the mortgage, paying the rent, paying the car loan and setting aside some money for retirement and putting the kids through university. However, we were denied that to some degree because of what happened as a direct result of having a high level of debt.

• (1105)

Let me again say that Bill C-28 does not deal with debt or present any plan to deal with the debt at a time when Canada is in a very precarious situation with respect to its debt. Therefore we oppose the bill for that reason.

Let me speak a bit more directly to the amendment moved by the Bloc Quebecois which deals with the issue of taxes. Bill C-28 is an omnibus bill which deals with a number of things that have to do with the Income Tax Act. However it concerns Reformers any time a bill amending the Income Tax Act does not do anything on one hand to simplify taxation or on the other hand to lower the level of taxes Canadians have to pay. Sadly Bill C-28 does not do that.

Specifically in Bill C-28 is a clause that could potentially confer some benefits on Canadian shipping companies. The Bloc Quebecois has raised this amendment because it is concerned the finance minister, who sponsored the bill and who has interests in a shipping company, could potentially have some benefit from clause 241 in Bill C-28.

The finance minister and some Liberal members have suggested that although the finance minister may have sponsored the bill he

did so unwittingly and did not seek to profit from the legislation. I accept that because I think it is correct. I do not think he would do that on purpose.

I want to set that whole argument aside for a moment. I think there is a more important principle at stake when we talk about a situation where Canada's finance minister has to shelter assets offshore because taxes in Canada are too high. It is one of the great ironies in the country today and it is almost unremarked upon by the media. Truly it is a great irony when the finance minister of the Government of Canada, through completely legal means, has done very well for himself. In order to do some of the things he has done, he had to have his assets registered offshore in other regimes where taxes are more favourable. He is not alone in doing this. Many other companies do this.

Members of the House should reflect on why it is necessary for companies in Canada to do that if they want to succeed. It raises some questions. It raises a very important question that is brought home to regular Canadians every day when they sit down to do their books. Taxes are simply too high in Canada today. They are staggering.

We have personal income taxes in Canada today that are 56% higher than the G-7 average. It is much higher than the Americans, the Japanese, the British, the Germans and even the French. We have staggering levels of taxation.

What the government proposed in the recent budget did little to help. All it did was slow down the rate of growth in taxes. When the government brought in its budget, it brought in some measures that introduced tax relief which it talked about in the budget. However, it did not talk about the fact that in the last few months it had raised taxes far more than any tax relief would benefit Canadians through the measures in the budget. Through the Canada pension plan premium increase we will see the largest tax hike in Canadian history. We will see those premiums rise by 73%.

On the other hand, we know that every year a silent tax increase occurs that not many Canadians are aware of. I refer to the phenomenon of bracket creep, a situation where because of the deindexation of the tax system many Canadians automatically are pushed into higher tax brackets every year as a result of cost of living increases that essentially leave them worse off. In fact, bracket creep alone this year will wipe out all the benefit given to people through any of the tax measures introduced in the budget. The tax measures, according to the government's own 1998-99 budget documents, will lower taxes by about \$880 million, but bracket creep alone will increase taxes by more than \$1 billion. With that measure alone Canadians are worse off.

• (1110)

What does this do to the ordinary Canadian? I want to relate a story. I was in my office on Friday talking with a constituent, a man

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who is on disability. He is receiving Canada pension plan disability. His name is Lawrence Weston. Mr. Weston said "Please use my example in the House if it suits you".

He has an income of just over \$13,000. He gets a bit of money from workers' compensation as well. He has literally thousands of dollars in expenses because of his medical problems. He is diabetic. He has had a number of surgical operations on his eyes and he is slowly going blind. He cannot work. If he goes to work, if he tries to do anything, his disability income disappears immediately.

He is in a situation where he makes just over \$13,000. He still pays about \$400 a year in personal income tax in Canada today, even with all his medical expenses. He cannot, believe it or not, take advantage of the disability credit in the income tax system. One almost has to be dead to take advantage of that credit. One probably has to be in the morgue for three days to be able to take advantage of that credit.

I do not know how many people have come into my office, people who are severely disabled and have tried to apply for it but cannot get it. It is virtually impossible to get. Mr. Weston could not get it so he is in a situation now where he has to come up with \$400 and does not know how he will do it.

If my friends across the way are truly concerned about people who are simply not making it today, they should start to lower taxes in a meaningful way. Not everybody can, like the finance minister, find tax relief by moving assets offshore. It is not something the rest of us can do.

It does not just end with people like Lawrence Weston. Many other people are in exactly the same position. I received an e-mail the other day from a woman who had just retired as a nurse. It is the same sort of situation. She is complaining about the high level of taxes that she has to pay, a staggering level of taxes. We receive mail all the time. Often in this place I have quoted from letters we have received from people who are just barely making it but still paying all kinds of taxes.

Let us consider for a moment some of the businesses out there. For example, a Canadian Tire franchisee who is trying to make it cannot avoid taxes by all of a sudden flying a flag over the business saying that it is now Bahamian Tire or Panamanian Tire simply to avoid the high level of taxes in this country.

That cannot be done. People would like to do it; donut shop owners would like to be able to do that but cannot. That is left to a few people and luckily the finance minister was able to do that. I do not blame him one bit. He is doing exactly what business people will do if they have a chance to do it. They are trying to find a way to shelter their income. They do not want to pay taxes. Everybody does it. People take advantage of loopholes in the tax system all the

time. If we can, we use RRSPs. If they can, they shelter income offshore.

Should we not have a tax regime that draws investment to the country? Should we not have a tax regime that encourages people to come and invest in Canada? My friend, the member for Peace River, pointed out the other day that for the first time ever in the history of Canada Canadians are investing more money outside Canada than foreigners are investing inside Canada.

Mr. Roy Bailey: I wonder why.

Mr. Monte Solberg: "I wonder why", says my friend in the back. It is not a mystery to me. Staggering levels of taxation, staggering levels of debt and spending that is unfocused and not prioritized are the reasons why.

We must get back to a situation where we shore up the foundation that is crumbling and cracking, and we can do that in a number of ways. First, we start the process of prioritizing our spending. We do not waste those precious dollars given to us by taxpayers. We dedicate that money to the things that are important to Canadians.

• (1115)

I can say with all honesty what people in my riding say. Mr. Weston came in the other day and said "we don't want to spend a whole bunch more money but let us focus on the things that are important like health care and higher education". The government has failed to do that. It is quick to point out with Bill C-28 that it will not cut as much as it initially said it would in areas like health care and higher education. Instead of cutting seven and a half billion dollars it will cut only six billion dollars. I guess we should be thankful for that.

If our friends across the way are doing those things, if they are cutting dramatically in health care, how do they justify increasing spending on things like a television production fund? Is that a priority for Canadians? I do not think so. How do we justify the change of the health minister with respect to tobacco and the hundred million dollars it will cost taxpayers? That sort of money should be used to help people who cannot help themselves.

We do not believe in taking the shotgun approach. We say focus that spending where it does the most good. We think those priorities should be things like health care, higher education, research and development. We think we should have lower taxes. We advocate sweeping tax relief. We believe we should take half of all the surpluses we run after we freeze spending at the current level of \$103.5 billion and dedicate it to lowering taxes which will help all Canadians. It will lift 1.3 million low income Canadians right off the income tax rolls. They would not have to pay income tax anymore. I think that is the correct approach.

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We believe there must be a program for debt repayment. The government has no program. It says that if there is a little money left over, it will dedicate a little money to paying down the debt. That is not an approach or a plan, it is a whim, a wish. We need a plan. The Reform Party has presented a plan that would pay down the debt substantially over the next 20 years. It would take the debt to GDP ratio down from 70% to 20% and would save \$20 billion a year in interest payments. We do have a plan. We have an approach to dealing with this situation.

Reformers believe the private sector does a tremendous amount to produce the wealth in this country. The private sector produces the golden eggs that we see the government scoop up in ever increasing numbers only to turn around and have them bronzed. It has bronzed the golden eggs. It has used them very inefficiently. It takes that money which is better left in the hands of taxpayers and the wealth producers and it uses that money very inefficiently. We say leave that money in the hands of taxpayers. They will do a far better job than politicians and bureaucrats.

For all those reasons I urge my colleagues to vote in favour of this amendment and also to vote against Bill C-28.

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I do not know whether the chicken or the egg came first but in any case I thank the hon. member for Medicine Hat. He spoke to the integrity of the Minister of Finance. His views on this issue speak well of the integrity the minister enjoys in this House and among Canadians. One of his colleagues, the member for Battlefords—Lloydminster, said: “Personally I don’t believe so. I think Mr. Martin is a man of integrity. I really do”.

The member noted in his speech that we are not doing enough about the debt. Where has he been during the whole debate we had on the budget? Does he not know we will be lowering the debt in terms of the percentage of GNP and in absolute terms? Is that not how we dealt with the deficit? We have taken measures in the budget to address the issue of the debt. Why does he feel we have not addressed that issue?

The Acting Speaker (Mr. McClelland): I advise the House that we do not use members’ names, not in a positive or a negative sense. We do not use them at all in the House. We refer to each other by either ministry or riding.

• (1120)

Mr. Monte Solberg: Mr. Speaker, it is fairly evident who the member will be supporting in the leadership race of the Liberal Party in the near future.

I want to say simply that my quarrel is not with the finance minister’s integrity. I do not question that at all but I think

members would acknowledge that the finance department did make a mistake in not following the procedures, the tradition I guess, of not putting the finance minister in a potential conflict of interest position which is sadly what happened when this legislation was introduced.

The member said the debt would be reduced in terms of the percentage of GDP. While that may look good on paper, it does nothing to help people who are paying \$6,000 in taxes just for their share of the interest on the debt. Reducing the debt as a percentage of GDP will not lighten their tax burden.

The finance committee is dominated by the Liberal Party. The recommendations the Liberals made on the finance committee were to set some absolute targets in terms of debt to GDP ratios for the government, something it failed to do when it brought down the budget.

There needs to be a very aggressive program to start to pay down debt. I would simply point out that in recent days the Business Council on National Issues came forward and said it was ridiculous, we need to have a much more aggressive plan than the government currently has for paying down the debt.

If we do not, we leave all Canadians vulnerable in the event of not only international shocks like the Asian crisis but also the impact of a possible cessation crisis that we could face from Quebec.

Ms. Eleni Bakopanos: Mr. Speaker, I rise on a point of order. I do not remember making reference to a member’s name.

The Acting Speaker (Mr. McClelland): It is no problem. We passed it. We will go on to questions and comments.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, I am pleased that I have developed a communication tool with my constituents. I am extremely pleased that now what seems to be happening is not only are the parents and adults responding with comments but also young people are.

I want to share with the House and with my hon. colleague from Medicine Hat some comments by a young man, a grade 12 student, who attended the forum for young Canadians in Ottawa in March.

He said: “As for the millennium fund, I believe it is a good idea but it reaches so few young Canadians. That money should be put toward eliminating the national debt. The government should not undertake any new major projects, the millennium fund, until the financial situation is resolved. This means that until Canada’s debt is gone, no new major projects should be started”. This is from a young man who is going to be faced with taxes. I thought this was unique.

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Another point was put before me by another young person, 17 years old. This person would like an answer even though they are not of voting age: "How come the millennium scholarship fund will only help out 6% of post-secondary students and with only \$3,000 per year?"

I would like to ask my hon. colleague if he is also experiencing this concern by young people when they look at the debt that our generation and the generation before us are leaving them.

Mr. Monte Solberg: Mr. Speaker, I appreciate the question. It is something I failed to touch on during my speech.

Indeed I have heard from young people who are very concerned about the structure of the millennium scholarship fund because it does not treat all students equally. It does not seem to recognize that many students will come out of school with staggering levels of debt, some of them \$25,000 a year.

We have seen debt levels go ever upward in the last several years. I think the young man is very level headed when he says that money should be used toward paying down debt. I think that is an excellent suggestion, recognizing that perhaps the real fiscal dividend will be the interest saving when we do actually start the process of paying down debt. That is the real fiscal dividend.

• (1125)

One of the things the government does not address in terms of education is that when people benefit from a program like a millennium scholarship fund, so many of them just disappear to the United States. We have a situation where the millennium scholarship fund turns out to be a subsidy for companies like Microsoft that come along and scoop up a third of the graduating class at Waterloo University. So we have to do something about that side of it. We need to ensure there are jobs in this country, that they are well paying jobs and that they are ones where taxes are not so high that they drive away the brightest and the best.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I commend my colleague from Medicine Hat on the excellent address he has given on the bill.

He referred to the \$45 billion we are paying each year on this huge debt that has been amassed. When we have emergencies like the ice storm, floods and other emergencies, of course those people suffering should be able to turn to the rest of Canada for the assistance that the charitable people of this country are always ready with and standing by to give.

I want the member to respond to the latest crisis we are seeing with regard to the many people who are sick and dying as a result of hepatitis C. It seems we do not have funding available to help those people when they need help while we are spending \$45 billion to

pay the interest on a debt. Will he relate the whole history of the accumulation of the debt and the demand on the revenue dollar to pay the interest to our ability to respond to emergencies such as the hepatitis C emergency facing us today?

Mr. Monte Solberg: Mr. Speaker, I appreciate the question from the hon. member for Crowfoot.

Today we have a debt of \$583.2 billion and as I mentioned in my address it is one of the largest debts in the entire world today in terms of per capita indebtedness, second only to Italy among industrialized countries.

The result is that we do not have the money often necessary to put toward programs that are vitally important. A third of every tax dollar today goes to pay just the interest on the debt.

Imagine if we did not have to pay the debt. We would be able to lower personal income taxes by 71%. Or could dedicate the money to things that are vitally important like helping people who, through no fault of their own, have been victimized by a federally regulated blood system.

We need \$4 billion to help out all those people who have been victimized. We could do that today if the government would take the approach that the priorities are to start to pay down debt, focus spending on things that are most important and start the process of lowering taxes. That is the approach that will help all Canadians.

The Acting Speaker (Mr. McClelland): Pursuant to Standing Order 74 we are now in that period of the debate which is 10 minutes per intervention with no questions and comments.

Mr. Jim Jones (Markham, PC): Mr. Speaker, it is with great pleasure that I rise today to speak on Bill C-28. Nothing would make me happier than to stand here today and announce to the House how pleased my PC colleagues and I are with the implementation bill. However, due to the many serious shortfalls in Bill C-28 I am unable to do that.

The Liberal government has shown its true colours with both the budget and Bill C-28. This is not a government concerned with the needs and pains of all Canadians. Instead, this is a government that believes in crisis management, big government intervention politics and damage control.

At times it appears that the government has the delusion of adequacy. What we know for certain is that this is a government without a vision.

• (1130)

I would suggest that all members of this House pick up a copy of Bill C-28 and glance over it. Then they would ask themselves: Is this document from a government with a plan or is this a document of hope? Does this bill provide leadership that Canadians so

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desperately crave? When we are honest with ourselves the answer is emphatically no.

Instead we have a piecemeal reactionary bill that reflects the desires of the Liberals' favourite collective, the collective of special interest groups that represent only the needs of a fraction of Canadians.

"Four more years". This used to be the rallying cry of parties seeking re-election, but not this Liberal government. To the Liberals it is the time span between announcements of proposals and their implementation. This clearly contradicts the Liberals' 1993 promise to end the credibility-stretching tradition of not passing tax changes until months after they are announced, which is another broken red book commitment. One is left to believe that the Liberals have had their gag reflexes surgically removed.

When I rose in the House on Monday to speak to Bill C-223 I made a point which pertains equally to Bill C-28. Canada needs a comprehensive national tax relief plan today. If the finance minister will table such a plan with objectives for all Canadians it will have the support of our party.

There is no monopoly on good economic ideas. The GST needed to be implemented and Canada has a balanced budget because of it. The NAFTA remains an integral tool for economic growth. Just as my party has always been willing to share its good ideas, we do so again today. Tax relief is essential to our future prosperity and the PC Party does not mind if the Liberals want to borrow this plank from our platform as well.

The Minister of Finance should know that the model in Bill C-28 would never achieve sustainable growth. Meeting with lobbyists and coming up with their pet initiatives might assist leadership bids, but it certainly does not help the general public.

We have heard a lot about brain drain. It devastates Canada's sustainability as a technology leader. It deprives Canadian industries of the ability to remain competitive. Above all, and what we can never forget, is that brain drain rips the heart and soul out of Canada and its families.

I am well aware that on this issue the industry minister has agreed with me, because his own departmental study entitled "Canada in an Integrated North America" shows this to be the case. This study points to high taxation as the major cause of brain drain. The study goes on to say that a married taxpayer working in Toronto with a salary of \$100,000 could add over \$20,000 to after tax income, an increase of close to 40%, if he or she were to earn the same income in New York or Chicago. It is no wonder that our best and our brightest are leaving for the U.S.

This same visionary leadership that Canada needs on tax relief is also required on education. This bill has taken the same lackadaisical approach to education that it takes to taxes. There are four targeted education components to Bill C-28. As with tax relief,

specific targeting will not be the answer. The approach must be one of fairness for all, greater efficiency toward benchmark goals, and above all else it must be comprehensive in nature.

So much of Canada's future hinges on our national education agenda. It is time to stop paying lip service to our citizens as Canada's greatest natural resources. Instead we must begin backing this up with our actions.

It is very simple. It is just like the Dutch boy with his finger in the dike. Stopgap measures might make you popular, but you need the engineer who came up with the permanent solution. Guess what? Where is that engineer? The engineer is in the United States because he is getting a better tax break and, unfortunately, making \$10,000 more a year and retaining 40% more of those wages after tax.

• (1135)

By enacting over 15 favourable changes to the tax code for selected groups the Minister of Finance has shown he knows there is a problem. The hon. member for Medicine Hat mentioned that the finance minister has found out what the problem is because he has taken his assets and put them in a blind trust offshore. Why did he do that? Because he pays no taxes or very little taxes.

If the finance minister wants to become Prime Minister of this country he should realize that we have to be competitive on a tax basis with the United States or we are going to continue to lose our best and brightest to the United States.

It is time for the finance minister to go all the way by implementing broad based tax relief for all Canadians. For example, an increase in personal income tax exemptions to \$10,000 would immediately remove two million low income Canadians from the tax rolls and reward all hard working Canadians. Even though it is a Progressive Conservative idea we do not mind lending it to the minister for the good of our fellow Canadians.

In conclusion, let us undertake a national education plan which ensures that we will produce the highest skilled individuals our industry requires. Once we have the high skilled workforce, let us make sure they choose to remain in Canada by reducing the crushing tax burden. Industry will be supportive of such a move, taxpayers will welcome this and families that do not have to export their children to the United States will be overjoyed. When the PC Party is presented with such an implementation bill we will resoundingly endorse it. That day is not here. Bill C-28 is not such a bill and the PC Party will be voting no.

[Translation]

Mr. Gilles-A. Perron (Saint-Eustache—Sainte-Thérèse, BQ): Mr. Speaker, I appreciate the opportunity to speak to Bill C-28, the catch all bill. It is in fact a humungous volume of 464 pages covering so many subjects that it is easy to play a game of hide and

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seek with and slip in unnoticed amendments that could benefit certain individuals or groups of individuals.

What had to happen happened. The vigilance of my colleague from Saint-Hyacinthe—Bagot led to the discovery on page 414, at the end of the volume, which everyone skips over, clause 241 amending paragraphs 250(6)(a) and (b) of the Income Tax Act.

What does this clause concern? It concerns shipping, exclusively. The amendment, if passed, would permit international shipping companies to enjoy certain tax advantages. We all know that the Minister of Finance of Canada is sponsoring Bill C-28 and that he is also the sole owner of Canada Steamship Lines Inc., a shipping company.

We have the following questions. Is the Minister of Finance in an apparent or a real conflict of interest? In the light of his position, why is the Minister of Finance sponsoring this bill? Why, in his own words, is he unable to speak on the matter so as to avoid a conflict of interest?

Since February 5, 1998, my colleague from Saint-Hyacinthe—Bagot and colleagues from all the opposition parties have been trying to get the facts on this bill and asking questions in this House, without success. The Prime Minister and the Deputy Prime Minister direct the member and the opposition critics to the Standing Committee on Finance. As we know, the committee is under Liberal control. They do not want to hear the experts, witnesses who are likely to help the committee to get to the bottom of clause of 241 of Bill C-28, sponsored, I repeat, by the Minister of Finance.

• (1140)

This tactic helped me understand a lot of things. Yes, the finance minister was too busy with Bill C-28 to prepare a more realistic budget. He was more preoccupied with the tax benefits his company would get under this bill. Instead of indexing tax tables, helping small and medium size businesses to create jobs, reducing EI premiums and adjusting transfers to the provinces, our dear minister was busy with Bill C-28. Of course, his budget contained a proposal to promote Canadian unity, namely the millennium scholarship fund.

I do not want people to misunderstand our position with regard to the millennium scholarship fund. We, in the Bloc Québécois, support the millennium scholarship fund as long as Quebec can withdraw from that program and is fully compensated so it can administer its own scholarship program.

In closing, I fail to understand why this government and the Standing Committee on Finance persist in refusing to hear witnesses. Do they have anything to hide? What kind of tricks do government members have up their sleeves? We want clear and precise answers to these and a lot of other questions.

This situation must be clarified for the sake of our integrity as members of this House, and that is why I am asking my colleagues to join me in supporting the motion brought forward by the member for Saint-Hyacinthe—Bagot.

[English]

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I am pleased to rise today to address my serious concerns regarding Bill C-28. Just as a refresher, this bill amends at least 18 separate pieces of legislation, all pertaining to the income tax measures announced in the February 1998 budget.

Specifically, the bill would amend provisions dealing with charitable donations, tax shelters, registered education savings plans, film and video production services, tax credits, the tax status of corporations, treatment of RRIFs, family farm corporations and many, many others.

Let me be very clear. The Reform Party opposes the use of tax concessions as an instrument for manipulating investment behaviour and the industrial structure. These amendments add to the already convoluted, overly complicated and confusing tax code, a tax code which already contradicts our commitment to a fair and visible simple tax system.

In addition, these amendments do nothing to deal with the real problem of excessive spending, high taxes and escalating debt.

This bill is typical of a Liberal-Tory approach to fiscal policy. The Tories are as much to blame as the Liberals because we have experienced tax increases under both of these regimes and there is very little difference in the policies they have adopted over the years. This bill offers no tax relief to cash strapped Canadians.

As the defence critic for my party I noted with interest that the military received a pay increase. It was well documented. A press release issued by the government indicated that the lower ranks would be getting somewhere in the neighbourhood of a 3.2% increase. How does that translate into the dollars and cents that will go into the pockets of those military personnel? There are many who fall within the same earning range in this country.

• (1145)

For instance, the master corporal was so elated to have a \$100 pay increase. That is the gross amount. After taxes, after EI premiums, after CPP deductions which will be the biggest hit he will have to accommodate in that increase, this man will end up with \$53 clear a month.

The Department of National Defence decided that was not satisfactory. It decided that it would also boost his rent by \$30 more a month. Without even taking into consideration whether the

master corporal is going to be in another tax bracket and subject to tax bracket creep as an additional hit on his wage, he realizes a net increase of somewhere in the neighbourhood of \$23 a month. That is a crying shame.

There is no question that he has moved up from one tax bracket into another given the fact that he had very minor increases the previous year. Here he sits in another tax bracket and he is going to be literally whacked. If he realizes an increase of \$20 a month out of that \$100 gross, he will be lucky. Many Canadians fall into that same category. They are barely making ends meet.

This bill does nothing to help him, nothing whatsoever. In fact, it gives him a greater burden and certainly not a sense of security. It did not take him long to figure out that he was not much further ahead than he was before. He will not be able to accommodate any emergency that creeps into his home and his life with any form of benefit from the wage increase he received. That is one aspect.

I feel for him. I feel for many other families who are subject to the same heavy tax burden. This government has failed to live up to its responsibility to those people.

I also reflect back to some of the points that Reform has stated it would like to see. Under the Liberal tax bill, that gentleman will obviously fall into a category somewhere around \$2,000 to \$3,000. If we look at our last election platform, that master corporal and his family would only pay \$520 as opposed to \$2,189. That is quite a substantial difference. It is almost \$1,600 back into his pocket. I am sure he would be able to find ample opportunity to spend that on other areas which would benefit him and his family.

This bill does nothing to address the enormous public debt which the government and the Tory government before it are responsible for. Some of these social costs are nothing but staggering. The total interest-bearing debt sits at around \$600 billion. Of that, \$120 billion is held by foreign entities, non-residents. One-third of that 25% is American held. The remainder is divided between Europe, Asia and elsewhere. Undoubtedly it will have some effect if the markets are as uneasy as they are in Asia. That matter is far from settled. It could definitely have an effect here.

Are we prepared with the massive debt and the interest payments? We still have to go outside this country. There is not enough money to pay and hold that debt by investors in this country. We have to go outside to borrow the money. Why should we as an industrialized country be in that position? It would be nice to be independent but unfortunately that is not the case.

• (1150)

That is one point dealing with the debt. The government also owes \$3.7 billion to the Canada pension plan and \$114 billion to the public sector pension plans. Again this further complicates our debt picture and the burden on Canadian taxpayers.

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Debt interest is \$45 billion. What would it be equal to if we had the capability of spending that \$45 billion on things other than the interest on the debt?

It would be two full years of Canada pension or Quebec pension plan benefits. It would amount to two and a half years of GST revenues. It would amount to 71% of all PIT revenues.

It would amount to the entire annual budgets of the four western provinces, which is a substantial amount of money. It would amount to the entire annual budgets of Quebec, Prince Edward Island and Newfoundland. It would amount to the entire net debts of all of the provinces combined, excluding B.C., Ontario and Quebec.

This probably more than anything would be of greater impact: it would be enough to pay for all Canadian hospitals, physicians and drug costs for an entire year. Our health care problem could easily be resolved if it was not for the interest that we are paying on our massive debt.

It would be enough to cut taxes an average of \$3,200 a year for the average taxpayer. Just think of what they could do with that money if it were in their pockets. In 1997 the average Canadian taxpayer paid \$3,285 a year in taxes just to pay the interest on that debt. This works out to \$275 a month or just over \$9 each and every day.

Reform has a much better plan. We will cut personal income taxes by \$12 billion or \$2,000 per family by the year 2000.

[Translation]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I am pleased to address once again Bill C-28, which is sponsored by the Minister of Finance.

We could examine several provisions, since this is an omnibus bill, but I am primarily concerned with clause 241. The reason is that the situation is not at all clear. Before me, several Bloc Québécois members asked again that this issue, which leaves the impression there may be an apparent or real conflict of interest, be resolved, since it tarnishes somewhat the government's credibility when it comes to finance.

It is not normal to leave the impression that the Minister of Finance may be sponsoring a bill that could benefit a shipping company he fully owns, namely Canada Steamship Lines.

I represent the riding of Lévis, where we have a big shipyard.

• (1155)

As the member of Parliament for Lévis, I, like all my constituents, want to have the largest possible number of ships come

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through Lévis and the St. Lawrence Seaway. This is very important. Why? Because the more ships go through, the greater the chances for our shipyard to build ships. In fact, it would only be normal if Quebec's largest shipyard could build ships.

However, one of these international shipping companies happens to belong to the Minister of Finance. Of course, the minister asked someone else to manage his interests, which are currently held in trust. However, there is cause for concern when we see that even if he himself does not make speeches, and does not answer questions in the House on shipping, he is sponsoring this bill, and clause 241 is part and parcel of this bill.

The Bloc Québécois would like to have this bill referred back to the finance standing committee so that the whole matter can be cleared up, because our questions have not yet been given clear answers. Of course, the ethics counsellor of the Prime Minister has appeared before the committee, but his testimony has been quite vague, and everything went very fast.

We heard the Prime Minister's response yesterday. He is satisfied with answers such as this "Everything has been cleared up, and there is no problem whatsoever since I, the Prime Minister of Canada, have full confidence in my finance minister. The matter is closed". We do not think it is that simple. That is too easy a way out. We should be hearing arguments, we should be dealing with substance and examining all aspects of this clause. We should check the legal implications and see who is getting tax breaks and under what conditions.

We are dealing with companies operating in international shipping. Canada Steamship Lines is one of these companies. Some will say this is quite normal, since we are dealing here with shipping and transportation. Ships do travel, just like planes do. That reminds me of Mr. Trudeau who said that fish should be under federal jurisdiction because they do swim from one place to another.

So ships do in fact travel, and the problem is not international shipping. The issue we were raising is that the finance minister, who owns a fleet of ships, although his assets are in trust while he is in office, stands to benefit not only now but once he no longer is in office. This is a very important issue, and the people have a right to know.

I would like to touch on another aspect. I have tried repeatedly to put shipbuilding on the government agenda again. When the current Minister of Finance was responsible for the Federal Office of Regional Development for Quebec, he systematically refused to answer any question either from myself or from any other member having anything to do with providing assistance to the shipyard in Lévis. His response was always that he had business interests in shipping. So, he does admit to having interests, but argues that they are held in trust.

The Minister of Finance is one of the most prominent ministers in government, but he hides behind his business interests in this area, claiming a conflict of interest, not to act in support of the shipbuilding and shipping industries, which are in serious difficulty today.

• (1200)

We should have a debate on this too, but one that would be, as suggested by the Liberals in 1993, a real summit on the future of shipyards in Canada. We could, for instance, update the study conducted more than ten years ago on the condition of the fleet at the international level to take a closer look at the financial assistance policies most nations have for their shipyards.

Our neighbour to the south is one of the leading shipbuilding and shipping countries in the world. The United States want nothing to do with OECD agreements regarding subsidies to shipyards. In Canada, we will not consider such a policy, because it appears we have reached an agreement with the other countries of the OECD.

However, the other members of the OECD are not following Canada's example and, as they see that the Americans are not accepting this agreement to no longer subsidize shipyards, they are going about it in other ways. Some European countries are doing like the Americans, waiting until everybody signs the agreement. In Canada, we are—if you will excuse the expression—the butt end of the joke, since, because we wanted to appear virtuous in the matter, we end up with a pretext to do nothing.

So, I will use this question to point that out, because with every opportunity I have, as the member for Lévis and to contribute to the future of shipping and shipbuilding, I always advocate a real shipping policy.

I will conclude by saying that we must—and quickly so—get all the facts on clause 241 and the consequences of it, because in the interim the effect is to mortgage what might be done to further advance the cause of shipping and shipbuilding in Canada.

[English]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, it is a pleasure to speak at third reading of Bill C-28, an act to amend a whole bunch of other acts with respect to tax measures. It is a massive bill containing over 1,000 pages including accompanying notes. I wonder how many members of Parliament have read those 1,000 pages and know what we are getting into. We do not need greater fiscal and social engineering by the government in any bill but that is exactly what we are getting.

I will give a broad perspective in my critique of this bill and of the approach being taken. The Liberals and the Tories, the two

parties that have been responsible for managing our economic affairs over the past several decades, have brought us to this point. We have a legacy of massive overspending, a legacy of 30 years of never balancing our books which has led to a legacy of a \$600 billion mortgage on our children and a legacy of regular and unremitting tax increases. Because of all this the federal debt is nearly 70% of GDP.

The GDP is the gross domestic product, the value of all the goods and services produced in our country over a year. Seventy per cent of everything we produce over a year is offset by this massive federal debt. If we add provincial debts, that percentage approaches 100% of GDP. In other words, we owe everything we make in a year to our huge national debt. If we were to apply it all to the national debt, that would just about pay it off. Obviously we cannot because people have to live.

• (1205)

What it does mean for people and for the average family of four is a share of the national debt of a whopping \$77,700. Every family has been put in the hole by past governments to the tune of \$77,000 plus. This same average family paid \$6,000 this year just to meet the interest on that debt. If there were no debt presumably each of these families would have an extra \$6,000 to work with. Most families could feel the relief if that were the case, but of course it is not.

Also our income tax burden as a result of this abysmal record of fiscal mismanagement is the highest in the G-7 nations. Of the developed nations our income tax burden is the highest. The latest figures available show that between 1989 and 1995 the average Canadian family suffered a decline in real income after taxes of \$2,540. One of the reasons for the decline in real income is the incredible tax burden being placed on regular Canadians.

I have a letter from a regular Canadian that illustrates all too clearly the ridiculous lengths to which this tax system punishes Canadians:

My son attended Notre Dame school in Saskatchewan on a scholarship this past year. Last week, he received a T41A in the mail in the amount of \$9,500. The scholarship represents his only income for the year (he does not even have a social Insurance number). He now owes income tax in the amount of \$450 (and of course, our tax burden increases because he was removed as a dependant).

I have several questions:

1. How can the Liberals claim that they want to support youth education when there is a tax on scholarships?;
2. Where does the government draw the line in taking money from its citizens? If \$9,500 is not below the poverty line, then what is? \$5,000, or perhaps \$2,500;
3. Is not the future of our nation, its educated youth, worthy of the same tax free allowances as MPs or MLAs?;
4. Just what kind of joke is the millennium fund going to be given the government's penchant for having its hands in our pockets?

My wife and I are lucky in that the tax owed by my son is something we can afford. But, I can easily imagine families and situations where this would not be the case.

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Please, if it is possible in opposition, point out this ludicrous situation to the Liberals and continue your efforts to remove the tax burden from those who can least afford it—in this case our students.

This is the kind of real life tax grab that our income tax regime imposes on regular Canadians, the youngest, the hardest working Canadians. This bill does absolutely nothing to address that kind of situation.

For the first time in 30 years the chief financial officer of this corporation we call Canada has finally managed to balance the books.

• (1210)

Far from apologizing for the fact that this is the first year of doing something every Canadian and every financial institution must do routinely, we have a finance minister who acts like this is the beginning of easy street for every Canadian. Of course, this is nonsense. We are not out of the woods by any means as Canadians and Canadian families.

It is important to note that this one balanced budget has been achieved almost 70% through increased tax revenues. Here we have a bill of over 1,000 pages that does not do one thing to reduce that horrendous tax burden on Canadians. Yet that is what allows the one balanced budget we have had.

An additional 16.5% of the measures that balanced our budget were through cuts in support to key social services such as health and education. Less than 1% was from actual decreases in other government spending.

Government is good at piling the tax load high on everyone but very poor at restraining its own appetite for spending those same tax dollars.

In addition, the government has adopted some suspect accounting policies that allowed it to manipulate budget figures with an eye to maximizing a surplus closer to the next federal election. This manipulation was so unusual and so blatant that, as members know, the Auditor General of Canada felt it necessary to challenge the government in a very pointed and public way.

It is critical that we not only refuse to put additional charges on the Canadian credit card but that we have a solid financial plan to start paying down the huge debit balance and make the kind of prudent budget and lifestyle choices that will ensure our future fiscal well-being.

Unfortunately the government has not taken that kind of big picture approach. A detailed study this month by the chief economist of Scotiabank says: "Aiming for balanced budgets and relying on an unprecedented stretch of solid growth and low interest rates to reduce the debt burden is a high risk strategy for a debt heavy government".

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I see the time has expired and so in closing I would like to say we cannot support this tax tinkering by the Liberals.

[Translation]

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I rise today to speak to Bill C-28 and, more specifically, to clause 241, which I consider warrants all our attention. Since February 5, everything leads us to believe, as the expression puts it so well, that there is something fishy here.

We all know very well how this matter might be of personal interest to the Minister of Finance, who, it seems, would have every advantage as the sole owner of Canada Steamship Lines if the bill were passed.

How could the Minister of Finance sponsor a bill that includes tax provisions that could benefit his own company, when he is not entitled to speak on this matter in order to avoid a conflict of interest? This state of affairs led to the presentation before the Standing Committee on Finance of five motions that would enable us to get to the bottom of this matter.

First, we asked for testimony from the president of the CSL, representatives of the trust company, the minister himself and Mr. Wilson.

The five motions were important, but the most important one called for the appearance of any other witness who might help the committee understand clause 241. Four of the five motions were rejected.

• (1215)

The only witness allowed was Mr. Wilson, the government's ethics counsellor, who is employed by the Prime Minister, paid by the government and accountable only to the government.

Something unexpected happened in that Mr. Wilson's testimony reinforced our argument when he admitted that the Minister of Finance had not acted properly and that the code of ethics adopted by the government in 1994 had not been respected.

That code of ethics clearly stipulates that public office holders must do everything they can to prevent real, potential or apparent conflicts of interest from arising.

On February 5, 1998, the government's ethics counsellor said on the CBC, and I quote "Canada Steamship Lines has indicated clearly to me that it has no intention of using this provision".

However, twelve days later, on February 17, this same counsellor stated before the Standing Committee on Finance, and again I quote "Mr. Martin sponsored this bill and questions have been raised by some members that this constitutes an apparent conflict of interest. Had I been informed in advance, before this bill was

introduced, there would have been a discussion on how best to handle the introduction of the bill for the Minister of Finance, who is responsible for all tax legislation. However, this prior consideration of our options did not take place as it should have".

This flagrant lack of impartiality by Mr. Wilson is appalling. And we are not the only ones to express criticism. The Senate is also addressing this issue. In fact, Senator Marjory LeBreton stated in the Upper House that there is an urgent need to establish new guidelines for the ethics counsellor, who should be independent from the government.

This is a matter I could not overlook, and when the Liberal majority on the Standing Committee on Finance denied our request, the three other opposition parties saw, just as we did, that something fishy was going on.

That is why, in a press conference held on February 19, 1998, the four opposition parties requested that the Prime Minister strike a special committee to shed some light on clause 241 of Bill C-28. We are still waiting for an answer.

What is unacceptable is that the Prime Minister is still refusing to clarify this issue for us, and is determined to put obstacles in our path at every turn. It is obvious to us, unfortunately, that everything is co-ordinated from the Prime Minister's office, including the Standing Committee on Finance.

In short, the Liberal government is showing obvious bad faith, and wants to protect its Finance Minister at all costs.

In conclusion, what is important for people to understand is that the Minister of Finance is preparing to get a bill passed which he himself sponsored and from which he very likely will be able to profit. And this is unacceptable.

I also have some serious questions about how available the self-same minister is to look after the financial interests of Quebec when he has demonstrated without a doubt that what is closest to his heart is to have ships plying the waters of the world, instead of concentrating his focus on his work and on keeping our ship with its fleur-de-lis colours afloat financially.

[English]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, it is a pleasure for me to rise today to speak on Bill C-28 which is described as an omnibus bill dealing with certain technical amendments covering a wide variety of acts relating to income tax.

Most of the amendments are housekeeping and we will not be focusing our remarks on them. We intend to confine our remarks to the significant reductions in the Canada health and social transfer that we have seen over recent years.

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• (1220)

An earlier speaker noted that the bill is very technical and wondered how many people had read it and who had picked up a copy. I think it is fair to say that none of the members currently sitting in the Liberal benches have looked at the bill. I might also say that a member might need two hands to pick up the bill because it runs to over 400 pages. We believe it is absolutely ridiculous that parliament or Canadians should be expected to deal with such a complex bill which uses language that even highly paid tax experts would have difficulty deciphering.

We believe that Bill C-28 is anti-democratic in its format, its language and its content. It is wrong for a government to present legislation steeped in such isolated language and expect Canadians to be informed or to have any idea of what their government is doing.

There is a story making the rounds that a justice department official was removed from the working committee on Bill C-28 because he raised concerns about introducing such complex legislation. He was most upset with the complexity and the incredible volume of amendments contained therein.

It is fair to say that one would need to be a highly paid tax lawyer to even begin to tackle Bill C-28 in its present format. Needless to say, the lawyer's protests were not well received by the finance department and he was removed from working on this particular file.

To turn to the CHST, we noted with some interest that Tom Kent, who was recognized as the godfather of Liberal social policy in the 1960s and 1970s, delivered a lump of coal to the government on December 24 last when he lashed out at the cutbacks that the government imposed on our medicare system in particular.

There are other aspects of the CHST that I will get into in a moment.

Writing for the Caledon Institute of Social Policy, Mr. Kent accused the government of putting the 30 year old social program at a critical crossroads by simply neglecting to fund it properly. He wrote "Medicare has been sustained by the public will", and "For this medicare, we owe no thanks to the present generation of federal politicians. It survives despite them". Note the words, "It survives despite them. Though they pose, because of its popularity, as the defenders of medicare, in fact, they have destroyed the financial basis on which their predecessors created it". That is where we are coming from on this.

There has been a lot of talk this morning from folks to my right, literally and figuratively, about the financial debt and deficit that we face. There is also a social deficit in this country. It is not only health care which is at risk, we have not made much progress in the fight against poverty.

I am referring to another article from the Caledon Institute of Social Policy that was issued in February 1998. The writer notes that the progress against poverty that Canada managed to achieve in the 1960s, the period that Tom Kent talked about, and in the early 1970s has stalled over the last 20 years. Poverty has increased since then. It was at 17.9% in 1996 compared to 14.2% in 1975. That is an increase approaching 3%.

In the past Canada could count on economic growth and healthy labour markets to fight poverty. Rising real gross domestic production reduced the number and percentage of people with low incomes while the faltering economy had the opposite effect.

Poverty is a result not only of the changing labour market which we have witnessed over the past couple of decades in this country. It is also linked to household structure and demographics. Gender is a critical demographic factor in the poverty story of this country.

Women typically have higher poverty rates than men and families led by women are more likely to be poor than those headed by men. The persisting inequality between the sexes is due basically to women's unpaid social and economic roles as homemakers and caregivers to children and aging parents. It is a major factor that women have lower incomes and risk higher poverty.

• (1225)

In addition to gender, marital status is a key factor. Single parent families, most of which are led by women, face a high risk of poverty.

Governments traditionally have played a major role in combating poverty in this country. Income security programs, also known as transfer payments, have supplemented or reduced employment earnings. Major programs such as old age security, the guaranteed income supplement, the spousal allowance and the Canada and Quebec pension plans have been crucial sources of retirement income for most Canadians.

Employment insurance and workers' compensation replace employment earnings lost due to unemployment, illness and accident. We know as well what has happened there. I think especially about employment insurance and the fact that prior to the changes 85% to 95% of people who applied for unemployment insurance, as it was previously known, received benefits. Today those figures hover around 40%. That is the reason there is a growing gap in this country between the very rich and the people at the bottom 20%.

Child poverty as well remains a grave problem in this country, as has been noted by our party in particular. One in five children now live in low income families. Just under 1.5 million children, or 21.1% of all children who live in what members opposite often refer to as the greatest country in the world, are living in poverty. That risk of course goes up if they are in a single parent family, especially one led by a woman.

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Still other demographic factors are linked to poverty. Aboriginal Canadians are significantly more likely to be poor than the rest of the population. Canadians with disabilities, as other speakers noted earlier today, are another group at risk of poverty.

The Canada health and social transfer that replaced the Canada assistance plan in 1996 has retained only the non-resident requirement of the Canada Health Act, and the loss of the in-need criteria under CAP has opened the door to a very different welfare system today than the one we have known over the past couple of years.

In conclusion, this caucus is opposed to Bill C-28. We reject the Canada health and social transfer which has resulted in steep reductions in funding to health and education. There has been a 40% reduction in funding to post-secondary. We are advised that when the millennium fund kicks in in the year 2000 this government will be spending a full \$3 billion per year less on post-secondary education.

The provinces are struggling to provide social services. They too have seen their budget allocations slashed from \$18.7 billion in 1993-94, the last year of CAP, to the projection of just under \$12.5 billion in 1998-99, the current fiscal year that we are debating. Therefore, this caucus will be opposing Bill C-28.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I feel obliged to speak on Bill C-28 for a number of reasons, the main one being that its sponsor, the Minister of Finance, is placing himself in a position to benefit from it. His interests in civilian life, outside politics, can benefit from this bill.

There are more than 400 clauses in Bill C-28. It is complex, and multi-faceted. The clause on shipping companies with foreign holdings takes up a half-page, and could easily have gone unnoticed as the pace of the House speeds up.

• (1230)

This clause puts the finance minister, the sponsor of the bill, in an apparent conflict of interest. It is sad and incomprehensible that the finance minister himself, or the Prime Minister, did not try to put people's minds at rest.

Politicians have questions. All opposition parties unanimously requested that the government shed light on the matter. Through their MPs, citizens also are involved. They need to know that their finance minister is in no way, shape or form in an apparent conflict of interest.

Let us not forget how proud the finance minister is to have eliminated the deficit. One of the main ways he was able to reduce the deficit was to cut not federal spending but transfers to the

provinces, the Canada social transfer, which replaced the former grants for health, education and social assistance.

Payments were drastically cut back. The cuts are not over yet, they are ongoing. They are cruelly evident in the health care problems experienced by every province. They are just as cruelly felt in education and social assistance.

It is this same minister who was at the origin of the first major reform of employment insurance, reducing the duration of benefits, benefit levels and accessibility in a major way. In fact it is this first reform which is at the origin of the spring gap which affects many families, especially those who depend on seasonal work. They do not have enough insurable weeks to bridge the gap until they can work again in the spring; it is not for lack of wanting to work, but there simply is no work to be found where they live.

If they own a house or have some savings, they have to spend the money they saved, and depending on the value of their house, they may not be entitled to any help at all. They are not eligible for social assistance. Several families have nothing to live on until work starts again. This spring gap has its origin in the 1994 reform.

The finance minister needs to be above all suspicion. It is difficult for opposition parties to understand why the Minister of Finance would not meet this basic requirement, which is to demonstrate that he is not in a conflict of interest, not even in an apparent conflict of interest.

Given the minister's reputation, why does he not agree to have a special committee struck to shed light on the whole issue? Why does he not find another solution of his choice to protect himself, once and for all, from such suspicions? It is hard to understand.

It is hard to understand why the Prime Minister, whose interest should be to defend the integrity of his finance minister, only does so by repeating statements that have not convinced any member of the opposition.

• (1235)

Anyone taking a look at the issue can only conclude "but he is in an apparent conflict of interest".

When the person looking after the minister's company says he does not intend to avail himself of the opportunity, it implies that he could actually do so. If this is not the case, then we should be told about it, because so far we have not received such confirmation. Again, the opportunity was provided by the same minister, whose reputation had not been tarnished.

The Minister of Finance has been hard on ordinary Canadians regarding health, education and social assistance. He has been hard on the unemployed. Now, he must shed light on this issue. It is not too late. As far as I know, the bill will not be passed before April 21. The Minister of Finance must, for his own sake, for the sake of

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all politicians and for the sake of the public, shed light on this issue.

Bill C-28 will remain a sad episode. There are other clauses in this legislation that remind us of policies against which we fought hard in the past. It is one thing to have dissenting opinions on economic and social policies, but it is another thing to see the Minister of Finance in an apparent conflict of interest and refusing to shed light on the issue.

As a member of parliament, I would have much preferred not to have to say these things but, given the facts, I have no choice. I would not be carrying out my responsibilities if I did not speak out. The Minister of Finance has a duty, which is to shed light on the whole issue, for his own sake, but also for the sake of the public and for the sake of politics.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak to Bill C-28, an act to amend the Income Tax Act.

Taxes are important. Everyone pays them, or at least everyone should. Of course, no one has to pay more than the law requires but, at the same time, the law should require that everyone make a just and reasonable effort.

Bill C-28 is a complex bill. It contains hundreds of clauses. It affects all sorts of provisions. It is a bill that, by and large, is in the public interest.

Unfortunately, it contains one clause, just one, that we have a problem with and that is clause 241. Others before me have pointed this out, and I am going to look at it as well. Between you and me, we are not going to pull any punches.

The situation is this: in accordance with his role and responsibility, the Minister of Finance introduced this bill. He sponsored it. The Minister of Finance must be above all suspicion. There should never be a situation in which anyone could think that the Minister of Finance was trying to use legislation to derive personal benefit.

• (1240)

And I most certainly want to believe that the Minister of Finance is above any suspicion, and is not trying to derive any such benefit.

But there is a problem with clause 241. The Minister of Finance owns Canada Steamship Lines. This is a large company, and the Minister of Finance is fortunate indeed to be the sole owner of this major company.

He put the company into a trust so as not to be able to intervene directly in its affairs and derive any benefit. That is all very well. It is indeed the normal and expected procedure to follow.

However, the Minister of Finance knows full well that the trustee of the Canada Steamship Lines, the company he owns, has not sold the shares to buy some woodlot. He did not sell the shares to buy a bus company. The Minister of Finance knows very well that he is still, through the trustee, the owner of his shipping company.

Companies with ships registered offshore stand to benefit financially from section 241, through a tax reduction. The Minister of Finance, through his trustee, is very much aware of the fact that his fleet is partially or totally registered offshore. The minister or his trustee used to his advantage some of the provisions already in the legislation, under which ships registered offshore somehow have less tax payable here in Canada.

I still find it a little strange that the Minister of Finance, who is in charge of taxing all Quebecers and all Canadians, corporations and citizens, would shelter his company through existing fiscal provisions. It may be ludicrous, but it is legal.

Where the plot thickens is when section 241 is amended to allow shipping companies that meet specific criteria, just as that of the Minister of Finance does—to enjoy additional tax benefits.

Mind you, there are not that many shipping companies in Canada. If section 241 was giving some tax benefit to convenience stores and if the finance minister happened to own one, through a trust company, I would say that he will indeed get some benefit, but that so many store owners will get it too that he has certainly not done this just for his own sake.

I am not suggesting here that the finance minister has done this just for himself. But it does look kind of odd, and even more so because since the beginning of February, the Bloc Québécois has been asking the finance minister, in a respectful way, with courtesy but also with determination, to clear up all manner of doubt on the risk of conflict of interest as far as section 241 is concerned.

We never got an answer from him. The Prime Minister himself jumped to his feet to tell us he trusts his finance minister. I should hope so. We should not expect anything less.

But you have to agree with me that this is not good enough to make Canadians believe everything is just fine. If the rules in our code of ethics provided that a minister should avoid all conflict of interest situations or that he should have the confidence of the Prime Minister, it would be all right because that is what the rules say.

• (1245)

But the real code of ethics does not say that. It says that a minister should avoid not only actual but also apparent conflicts of interest. That is the rule. What does the Prime Minister's confidence in his finance minister have to do with this? It is all very fine for him to trust his minister, but it would be much better if everybody could trust him.

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Why does the finance minister refuse to shed light on this? Why does he not give us all the facts? Why does he hide behind the Prime Minister? Why does he not give all the information to the House and the media?

We have a problem. We asked that clause 241 be withdrawn from the bill, which would have allowed us to pass the rest of the bill with much less reluctance and then to deal with clause 241 on its merits. But this was all put in the same package. The Liberals put in the whole cake something that looks like a rotten fruit. Do they think I will eat this cake? Do they think that the Bloc Quebecois will eat this cake?

We will have to vote against the whole bill because of these few lines that let the worst suspicions hang over the finance minister. Perhaps he has a good explanation. The Prime Minister may be right to have confidence in his finance minister, but why not give us the evidence to support this confidence? In the absence of such evidence, all bets are off, not only for the members of the Bloc Quebecois, not only for the opposition members, but also for the members opposite, and especially for the people of Quebec and Canada.

As we all know, this kind of thing erodes people's confidence in the government machinery, in Parliament itself. Why are the Prime Minister and the finance minister not taking the opportunity today in this House to clarify the situation and restore confidence?

I will not be able to vote in favour of the bill before us because of the potentially rotten fruit in this cake poisoned by clause 241. I will not be able to vote in support of this bill, but I strongly hope that the finance minister will shed some light on the issue.

If he does not, the confidence that the people have in Parliament will be eroded and it will be the finance minister's fault.

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, I am happy to speak in this House on Bill C-28, which is sponsored by the finance minister.

I will not read the bill, since it is so thick that it discourages most people from conducting a thorough analysis. And yet, this did not prevent the Bloc Quebecois from noticing clause 241 and its two small paragraphs which will amend subsection 250(6) of the Income Tax Act. The possible benefits for the finance minister, who is the sole owner of Canada Steamship Lines, an international shipping company, are obvious and yet do not represent even two pages of this 464-page bill.

This raises several questions about the government's and the minister of Finance's real interest in supporting this bill.

While Quebecers and Canadians pay for the cuts that the Liberal government has been making since 1993, while everyone is tightening their belts, while this government continues slashing federal transfers to the provinces, thus directly affecting people,

while the finance minister is boasting about having eliminated the deficit in his last budget without saying that he did it on the backs of the provinces, the finance minister, in spite of an apparent conflict of interest, is sponsoring a bill that will give him some fiscal advantages.

• (1250)

The whole population should know that some members of the government are very generous to themselves. It is inconceivable for a minister to propose a bill which contains tax provisions favourable to his company. This is an apparent conflict of interest.

The Minister of Finance keeps using several arguments to prove his supposed non-involvement in Bill C-28. He argued in this House that his company has been in a blind trust ever since his appointment to cabinet, and that he would not profit in any way from this bill.

This may be true, but it only applies to the present. As soon as the minister leaves his position, the trust arrangement will cease. Not intending to use a privilege is not the same as not having the right to do so.

Obviously, we do not know enough about section 241 of this bill. The motions introduced in the finance committee by Bloc Quebecois members were all defeated by the Liberal majority, except one allowing the ethics counsellor to appear before the committee. This counsellor is an employee of the Prime Minister, paid by the government and accountable only to his employer.

Yet, the testimony of this witness only served to reinforce our arguments since he acknowledged that he was not an expert in international tax laws and was therefore unable to answer several of our questions. He went as far as saying that there might be an apparent conflict of interest and that, had he been made aware of the implications of section 241, he might have acted differently.

Therefore, it is clear to the Bloc Quebecois and the whole population that the Minister of Finance did not abide by the code of ethics approved by his government in 1994, which says that anyone holding public office should avoid being in a real, potential or apparent conflict of interest. In this case, there is an apparent conflict of interest and this is why I ask, in good faith, that the Minister of Finance withdraw section 241 of Bill C-28 while there is still time left.

As parliamentarians, we have a duty to our fellow citizens to improve their quality of life and collective well-being, not the right to use our power to our own benefit. Surveys show that members of Parliament are not well perceived by the public. After seeing such ways of doing things, it is easy to understand why.

The finance minister says he is innocent of any intention. However, in 1996, he introduced a bill in the House containing the same provisions as clause 241; however, that bill died on the Order Paper. In 1998, the minister came back and sponsored Bill C-28.

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How could he not be aware, as he would have us believe? How can a minister introduce a bill without knowing its content?

How could Paul Martin be allowed to sponsor a bill containing tax provisions that could be beneficial to his own company, considering he is not allowed to speak on the matter so as not to be in a situation of conflict of interest? In fact, there is appearance of conflict of interest and considering the importance of his position and the integrity with which he should manage the finances of the country, the finance minister should be clear of any suspicion.

This is a warning to the government. We asked the finance minister to delete clause 241 of Bill C-28 until the matter can be cleared up. He should do so as quickly as possible if he wants to preserve the credibility he has left in Quebec and in Canada.

My colleague from Saint-Hyacinthe—Bagot has introduced another amendment proposing to refer Bill C-28 to the finance committee so witnesses can be questioned and the situation clarified. The amendment says that the motion be amended by deleting all the words after the word “that” and substituting the following: “Bill C-28, an act to amend the Income Tax Act, be not now read a third time but be referred back to the Standing Committee on Finance for the purpose of reconsidering clause 241.”

I support the amendment proposed by my colleague from Saint-Hyacinthe—Bagot because, in my humble opinion, it answers the numerous issues that the opposition has been raising for more than a month.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, since we are at the end of the debate, I would like to try to illustrate the main reasons the Bloc will be voting against Bill C-28.

• (1255)

Through this bill, the Minister of Finance is trying to pass legislation that, in all likelihood, could provide certain tax advantages to his company, Canada Steamship Lines, of which he is the sole owner.

Clause 241 of Bill C-28 would amend section 250 of the Income Tax Act. In this 464 page omnibus bill, clause 241 contains only two paragraphs and it concerns shipping exclusively. The bill is sponsored by the Minister of Finance himself. These two facts constitute the appearance of a conflict of interest, which contravenes the government's code of ethics and that is what we have been seeking explanations for since February 5.

How can the Minister of Finance sponsor a bill containing tax provisions that could benefit his own company, when he is not

entitled to speak on the matter in order to avoid a conflict of interest? There is the appearance of a conflict of interest and, given the importance of his position and the requirement that he manage government finances honestly, this great Minister of Finance must be above suspicion.

Even if the minister offers the defence that his company has been in a blind trust since he became minister, he will not always be a minister and may perhaps draw benefit from this tax amendment. The minister and the representatives of his company insist that Canada Steamship Lines does not intend to take advantage of the measures included in clause 241. They do not intend to, but that does not mean they are not entitled to. This is the point we would like to see clarified by the Standing Committee on Finance.

From the start we have demanded that light be cast on this in the finance committee. The Prime Minister tells us: “I have complete confidence in my Minister of Finance. He is not involved, the legislation cannot provide him with any advantages, and if you have any questions, ask them where they should be asked, in the finance committee”. But when we get to the Standing Committee on Finance with its Liberal majority, the majority response is that they want to hear no more witnesses.

In other words, the Prime Minister is saying “You may ask questions, but you will get no answers”. We are entitled to ask questions, but the committee members, most of whom are Liberals, turn around and tell us that they do not want to hear the answers, that their confidence in the finance minister is all they require to be assured that the bill will not bring him any advantages.

I have three main reasons for doubting the confidence inspired by the Minister of Finance. If we remember back to when the Minister of Finance was negotiating the harmonization of the provincial sales taxes in the maritime provinces with the federal sales tax, the Minister of Finance included \$1 billion in his financial statements a year before that amount was paid to the maritime provinces.

In other words, he pulled out \$1 billion with which to inflate his deficit for that year. In order to avoid what? In order to avoid having to calm down the people who were clamouring for a bit of a break from taxes and budget cuts. It was to the Minister of Finance's advantage to have a higher deficit showing than there actually was, because this took the heat off him, stopped people from demanding more, and from begging “Spare us, we cannot bear the tax burden any longer”.

The minister used a strategy that has been denounced by the auditor general. According to the auditor general, “The Minister of Finance, in keeping with the accounting principles generally recognized for governments, must not proceed in this way. He must allocate to each year the amount of expenditures that occur in that year”. The Minister of Finance did not do so. He cannot be trusted.

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• (1300)

Second example. The Minister of Finance decided to establish a Canada Foundation for Innovation with an investment of \$800 million. What did the minister do? He budgeted \$800 million last year, knowing that not a single cheque would be issued to the foundation until the following year.

Furthermore, the minister allocated \$800 million to the foundation in his budget, while it had not yet been officially established. The auditor general told the Minister of Finance he could not do that. He said "There must be transparency and continuity in accounting, and under the rule of continuity books must be kept the same way year after year so that people know where they are going. You cannot do it that way".

The finance minister's answer was "I am in charge here, and I will do as I please". He made sure to inflate expenditures by \$800 million to avoid, once again, achieving zero deficit too quickly. This way, he could keep penalizing the unemployed, maintain employment insurance premiums and not give a penny more to help children living in poverty. This way, he could keep cruising at his own pace to eventually show a surplus.

In spite of the fact that he was told by the auditor general that he cannot do that, the minister keeps doing as he pleases.

The third example is the millennium fund. The minister is investing \$2.5 billion in this fund to grant scholarships to students, but the first cheques will not be issued until the year 2000. Yet he budgeted this amount in the budget for the year that just ended two days ago, on March 31. Not one penny has yet been expended by the government, since the first cheques will be issued in the year 2000.

The Minister of Finance recorded this amount in the budget for fiscal year 1997-98. Why? Because, had he not, he would have had to report a surplus of nearly \$3 billion. He did not want to show a surplus, just a zero deficit. Had he reported a surplus, he would have had to use this money in accordance with the people's wishes. So he did not, preferring to keep doing as he pleases.

What did the Bloc Quebecois do? We went before the public accounts committee. We denounced this attitude and supported the auditor general's recommendations. But the Liberals, who have a majority also on this committee, showed up in full strength. They came to say that the finance minister was right to behave the way he was behaving, and to do his accounting the way he wants and if, in another year, it suited his purpose to do otherwise, he would do so.

This means that the finance minister, whom the Prime Minister trusts, does what he wants with numbers, even if it lacks transparency, and gives a distorted picture of reality, making people believe things that are not true.

Can we trust a finance minister who behaves in such a way? We say we cannot. So when the minister tells us his company is not involved and will not profit from these benefits, can we trust him?

If the minister can behave the way he has with financial statements, could he not do the same when it comes to two little subclauses on tax relief which could possibly benefit his company? Can we believe him? Judging by his previous behaviour I am not sure we can trust him.

What we are asking him is this, and we are not accusing him of being dishonest. But we are saying "There appears to be something that might benefit you. Could you put our minds at ease and allow the committee to call tax experts who will come and tell us categorically that these two subclauses are unlikely to give any tax advantage to your shipping companies which are registered in Panama?"

This is what we want to know and what the Liberal government has so far refused to tell us. For these reasons, we will not be able to support Bill C-28.

• (1305)

It is still not too late, and we are still hoping the government will wait to put its bill to a vote, withdraw these two subclauses, and come back with it once the committee has prepared a decent report after a comprehensive review.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, originally I was not going to speak to the bill. However I would like to inject a bit of information that Canadians should be aware of.

The gist of the Bloc's arguments is appearance, as the member just stated. Canadians will know that when members of Parliament are asked to join cabinet there is a requirement that they put all their assets into a blind trust. There is a requirement that they also adhere to the provisions of conflict of interest under the auspices of the ethics commissioner.

The issue that the members have raised has been talked about quite a bit in this place and was before the finance committee. The ethics commissioner appeared before the finance committee and tabled a report on all the holdings of the finance minister, on all matters that had to be put into the blind trust.

I have looked at the report and all the information filed as required by the laws of Canada. I have concluded that very little could occur in the country that would not impact on the finance minister with regard to his investments or holdings. If interest rates go up, the finance minister will win. If interest rates go down, the finance minister will probably win. It is the same for any change with respect real property, rental property or other investments that happens in the House.

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Should we say that anything the finance minister or any other cabinet minister has any direct or indirect relationship with should be exempt from any legislation that ever occurs in the House? Clearly the answer is no. That is why there is a blind trust and why others take care of the affairs of a minister who has responsibilities.

The members brought forth information and made indictments of the finance minister. They have suggested, for instance, that the bill was tabled by him when they know that is not the case. It is was the Secretary of State for Financial Institutions. They said that he brought forward these provisions. In fact that is not true. Those provisions were actually brought forward by the B.C. association responsible for shipping. The advocacy on its behalf was basically to stimulate the shipping industry in Canada. It was the association's advocacy; it was not the finance minister, as the members would like to suggest. As a matter of fact it has even put on the record that Canada Steamship Lines could not get any advantage presently from this provision.

However, if a few things were changed and a few other things were done there may be some tax advantages. It is a business and business will not be changed simply because of some changes. Business decisions are made on much more. This is not applicable only to this company. It is applicable to the entire shipping industry and those who would like to be involved in the shipping industry to try to promote shipping within Canada.

I wanted to raise this point because Canadians should know that information is being presented in an eschewed fashion. It is being presented in a way which questions the integrity of the finance minister. The members even suggested that it was contrary to the code of ethics. That is not so. The ethics commissioner came before the finance committee and ruled that it was not a conflict of interest. He had checked it out.

The opposition then decided to do even more work on it. There is no prohibition for members of Parliament or any committee or anybody else to do any further work that they might deem necessary, but this basically constituted allegations that were unsubstantiated. There was really nothing to prove.

The members want to say there is an appearance or an allegation, but I can bet they will not say that outside the door here. In here they have parliamentary immunity. They will not go outside the door and accuse the finance minister of bringing in provisions for his own benefit. That would be a slanderous statement. They would be sued.

• (1310)

I reaffirm for Canadians that the rules of this place require that all of the affairs of a minister be placed in a blind trust. The ethics commissioner has made a detailed ruling with regard to this matter. He has answered all questions from all members of all parties. The committee as a whole decided that there was no further business to deal with on this issue. The committee is not empowered to deal

with witch-hunting or fishing expeditions. There was business before the committee and that is exactly what was done.

I suggest to the members and, perhaps more important, to Canadians that the question before the House is with regard to an omnibus bill relating to the budget of 1997. There are some important issues in it, the most important of which is that fiscal responsibility has always been demonstrated by the government since it took office in 1993.

The government has moved the country away from a \$42 billion deficit and is now delivering in a fair and responsible fashion the balanced budget that Canadians asked for. It did not do it in a meanspirited way. It was the Liberal way to make sure that we dealt first with those who had needs, those with low and middle incomes. This was also reflected in the 1998 budget that we have already debated in the House. Provisions were focused and targeted to make sure that Canadians received the benefit of the hard work all of them had done to ensure that we got our fiscal house in order.

We all benefit from the financial health of Canada, from low interest rates, from growth in the economy and from growth in employment in Canada which will continue. The commitment of the government to be fiscally responsible continues. The leadership of the finance minister has been very prevalent. He has had to make some tough choices, but I believe those choices have been fair and in the best interest of all Canadians.

[Translation]

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

Some hon. members: Question.

• (1315)

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): All those in favour of the 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:

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

And the bells having rung:

[*English*]

The Acting Speaker (Mr. McClelland): The chief government whip has asked that the vote stand deferred until Monday, April 20 at the end of Government Orders. Is that agreed?

Some hon. members: Agreed.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, there have been discussions among the parties and I believe you will find consent to further defer the recorded division requested on the amendment of the hon. member for Saint-Hyacinthe—Bagot to third reading of Bill C-28 to the end of Government Orders on Tuesday, April 21, 1998.

The Acting Speaker (Mr. McClelland): Is the House in agreement?

Some hon. members: Agreed.

* * *

BUSINESS OF THE HOUSE

BILL C-37

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, in the spirit of co-operation there have been discussions among members of all the parties and I believe you will find consent for the following motion: I move:

That in the event a recorded division is requested later this day on the motion for second reading of Bill C-37, the said division shall be deemed deferred to the end of Government Orders on Tuesday, April 21, 1998.

The Acting Speaker (Mr. McClelland): The House has heard the motion. Does the House agree?

Some hon. members: Agreed.

(Motion agreed to)

BILL C-208

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, there have been discussions among all parties and also with the member for Brampton West—Mississauga concerning the taking of the division on Bill C-208 scheduled for today at the conclusion of Private Members' Business. I believe you will find consent for the following motion. I move:

That at the conclusion of today's debate on Bill C-208, all questions necessary to dispose of the said motion for second reading shall be deemed put, a recorded division deemed requested and deferred until Tuesday, April 21, 1998, at the expiry of the time provided for Government Orders.

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.

(Motion agreed to)

* * *

• (1320)

JUDGES ACT

The House resumed from April 1 consideration of the motion that Bill C-37, an act to amend the Judges Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

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

Some hon. members: Question.

The Acting Speaker (Mr. McClelland): 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 yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): Pursuant to the order made earlier today, the vote stands deferred until the end of Government Orders on Tuesday, April 21, 1998.

* * *

CANADA SHIPPING ACT

The House proceeded to the consideration of Bill S-4, an act to amend the Canada Shipping Act (maritime liability), as reported (without amendment) from the committee.

Hon. Andy Mitchell (for the Minister of Transport) moved that Bill S-4, an act to amend the Canada Shipping Act (maritime liability), be concurred in at report stage.

The Acting Speaker (Mr. McClelland): For the information of members this is the report stage concurrence motion on which there is no debate.

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Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

(Motion agreed to)

The Acting Speaker (Mr. McClelland): When shall the bill be read a third time? By leave, now?

Some hon. members: Agreed.

Hon. Andy Mitchell (for the Minister of Transport) moved that the bill be read the third time and passed.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is a great pleasure to speak to members about Bill S-4, an act to amend the Canada Shipping Act (maritime liability) for this third reading debate.

Before I talk about the bill I have been asked by the Minister of Transport to acknowledge the critical role that has been played by the members of the House, the senators and the standing committees who have undertaken a thorough examination of this legislation.

I would be remiss if I did not take a moment to thank members from the other side of the House for their support. We see in Bill S-4 a good example of our ability to work together for the benefit of Canadians.

This legislation was first introduced by the former minister of transport as Bill C-58 in the last Parliament. At that time the House Standing Committee on Transport held hearings where industry groups expressed their general support for Bill C-58. Their concerns have been addressed by the standing committee. The amendments proposed to the legislation have since been included in this bill, Bill S-4.

I would also like to thank the senators and particularly the members of the Senate standing committee on transport and communications for their work on the bill. Of course the bill is a Senate bill.

They adopted an amendment to the legislation to remove from the bill a proposed modification to the definition of pollutant which raised concerns among industry representatives who appeared before the committee on transport and communications. This amendment to Bill S-4 will allow more time for discussion between the government and the industry on the definition of pollutant and whether it should be modified in the future.

• (1325)

The changes to the Canada Shipping Act which I will outline would not have been possible without the dedicated efforts of

government officials, in particular those from Transport Canada and the Department of Justice. Throughout the process of this legislation, officials from the Department of Transport have spoken at length with the industry, including the shipowners, passengers, cargo owners, the oil industry, marine insurers and the marine legal community. I take this opportunity to thank these industry groups for their participation in this reform and for their contribution toward and support for the new legislation.

I am thoroughly convinced and I am sure every member of the House will agree that this new legislation represents an important step toward modernizing Canadian maritime liability regimes. It will improve considerably the amount of compensation available to claimants for maritime claims in general and for oil pollution damage in particular.

The proposed legislation consists of two sets of amendments. There are those relating to limitation of liability for maritime claims in part IX of the Canada Shipping Act, and those relating to liability of compensation for oil pollution damage in part XVI of the same act. In both cases the amendments will provide for the implementation of international conventions on maritime liability and therefore will harmonize Canadian maritime liability legislation with the legislation in other major maritime nations.

The key policy objective in respect of global limitation of liability is to achieve an equitable balance between the interests of the shipowners on the one hand and of potential claimants on the other. Our current legislation concerning limitation of liability for maritime claims contained in part IX of the Canada Shipping Act is based on an international convention adopted in 1957. One can easily imagine that the limits of liability set out in that convention and by this very fact in our existing legislation are very low.

For example, the current limits of liability for ships below 300 tonnes, which includes most pleasure vessels, is approximately \$140,000. We can appreciate that this limit is totally inadequate. I can assure the House that this feature does not help either the claimants or the shipowners. The new limits for ships below 300 tonnes has been set at \$1.5 million which is more in line with the liability levels long established in the automobile sector.

For ships over 300 tonnes, the new limits of liability are based on the 1976 Convention on Limitation of Liability for Maritime Claims and its protocol adopted in 1996. The 1996 protocol to the convention contains a new procedure for future amendments of limits of liability which responds to concerns that the method of revision of the limits was too cumbersome and too costly. It will now be easier to amend the limits in the international convention.

The spirit of this innovative provision has been incorporated into Bill S-4 to ensure that the limits of liability in the Canada Shipping Act keep their value over the years to come. It will now be feasible to increase the limits in the Canada Shipping Act by order in council to keep up to date with any increases in the limits adopted under the 1996 protocol in the future.

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As members probably know, the Minister of Transport signed on behalf of Canada the 1996 protocol last September. This protocol is a major step toward the modernization of international maritime law and we can be proud to be at the forefront of this international initiative. We will be in a position to formerly ratify this important treaty when Bill S-4 is passed.

• (1330)

Let me turn to the second issue contained in Bill S-4, the revision of the existing regime of liability and compensation for oil pollution damage. This regime was last revised in 1989 when Canada implemented and acceded to the 1969 international convention on civil liability for oil pollution damage and the 1971 international fund convention.

The 1969 convention established the liability of owners of laden tankers for oil pollution damage, while the 1971 fund convention provided complementary compensation to the extent the protection under the 1969 convention was in adequate.

In addition to participating in the international oil pollution compensation fund, Canada has its own domestic compensation fund called the ship source oil pollution fund. This is a fund of first resort for all claimants for oil pollution damage in Canada and in waters under Canadian jurisdiction. Canadian contributions to the international fund are paid from the ship source oil pollution fund.

Bill S-4 will implement the provisions of the 1992 protocols to the 1969 and 1971 conventions.

Under the 1992 protocols the amount of compensation available for pollution damage caused by oil tankers was increased from \$122 million per incident to approximately \$270 million per incident.

The 1992 protocols also bring a number of important changes including a provision to make it clear that shipowners are liable for the costs of reasonable measures of reinstatement where oil pollution damage from a ship results in the impairment of the environment.

The proposed legislation will enable Canada to follow many other countries which have terminated their membership in the 1971 regime and moved to the 1992 regime. If we do not take the same action as others we will continue to be one of the major members still under the old regime. While not entitled to any improved compensation, Canada would also then be exposed to higher contributions to the international fund due to the reduced membership of nations under the old regime.

With the passage of Bill S-4 Canada will now be in the position to accede to the 1992 protocols.

I urge all my colleagues to join us on the government side and lend their support in order to pass this bill so that it can receive royal assent as soon as possible.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, I was rather amused at the hon. member's long preamble in which he thanked everybody in sight for their co-operative efforts in this bill. He included the Standing Committee on Transport.

I believe the current standing committee had about as much input into this legislation as I will have into the election of the next pope.

There is an interesting coincidence here that we are debating Bill S-4, a bill relating to marine liability, just after the signing of a new international agreement on inter-regional action to eliminate sub-standard shipping. On March 24 and 25 delegations from 33 marine nations, European commissions, the International Maritime Organization and the International Labour Organization all gathered in Vancouver to discuss the tightening and control of safety, labour and environmental standards of merchant vessels

• (1335)

There was a remarkable degree of consensus on the need to continue stringent inspections and to control vessels, especially bulk carriers and tankers when they enter seaports. There was also agreement in principle on the international exchange of inspection data in order to establish black lists of consistently offending vessels which would then be barred from the ports of all nationals represented at the conference.

International control of the safety of ships received its greatest impetus just 20 years ago with the grounding and break-up of the *Amoco Cadiz* off the coast of France. This led to stringent European port state control under the Paris memorandum of understanding of 1982. The Paris memorandum of understanding provided the pattern for the Tokyo memorandum in 1993, a memorandum of which Canada was a founding member. Canada subsequently joined the Paris MOU in 1994. Canada and Russia are therefore members of both groups, the only two countries that are.

Under these memoranda any ship which has not been inspected by a co-operating state during the previous six months, most bulk carriers and tankers and all passenger vessels are subject to inspection upon arrival at a seaport. The inspection target for each country in the Paris memorandum is 25%. For the Tokyo memorandum it is 50% of ships in the entire region with most inspections taking place in the wealthier countries, very few in the less developed.

The number of substandard ships plying the seas is mind boggling. Of 29,700 ships subjected to port inspections in 1996, 8% had to be detained in port until they remedied deficiencies. In Canada the rate of detentions for the last two years has been 10%. Deficiencies may range all the way from substandard crew accommodations through defective or inadequate firefighting or lifesaving equipment to structural defects so severe that a vessel is quite

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literally unseaworthy. The latter of course are disasters waiting to happen.

The names of detained vessels are published quarterly as a warning to other port authorities to give them special attention. These reports are also available to shippers who might wish to be somewhat selective of those to whom they entrust their goods.

Unfortunately rogue vessels operating below standards or at the thin edge of acceptability may offer rates as much as 15% below those of legitimate carriers.

An ongoing problem referred to by almost every national delegation at the conference is the failure of flag states to enforce adequate standards at their end. One delegate compared flag state control to the fence at the top of a cliff and port state control to the ambulance sitting at the bottom. If states offering flags of convenience were diligent or even interested in marine safety, receiving ports would not have to be nearly so diligent and the necessity to detain vessels for repair would be much less common.

However, with most trading nations now subscribing to port control of vessels, it is becoming increasingly difficult for unsafe ships to find a berth. Moreover, the practice of naming and shaming ships that have been detained points fingers at the flag states with the lowest standards and will tend to discourage insurers and responsible shippers from doing business with ships carrying those flags.

On the whole the conference was one of those rare international frolics that actually reached some useful conclusions and which should contribute to greater co-operation and information sharing to the general benefit of all countries.

A cursory overview of the new maximum liabilities set out in Bill S-4 clearly indicates that the minor costs of port inspections compared to the costs of major marine disasters, not to mention the preservation of human lives and protection of the environment, make inspections one of the world's best investments.

● (1340)

With the ever increasing co-operation between maritime nations with respect to safety and marine liability it is important that our liability legislation be harmonized with that of other countries. Bill S-4 accomplishes this. Increased liabilities will add a little to the cost of marine insurance but commercial vessels insured in mutual protection and indemnity associations will probably see no substantive increase in insurance rates because coverage already provided by mutual associations is unlimited. Their rates are already proportionately high. Pleasure crafts are mostly already insured to the levels of liability set forth in Bill S-4, much as private automobiles usually have far more coverage than the minimum required by law.

There is no question that commercial shipowners not covered in mutual associations will have increased insurance costs. The new rates based on the size and frequency of claims will be an encouragement to commercial shippers to maintain a decent safety record. If all major maritime states subscribe to the new regime the costs of insurance which are ultimately borne by shippers through higher rates should be evenly and more or less equitably distributed among the trading nations.

One of the most important features of this bill is that the limit of liability on an oil spill by a tanker not covered by a mutual association will be increased from \$120 million per incident to \$270 million. That may not be too relevant because I believe that most tankers are in mutual associations and therefore have unlimited liability. For the few cases where there are ships with nothing but their individual insurance policies, that very large increase in the limit of liability is very significant. The oil spill liability limits for smaller ships will also be increased but these increases will be proportionate to their gross tonnage.

All in all, Bill S-4 is useful legislation. The Reform Party supports Bill S-4 even though we are going to have hold our noses with regard to its origin in hog hollow, that other place down the hall.

[Translation]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, on behalf of the Bloc Québécois, I am pleased to address Bill S-4, an act to amend the Canada Shipping Act (maritime liability).

The Bloc Québécois will support this bill, which is excellent since it extends maritime liability to shipowners. We think it will allow us to avoid situations such as the case of the *Irving Whale*, where a disaster occurred but maritime liability was inadequate. The proposed legislation sets specific limits.

While we support the bill, it should be pointed out that it was first introduced in 1996, as Bill C-58. Bill C-58 had reached committee stage and had been amended by the Standing Committee on Transport which tabled its report to the House of Commons on December 11, 1996.

However, the bill died on the Order Paper because, members will recall, the Prime Minister called an early election in April 1997, only three and a half years into his first mandate. But the legislation followed its course, and has now been sent here by the Senate. However, if it had passed third reading in the spring of 1997, the bill would already be in effect.

● (1345)

Bill S-4 basically seeks to implement old international conventions, namely the 1976 Convention on Limitations of Liability for

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Maritime Claims, the 1996 Protocol, the 1992 Protocol to amend the 1969 International Convention on Civil Liability for Oil Pollution Damage, and the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage.

We are talking about a period of more than 25 years. This is rather astonishing, given the context. I remember because I was on the Standing Committee on Transport in the fall of 1996. It was urgent and absolutely essential that this bill be passed in order to harmonize our legislation with that of other countries. This bill, without wishing to detract from it, is only now becoming law. In my opinion, this tells us that the government does not view shipping as very important.

There is another thing that should not be forgotten. During the 1993 election campaign, the Liberal Party candidates in the Quebec City area—including the present Prime Minister's chief of staff, who was a Liberal candidate in the riding of Québec—promised to hold a summit on the future of shipbuilding. Shipbuilding and shipping are related, in my opinion, because there cannot be any navigating until ships are built.

It happens that my riding is home to the most important shipyard in Quebec, the Lévis shipyard, which, in its heyday, had 3,000 employees, but which now has about 500. The Lévis shipyard is not the only shipyard in this situation. Other shipyards elsewhere in Canada, including Saint John Shipbuilding, the two Great Lakes shipyards and shipyards in western Canada, are also in a slump.

The Liberal candidates at the time, however, said that, given the number of jobs involved, something absolutely had to be done. But, one election later, we are still trying to pass a bill that will harmonize our legislation with an international convention Canada helped negotiate. But it is one of the last of the major nations to pass a bill harmonizing its legislation with this convention. The Liberal government therefore does not seem to think shipping is very important.

Coming back to the summit on the future of shipyards, when they were in opposition in 1993, the Liberals said that it was extremely important that a summit be held the following year, but they did not hold one.

The years went by, and then, in August of last year, the premiers met in St. Andrew's, at the invitation of the former premier of New Brunswick, Mr. McKenna. This bill was on the agenda, and all those present adopted the position that something had to be done quickly, and this was not just any old group, but all the premiers together, who were in agreement on this.

Over the months, a number of stakeholders, such as the Shipbuilders' Association of Canada, Canadian shipbuilders and shipyard workers, expressed their views. I want to take this opportunity to congratulate Mrs. Verreault, CEO of Les Méchins shipyard in the Gaspé, who worked so hard to inform the various stakeholders and the government.

• (1350)

Unfortunately, cabinet is turning a deaf ear, so much so that, during their recent convention, Liberal supporters passed a resolution, reminding their own government that they absolutely have to do something for the shipping industry and especially the shipbuilding industry.

We all like to watch ships go by. As can be seen from Lévis and as many members from ridings located along the St. Lawrence can tell you, there are a lot of ships out there, but unfortunately, very few of them are built in Canada. It is a bit disappointing to see that the Liberal government fails to realize that this means of transportation, which is the most cost efficient, energy efficient and environmentally friendly, is important.

That is why members from this side of the House and some members from the other opposition parties, including the hon. member for Saint John, keep reminding the government that something absolutely has to be done for the shipping industry. All opposition parties agree on this. As I said before, even supporters of the Liberal Party of Canada agree on this. Despite this growing consensus, the government refuses to budge.

One of those who should normally address this issue is the Minister of Finance, but he does not dare to take part in this debate, because he says he is in a conflict of interest. He refuses to address the issue, because, as he puts it: "You know, I have an interest in Canada Steamship Lines. Even though it is held in trust, I cannot talk about it". He neither defends nor promotes this industry, so nothing is being done. Nothing.

As a member representing a riding where there is a big shipyard, every time I hear opposition members talk about this issue, I hasten to support them. I try to do everything I can to contribute to every debate we have in this House that deals with shipping, the Canada Shipping Act and shipbuilding.

I have been speaking on this subject for five years. But until something is done about it, I think it is the duty of a member of Parliament to raise this issue in the House during debate to show Canadians how important it is.

I will quote some figures since time allows me to do so. Shipping is a vital component of trade. With an annual volume of 224 million tons, shipping contributes \$2 billion to our GDP each year. But let us not forget that the vast majority of these ships are not Canadian.

I will quote more figures. Shipping would allow us to maximize the use of fuel—we do have to use fuel for various things—by 926% compared to other means of transportation. It would also allow us to reduce accident risks by 610%.

I will make a comparison, using as an example a ton of goods and five litres of fuel. Here are some telling figures. By plane, the distance covered would be six kilometres only; by truck, it would

be 100 kilometres; by train, 333 kilometres; and by boat, 500 kilometres. The difference is huge.

• (1355)

These figures were quoted by Mrs. Verreault in a presentation she made on shipping. One laker, a ship that sails the Great Lakes, can carry 25,000 tons of grain, but it would take 500 railway cars carrying 50 tons each or 833 trucks carrying 30 tons each. These figures may seem incredible, but they are real. They were verified.

All I want to say is that we must give more consideration to shipping. I invite all my colleagues to do so.

Often, just before question period, we see more colleagues from different parties return to the House. Therefore, it is just the right time to get the attention of those who just came in before question period so that members on the government side listen to what the opposition has to say.

I also invite them to listen to what their constituents have to say. The millennium scholarship fund is fine, but what their constituents want for the next millennium is to have means of transportation that are more environmentally friendly.

International summits were held on that subject. This year, in Kyoto, there were discussions on the reduction of greenhouse gases, which have a detrimental effect on the ozone layer and the environment.

In conclusion, I invite all my colleagues, especially my Liberal colleagues, to urge cabinet members to put this issue on the agenda and to ask the industry minister to examine this and see to it that a shipbuilding policy is finally developed.

The Speaker: We will resume debate after question period. The member for Cumberland—Colchester will have the floor.

It being 2 p.m., the House will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

MAPLE SYRUP FESTIVAL

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I am proud today to rise and advise the House of a special occasion which will occur this Saturday, April 4, in Elmira, Ontario.

As the dreary days of winter draw to a close, each year residents of the Waterloo—Wellington riding and visitors from around the world converge on Elmira to celebrate the tapping of maple trees and the promise of spring.

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This year our riding celebrates the 34th annual maple syrup festival. On behalf of my constituents I would like to invite hon. members and all Canadians to attend this wonderful Canadian event.

I would also like to acknowledge the many volunteers whose tireless efforts each year ensure the continued success of the festival. All residents of Waterloo—Wellington thank them for their dedication.

* * *

ABORIGINAL AFFAIRS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I taught math for 31 years and I want to talk math with the Minister of Indian Affairs and Northern Development.

A total of \$5.5 billion is targeted for about 400,000 on reserve natives. If we divide that we get almost \$14,000 per person or about \$55,000 per year per average family.

How can a family with a take-home income of \$55,000 live in abject poverty? It is easy. They do not get the money. Government officials, native officials, band councils, chiefs, lawyers and endless advisers get the money. There is nothing left for ordinary band members.

What happens when one of them points this out? They get hassled and threatened. What happens if they write a letter to the minister? Their letter is sent to their hasslers. What happens if someone asks for a impartial independent inquiry? They are ignored and called names.

I urge the minister to do her math, recognize that there is a big problem and get to the root of the matter with an independent inquiry.

* * *

POULTRY INDUSTRY

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, why did the chicken cross the road? It was to get to the food bank.

The chicken farmers of Canada are calling upon all members of parliament and senators, their families and their staff to enter the great Canadian chicken cook-off recipe contest.

• (1400)

For the winner we will ship 1,000 kilograms of Canadian chicken to the food bank, soup kitchen or charity of choice. That is enough chicken to make over 3,000 meals for Canadians in constituencies the real winners.

The information on the contest has been sent to all MPs' and senators' offices. Mr. Speaker, I look forward to your recipe.

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THOMAS D'ARCY MCGEE

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, Thomas D'Arcy McGee was a journalist, poet, Irish patriot, Canadian statesman and Father of Confederation.

During the 1860s he was the first and most eloquent Canadian political leader to argue for a union of all the British North American provinces into one great nation spanning the continent from the Atlantic to the Pacific. In his many brilliant speeches he held forth a new nationality in which peoples of two major languages and many cultures and religions would overcome their differences to unite and form a great new nation, Canada.

April 7 will mark the 130th anniversary of the tragic assassination of D'Arcy McGee. A hundred and thirty years later we live in a Canada which is the realization of his vision and his prediction, a prosperous and peaceful Canada where disparate peoples live together harmoniously.

This is the Canada D'Arcy McGee dreamed of, worked for and even died for. As Canadians we owe him our thanks. Vive le Canada.

* * *

FETAL ALCOHOL SYNDROME

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, I rise today to bring attention to fetal alcohol syndrome or FAS which is having devastating effects on its victims, their families and society.

Last week in my riding of Prince Albert 100 people had to be turned away from an overcrowded presentation about this burgeoning problem.

Here are some of the facts. Fetal alcohol syndrome and its milder form of fetal alcohol effects have been called the leading cause of mental retardation in the western world. A recent study conducted in British Columbia showed that 23% of its young offender population had FAS and a further 12% had a milder form. It is estimated that 15% of adult prison populations suffer from one or both.

FAS is not reversible. It is a life sentence. It would be appropriate for the House to act to end this national disaster. The unborn have the right to a full life unhindered by fetal alcohol syndrome.

* * *

[Translation]

MEMBER FOR SHERBROOKE

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I want to congratulate the member for Sherbrooke for his courage and his dedication. It is not just anyone who would accept to set

aside their aspirations and leave their team to venture into troubled waters.

Following the October 1995 referendum, I took the time to thank him and congratulate him for his helpful participation in the referendum campaign. It was the least I could do.

To all those who would now want to depict him as the emissary of so-called English Canada, a most divisive expression if there is one, I say "rubbish".

This young man, the member for Sherbrooke, who is leaving this House today deserves, as does his family, the support of all those who believe in this great and noble collective enterprise that Canada represents.

[English]

On behalf of the people of Ottawa—Vanier, I assure him of my support and I wish him and his family Godspeed.

* * *

[Translation]

MEMBER FOR SHERBROOKE

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, the leader of the Conservative Party made an important decision that changes the political landscape in both Canada and Quebec. If he becomes leader of the Liberal Party of Quebec, the work that lies ahead will have a definite impact on the future of Quebec.

The member for Sherbrooke will have to deal more closely with a government that wants to separate Quebec from the rest of Canada. We have no doubt that this leadership candidate will be able to convince Quebecers of the benefits of being part of Canada.

As he was saying, he is well aware of the reality of both Canada and Quebec. His expertise will be a major asset in defending Quebec's interests within Canadian federalism.

We wish him and his family good luck and we will support him in his efforts and his commitment to make Quebec a society that is determined to protect and promote its culture and its language and to take its place within the Canadian federation.

Good luck, Jean!

* * *

[English]

HEPATITIS C

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the following are the words of Steven Harrison from my riding:

As you may recall I contracted hepatitis C in 1987 following a liver transplant. Because of the hepatitis C I had to undergo a second transplant in 1995.

My wife was nine months pregnant with our second child and I was dying. I had my second transplant and all was well until October 1996. Then all the symptoms of hepatitis C hit. Fatigue, weight loss and I lost my ability to work and support my family.

In past months the government has admitted liability and promised fair compensation. Last Friday the package was announced and what a disappointment. According to my math it worked out to approximately \$50,000 total to each person. The deal made with AIDS victims from bad blood pays them \$30,000 per year. Like them I am sick and I am dying from my disease. Why is my life worth less than theirs and why should my family live on welfare in poverty because someone in the Red Cross wanted to save some money. Please help!

* * *

● (1405)

JOHN DAVIDSON

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, three years ago my constituent, John Davidson, pushed his son Jesse in his wheelchair across Ontario. That 3,300 kilometre journey raised well over \$1 million which was put toward research into genetic diseases.

Now John prepares for an even greater journey. Starting next Friday, April 10, in St. John's, Newfoundland, John Davidson begins his walk of a minimum of 30 kilometres a day for gene research, arriving in British Columbia hopefully 250 days later.

"Jesse's Journey—A Father's Tribute" is also dedicated to hard working fathers who constantly undertake to provide the best for their families and communities. John Davidson is such a father, and I will join him as he starts his journey.

I urge my colleagues across the House to welcome him in their ridings and Canadians everywhere to support him and his cause.

"Get ready Newfoundland, you are going to be first".

* * *

TRADE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the Liberal government appears to have learned nothing from its disastrous handling of the MAI. After many Canadians have expressed their opposition to the MAI and to the government's overall uncritical approach to trade and investment liberalization designed by and for the multinational corporations, the trade minister will soon be off to Chile for talks on a free trade agreement of the Americas.

Despite promises to do things differently this time, it appears that once again Canadians will have no say in the matter until things are well under way.

When will the Liberals truly engage the Canadian public in all the different globalization options instead of pursuing one particular model at the expense of all others? If they did so, I am sure they

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would find that Canadians would prefer something other than a race to the bottom presided over by corporate rulers.

Canadians would prefer a global economy that protects the workers, the environment and the right of democracies to choose from a variety of political options, not just those right wing ones enshrined in trade agreements.

Shame on the Liberals for repeatedly embracing what they repeatedly said they would not do.

* * *

THE LATE MAXWELL COHEN

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, the late Maxwell Cohen was a long time professor of international law and dean of the faculty of law at McGill University, founding president of the Canadian branch of the International Law Association, co-chairman of the Canada-U.S. International Joint Commission and judge ad hoc of the International Court of Justice in The Hague.

He was a scholar and administrator with high imagination and intellectual courage with the capacity and will to innovate and to modernize outmoded classical legal doctrine.

As a scholar and writer he had a remarkable capacity for synthesis of disparate ideas and a sparkling literary style. He was throughout his lifetime on the leading edge of legal change. With his contemporaries, Percy Corbett, Horace Read and N. A. M. Mackenzie, he was one of the founders of international law in Canada.

* * *

[Translation]

ABORIGINAL AFFAIRS

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, the government of Quebec is announcing today its new aboriginal affairs policy.

In spite of their tough social and economic situation, aboriginals in Quebec are striving for self-government and self-sufficiency.

This new Quebec policy is more positive, open and beneficial to the aboriginals. It will provide them with greater recognition and the flexibility they need to develop as they have always wanted to.

The new policy brings the Government of Quebec closer to the aboriginal communities and setting up a process for a more harmonious relationship with the aboriginals of Quebec.

On the 20th anniversary of the creation of the Quebec aboriginal affairs secretariat, the Bloc Québécois is proud to support this initiative undertaken by the Government of Quebec.

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[English]

BISHOP'S COLLEGE

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, each member of the House will acknowledge that educating our young people is key to creating a competitive country. Young people in Newfoundland know this as well and they have done something about it.

• (1410)

Today I would like to take the opportunity to congratulate the students and staff of Bishop's College in St. John's West. Bishop's College high school and Nortel have recently been named the winners of a national education partnerships award by the Conference Board of Canada.

Bishop's College and Nortel worked together to create Vision 2000, which is a plan to create a model school for students using technology. This kind of initiative, ingenuity and creativity will make the country a tough competitor in the next millennium. I am proud to say that the students displaying such drive are Newfoundlanders.

One level three student remarked that the partnering provided students with the opportunity to make themselves into the kind of employees that employers were looking for.

Everyone here will agree that this is the kind of partnership that works and should be encouraged in all our communities.

* * *

[Translation]

FIGHT AGAINST CANCER

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, imagine a world where cancer would just be a vague and sad memory. Impossible, you say. Yet, thousands of men and women in Canada and in Quebec share this dream.

Even though cancer is not yet a thing of the past, we have to realize that great progress has been made these last few decades. More and more, we understand and screen early symptoms of cancer more quickly and treat them before it is too late.

To put it in concrete terms, let me point out that the survival rate of children with leukaemia has jumped from 50% to 83% in less than 30 years. For testicular cancer, the survival rate has increased from 73% to 95%. The recent discovery of the gene responsible for breast cancer has revived the research for treatment and prevention of this terrible disease.

The fight must go on. This being cancer awareness month, I urge all members of this House and Canadians to find the way to overcome cancer.

[English]

HOCKEY

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, despite my best effort to maintain a modest demeanour, I find that I am once again compelled to be on my feet for the purposes of informing the House of the tremendous success of groups from within Huron—Bruce.

This past weekend, the Blyth midget and bantam hockey teams both skated their way to victory in the all Ontario championships in their respective divisions. These accomplishments, although not easy, were less than a total surprise to the residents of Blyth. In fact, in recent weeks the local newspapers have carried headlines such as "Midget Bulldogs keep on winning" and "Bantams poised to take OMHA title".

Without question the success of the two teams is a direct result of the dedication and commitment of the players and coaching staff. I ask the members of the House to join with me in congratulating Blyth's championship teams. Once again Huron—Bruce manages to score the winning goal.

* * *

HEALTH

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, the government needs transplant surgery. The Liberal government is chronically ill. It has made our health care system so sick it needs intensive care. The Liberals are not responding to therapy. They created a three tiered health system with a double standard.

First, there is the regular system that is sick and failing us. The second tier is where Canadians wait and wait for treatment, even three to four hours for emergency treatment in Surrey Central. Third, rich people get treatment in the U.S. anyway.

The Liberals decide who to help and who not to help: a double standard. The Liberals help some hepatitis C victims but not other hepatitis C victims.

Liberal backbenchers are squirming and crying out in pain because of their government's cruel and heartless torture of Canadians sick from tainted blood.

We do not have a health system in Canada. We have a sickness system. The Liberals have a health problem: they have no vision and they cannot hear.

* * *

SOCIÉTÉ SAINT-JEAN BAPTISTE

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, Mr. Guy Bouthillier of the Société Saint-Jean Baptiste has taken ethnocentrism to new and dangerous heights by

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declaring that only Quebecers who have a mastery of the French language should be allowed to vote in Quebec.

[Translation]

Mr. Jacques Parizeau also blamed the ethnic minorities for the Parti Québécois' defeat at the second referendum.

When I think about it, after hearing the then deputy prime minister, Bernard Landry, also blame the ethnic vote and verbally abuse Anita Martinez by saying "Why do we welcome you in our country? So that you can vote no?", I am not surprised to hear Mr. Bouthillier state that only those who have a mastery of the French Language should be allowed to vote.

• (1415)

Ethnocentrism and exclusion are values shared by Messrs. Parizeau, Landry and Bouthillier, but not by all Quebecers.

ORAL QUESTION PERIOD

[English]

HEPATITIS C

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, yesterday the Prime Minister assured the House that 13 governments were solidly behind his decision to abandon thousands of hepatitis C victims infected through the government's faulty blood system. Today it is starting to unravel. British Columbia Premier Glen Clark has had the courage to say "I am not at all comfortable with the compensation package".

If Premier Clark is beginning to see that abandoning the sick is wrong, why can the Prime Minister not see it too?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was privileged to be with the premier before his meeting with the press. He did not take that occasion to express to me that he was not in agreement with his own minister of health.

All I can do is repeat that the ministers of health speaking on behalf of their governments have all agreed to this deal. Perhaps there should be a conversation between the B.C. minister of health and his premier.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, it is a sign of courage to admit when one is wrong. It is a sign of leadership to change course when one is doing the wrong thing.

Today Quebec is talking about a no fault insurance system for victims of tainted blood. Premier Clark says he is not at all comfortable with the compensation package and is beginning to

rethink his position. Other premiers and provincial governments will likely follow.

Does the Prime Minister want to be the last government leader in the country to admit he is wrong, or will he start to lead?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all governments had many occasions to discuss this. There were many meetings between all the ministers of health in the land. All the ministers, including the federal minister, submitted a referendum to the cabinet. The federal government put \$800 million into the deal and the provincial governments only \$300 million.

If they are not comfortable with this amount, perhaps they should match the federal contribution.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I would like to read some quotes about the hepatitis C tragedy.

Here is one: "Let's face it, if we are compassionate, we have to help these people". Here is another: "When people are sick, you don't discriminate". And this one: "We'll have to try to find a way. We're responsible". Who said these things? The Prime Minister's backbenchers.

If the Prime Minister will not listen to the victims, if he will not listen to the premiers who are having second thoughts, if he will not listen to us, will he at least listen to his own members and change his mind on this decision?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have had discussions on this. Everybody does not always agree with me every time. I wish they would, but that is not always the case. We have had discussions and we have a responsibility. We are meeting our responsibilities. The Minister of Health has given some extremely good reasons why we made this decision.

Between 1986 and 1990 there was a failure on the part of all governments concerning tainted blood and we have taken the responsible—

The Speaker: The hon. member for Edmonton North.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, this is about negligence and responsibility. Many Canadians got AIDS from Canada's tainted blood system. Those victims were all compensated, even those who contracted AIDS before there was a screening test available.

The Prime Minister agreed with AIDS compensation then and it is still being paid out. In fact, the Liberals demanded that compensation for all of them. However, now he refuses to show hepatitis C victims the same compassion.

When did the Prime Minister lose his ability to tell right from wrong?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, just to set the record straight, first of all the AIDS package did not cover

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everyone. In fact, it was left to us in this most recent announcement last week to include those who were infected by partners or parents. We completed what was started 10 years ago.

[Translation]

• (1420)

Second, the AIDS package as I see it from this distance of 10 years was based on exactly the same principle as the proposal we made for the hepatitis C settlement. Namely, at that time the government implicitly acknowledged fault or negligence in not having put systems in place to look for HIV contaminants in the blood. Same principle then, same principle now.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, that is nonsense. The principle that was in effect then was that there was no screening available and they still got that. That compensation was fair and we agree with that. We were glad that the government finally came through with that.

The minister talks about setting the record the straight. I want to set the record straight here today and say that this government is wrong. They know there are problems in its own backbenches. The governments of the provinces are now starting to come onside and say there is something wrong here and they need to have another look at it.

There is no shame in saying "Maybe we made a mistake and we were wrong". The decision to abandon these thousands of victims is wrong and the Prime Minister knows it.

The Speaker: The hon. Minister of Health.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, again let me set the record straight.

The government of the province of Quebec has reaffirmed as recently as an hour ago in a letter I received from Jean Rochon, the minister of health, that it fully and unconditionally supports this settlement offer that has been made by 13 governments. Allow me to quote:

[Translation]

I feel that our program is justified and that we made a fair decision.

Minister Rochon said again that he was in favour.

[English]

Governments stand together, every government of all the provinces and the territories. This morning Mr. Clark said—

The Speaker: The hon. member for Laurier—Sainte-Marie.

MILLENNIUM SCHOLARSHIPS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, last Tuesday, the Prime Minister told us that the millennium scholarship bill was flexible enough to include an eventual agreement between Quebec City and Ottawa.

This morning, however, legal adviser Kristina Knopp told the Standing Committee on Finance that the bill should be amended so that it could include an agreement with delegation of authority.

In light of Ms Knopp's comments, will the Prime Minister agree that he should suspend consideration of the provisions of Bill C-36, or promise to introduce an amendment providing for a mechanism that would allow inclusion of an agreement between Quebec City and Ottawa?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there can always be an administrative agreement and it is not necessary to change the bill in order to be able to agree that the citizens of Quebec may receive millennium scholarships just as other citizens of Canada may receive them. Mr. Bouchard himself said that it was entirely normal for the federal government to be able to indicate to students that it was the one paying for the scholarships.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Mr. Bouchard showed his open-mindedness at the start of these negotiations by saying that there was no problem: if the federal government wanted to be visible, that was fine.

But the question put to the legal adviser this morning is a clear indication that the present bill does not allow for an administrative agreement.

I ask the Prime Minister, who has just said that an administrative agreement would be possible, why he does not include a provision for an administrative agreement in this bill so that negotiations can reach a successful conclusion?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we were at the meeting and we did not discuss the need to change the bill. I said clearly that the Canadian government had decided to have a millennium project that would take the form of scholarships to help prepare young people for the 21st century and Mr. Bouchard recognized that this was an entirely logical goal.

He then recognized that it was entirely appropriate for the Government of Canada to ensure that recipients were made clearly aware that what they were receiving were millennium scholarships, the Government of Canada's proposed millennium project.

*Oral Questions***ACQUISITION OF SUBMARINES**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we read in the newspapers today that the federal government is about to buy four used submarines from Great Britain, at a cost of \$800 million.

Considering that the government just made unprecedented cuts to health, education and employment insurance, is it a priority to buy submarines?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are still in discussions with the British with respect to this matter. When those discussions are finalized, we will have an announcement to make one way or the other.

• (1425)

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we do not want to be told when the submarines will be bought. We want to discuss the issue with the government and ask questions.

Since the cold war is over, it is hard to figure out what purpose these four used submarines will serve. What are the government's priorities? Instead of investing in people, it is investing in armaments. Why?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we always believe first and foremost in investing in people, investing in what the people of Canada need and the sovereignty of the people of Canada. Protection of that sovereignty is part and parcel of that. We believe in giving our Canadian forces quality equipment because they are quality people doing a quality job.

As to the specifics of this matter, the matter is still under discussion with the government of the U.K. I have nothing further to add at this time.

* * *

HEPATITIS C

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the Minister of Health says that all the provinces are behind him in his cruel decision to exclude tens of thousands of victims of the blood tragedy, but today we have learned that that is not the case. If that is not the case and it was the federal government that killed the plan for fair compensation, will the minister finally assure the House today that he will go back to the provinces, back to the table and propose a no fault compensation plan as proposed by Justice Krever?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I do not think it is helpful to allow a myth to grow about the provinces' position. It is very clear that the provinces support this offer.

I spoke this morning with Minister Rochon of Quebec. He reaffirmed that he is behind this offer. He put the same thing in writing in a letter to all health ministers.

This morning Premier Clark said what we all feel. We all feel uncomfortable about this difficult decision. The premier also made it clear he acknowledges there is an agreement. His minister's office confirmed it supports it.

Let us keep the facts clear. All provincial governments joined with the federal government in supporting this position.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, let us look at the facts today. At least one provincial health minister said the federal government should have thrown more money into the pot. Another province will act on its own to help the forgotten victims. Today the premier of a third province has said that the issue is not closed.

I ask the minister, will he stop hiding behind the provinces, hiding behind the lawyers and come up with a fair compensation package for all the victims of hepatitis C?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the hon. member misses the point. This is not politics. This is not partisanship. This is policy. All governments, New Democratic governments, Conservative governments and Liberal governments joined together and came to the same conclusion. In the chronology of these events in this awful tragedy there was a period during which something could and should have been done. As a result we are offering compensation to victims who contracted hepatitis C during that period.

That is a position shared by all governments. All of us believe it is the right thing to do.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, West Germans were aware of the process to secure blood prior to 1986. In the meantime Canada was purchasing contaminated U.S. prison system blood products for its people.

Justice Krever stated in his report "Compensating some needy sufferers and not others cannot in my opinion be justified". It cannot be justified by a Canadian. With this in mind, why is the minister refusing to treat all victims equally?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, most people who look at the facts of this awful tragedy acknowledge, as Mr. Justice Krever did, that 1986 was the point that separated one stage of history from the other.

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It was in 1986 that internationally, governments started putting in place methods to test blood for contaminants like hepatitis C. There was a risk before that but only afterward was there an international standard of a test.

It is for that reason that Conservative governments, Liberal governments and NDP governments across the country have chosen that period for the compensation of victims.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, whether we are Liberal, whether we are Conservative, or whether we are NDP, we have to do what is right for the people. We cannot have two standards.

• (1430)

Will the federal Minister of Health agree today to sit down with his provincial counterparts to discuss a more just compensation package for all victims, seeing as now the ministers at the provincial level are saying we have to take another look?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, first of all, it is not the case that provincial ministers are walking away from the agreement. All provincial ministers support the agreement.

Second, I sat down with the provincial ministers for months and the result was an agreement to which we are all a party and which provides for government responsibility where it should be.

The member talks about doing the right thing by the people. The right thing by the people is having a government that takes the responsible if sometimes difficult and painful decisions based on good public policy.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, just ten minutes before question period today we pulled off this information from the Prime Minister's website on the Krever commission: "We accept the conclusions contained in Justice Krever's report about the federal role in what happened. We accept those conclusions in their entirety and without reservation".

If Justice Krever said compensate all the victims, my question is why is this website not worth the paper—

The Speaker: Before the hon. minister answers the question, please do not use any props in question period.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, one of the things that comes through clearly from the conclusions of Mr. Justice Krever is that in 1986, commencing in 1986 and going forward, there was a time when those responsible for the blood system could have and should have acted to prevent infections but they did not. It is as a result of that conclusion as to responsibility that the governments of Canada have joined together to make an agreement that we will offer compensation to those infected during that period. That result flows directly from the conclusions of Mr. Justice Krever on the facts of this matter.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I quoted the Prime Minister's website. Let me quote again so that everyone can hear what Justice Krever really said. The first recommendation in his report is that: "Without delay the provinces and territories devise statutory no fault schemes for compensating persons who suffer serious problems with the blood supply. Everyone needs compensation".

Which one of these individuals over here is the frequent flyer without the f?

The Speaker: I am not sure that was a question. If the hon. minister wishes to address himself to the statement he may do so.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the conclusions of Mr. Justice Krever were clear, including the factual analysis of when governments could have and should have acted.

He made recommendations and in November I spoke on the day his report was tabled. I pledged then to study the recommendations, which we did, with provincial ministers to look at the recommendation on compensation. I know he recommended that everybody be compensated.

We decided the right thing to do for governments was to compensate those who were hurt because those responsible had not acted. That is the position. That is our conclusion. That is the position of all the governments in Canada.

* * *

[Translation]

OPTION CANADA

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

The heritage minister is of the opinion that Option Canada's case is closed.

• (1435)

Yet, that phoney agency managed to spend \$4.8 million during the referendum campaign and still refuses to tell the minister how it spent that money.

Can the Minister of Citizenship and Immigration, who was responsible for federal activities during the referendum campaign, tell us how Option Canada spent this \$4.8 million?

[English]

Hon. Andy Mitchell (Secretary of State (Parks), Lib.): Mr. Speaker, the minister of heritage on an ongoing basis in this House has replied to the Bloc on the issue of options Canada. She has provided over 100 pages of documentation. They simply do not want to accept the reality. It has been explained in this House very clearly and the issue is closed.

*Oral Questions**[Translation]*

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, for the information of the House, we did get a list of expenditures, but the figures were blacked out. We could not read any of them.

How can the Minister of Citizenship and Immigration join the Minister of Canadian Heritage in the “amnesiacs’ club”, since she took part in weekly meetings to prepare every detail of the federal strategy during the referendum campaign?

[English]

Hon. Andy Mitchell (Secretary of State (Parks), Lib.): Mr. Speaker, if the hon. member is worried about blacked out items in documents, maybe she should go to the PQ government and ask about plan O. What happened to the information on plan O? Why was that not released? Why has a plan concocted by the PQ government at the end of the referendum been blacked out? Maybe she should ask the PQ government.

* * *

HEPATITIS C

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, yesterday in the House the minister compared the risk of infection with hepatitis C to the risks involved with many medical treatments. It is beside the point that heart problems and cancers cannot always be treated successfully because when people enter the hospital they already have those heart problems and cancers. They are not infected with them by the health system. How can the unsuccessful treatment of an already existing disease be equated with the infliction of a new disease on an unsuspecting patient?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the hon. member must know that for years there has been a very broad debate about where individual responsibility ends and when governments should pay compensation if someone is harmed in the system. In 1990 or 1991 Robert Prichard, now president of the University of Toronto, did a rather complete study on that subject for government. It has been the subject of public debate from time to time.

In this case it was up to governments to look at the history of this tragedy and decide where it was that governments should step up and say they would compensate because there was fault in the system.

To take another approach—

The Speaker: The hon. member for Wanuskewin.

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, I would be very disappointed if I took my car into a shop to be fixed and it could not find the problem but I would be even more upset if it not only could not find the problem but banged up the doors, ripped the upholstery, cracked the windshield and blew the motor.

Will the minister admit that all those who were infected with hepatitis C were better off before they entered the Canadian health system than after they were injected with poison blood. Were they better off before?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I think the member knows that the medical system, the health care system, medical procedures that are carried out in hospitals every day carry with them certain risks. There is a risk-benefit ratio in every medical procedure.

We are saying that we have not yet approached the point as a society where we are prepared to say that any time anything goes wrong for whatever reason there will be public compensation. We may get to that point in years ahead but at the moment the public policy choice is to compensate where governments had responsibility and should have acted.

* * *

*[Translation]***EMPLOYMENT INSURANCE**

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Finance.

In an interview with the editorial team at the Ottawa *Citizen*, the Minister of Finance is reported as having stated that employment insurance premiums did not really kill jobs in Canada.

How can the Minister of Finance say today the exact opposite of what he stated in his 1994 budget, where he claimed that reducing premiums would generate 40,000 jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, according to all economic analyses, the main thing is not to raise employment insurance premiums. We saw what happened during the 1989-1992 recession.

When premiums are maintained at a stable level, businesses are free to hire people and they do.

● (1440)

What counts most is the reduction in interest rates, as that is what creates jobs. This requires healthy public finances, which unfortunately precludes reducing premiums any further.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, analyses must have changed very quickly, and the minister has certainly forgotten what he told us.

I think the minister cares about job creation and I wonder, as Quebec did, why he does not quickly and substantially reduce employment insurance premiums especially in light of the huge surplus in the employment insurance fund?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, again, the hon. member must be aware of the fact that our

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employment insurance premiums are lower than any similar premium in the United States and most European countries.

At the same time, the hon. member should know that, when we took office, premiums were scheduled to rise to \$3.30 under the previous government. We reduced them to \$2.70, the single largest drop ever in such a time frame.

* * *

[English]

HEPATITIS C

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I have another quote for the minister and it is from the Krever report again. Justice Krever writes: "Proving fault is a formidable task for an individual injured by blood transfusion or blood product. Court proceedings are especially hard on those who are seriously ill and dying".

Why is the health minister so intent on putting these Canadians through that kind of ordeal?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the effect of the offer which was made last Friday by the territorial, provincial and federal governments was to spare that ordeal for 22,000 victims who contracted hepatitis C between 1986 and 1990. I want the member to bear that in mind.

The Krever report contains a complete and insightful discussion of the policy of a no fault system. It may be in the future that provinces and territories will accept his recommendation that in the future operation of the blood system there be a no fault compensation system. That is not what is in place at the moment. When we gathered as ministers of health, as governments, and looked back at the chronology of this—

The Speaker: The hon. member for Nanaimo—Cowichan.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I want to read another quote from hepatitis C victims: "I don't think that those claimants should have to spend their lifetime in litigation". I will read it again: "I don't think that those claimants should have to spend their lifetime in litigation". Who said that? It was not Premier Clark. It was not a Liberal backbencher. It was the Minister of Health in the Ottawa *Citizen* on November 23, 1997.

Why did this health minister abandon his own principles?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, what this government did, the first government since these events, the first government to act, was gather the provincial ministers together and produced the best possible result given good, responsible government public policy.

We chose the period during which people were injured because governments should have acted and did not and we offered compensation. By so doing we spared those 22,000 people the ordeal of continuous litigation.

* * *

[Translation]

SHIPBUILDING

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, my question is for the Prime Minister.

In the 1993 election, the Liberals promised to formulate a shipbuilding policy. The premiers, in their meeting in St. Andrews last fall, also called for such a policy. Even Liberal Party members called for one at their recent convention.

Why is the government not taking action in the area of shipbuilding?

[English]

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it is my pleasure to answer the question. This government has always had a shipbuilding policy. There are five items involved in the shipbuilding policy and perhaps the member does not understand.

There is the accelerated capital cost allowance we have put in place, a 25% tariff on non-NAFTA ships that are imported, a domestic procurement by the federal government, Export Development Corporation financing, and a very favourable research and development program that is also available for the shipbuilding industry.

* * *

● (1445)

IMMIGRATION

Ms. Carolyn Parrish (Mississauga Centre, Lib.): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Two American athletes presently employed by Toronto sports teams have criminal convictions in the United States for a variety of offences, including weapons, illegal drugs and spousal abuse.

On what grounds have foreign professional athletes been issued minister's permits when they have extensive criminal records?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it would be inappropriate for me to speak about the details of any case in public.

However, I can assure members of the House that decisions to issue ministerial permits, especially for criminally inadmissible persons, are taken very seriously and very cautiously. Visa officers

should be convinced that the needs of these persons to come to Canada are compelling and that there is no danger to Canadian security. The ministerial permits they issue are for short periods of time and can be cancelled at any time.

* * *

HEPATITIS C

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, it is instructive that the Liberal backbenchers are not asking their ministers here about hepatitis C. We know they were doing it in caucus yesterday and afterwards.

When the government decided 10 years ago to compensate AIDS victims no one was more supportive than the Liberal opposition. The current heritage minister called it a national tragedy back then. That was when the Liberals were in opposition. That was when they had principles.

I have a question for the Prime Minister. Why does he do exactly the opposite when he is in government than he said he would do when he was in opposition?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the contamination of blood with HIV was a national tragedy, just like the contamination of blood with hepatitis C. But what the hon. member should understand is that compensation was offered to HIV victims in that day on the same principle we are offering compensation today for hepatitis C victims.

The government implicitly acknowledged 10 years ago that there was not enough done in terms of surveillance, research and taking steps to ensure that the risk was minimized to the greatest extent possible.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, that is not an answer. What we are getting is just more and more of this kind of stonewalling. The minister is in the middle of a political firestorm because Canadians want the government to show compassion, not more rhetoric.

Instead of repeating the lines he has been given by his health department lawyers, why does he not do what the victims want and give them justice and the kind of rewards they deserve after the incompetence of the government's management of the blood system?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member may have heard me say all week, since Monday when this issue was first raised in the House, that what governments did, not just the federal government but provincial governments from one side of this country to the other, was to look at the history of this matter. We asked the tough question: Where is the point at which governments and the public, in essence, should accept responsibility?

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We found that there was a four year period during which something could and should have been done. That is what all governments agreed upon as the appropriate place for government to act.

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PAY EQUITY

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, in the students' manual published in 1988, which is still distributed today by the human rights directorate of Heritage Canada, there is a chapter on equal pay.

Canadian students learned that sometimes employers pay women less but it is against the law.

In its last annual report the human rights commission criticized the government's stall tactics on pay equity.

When will the Prime Minister make pay equity a reality for federal employees, or should teachers just skip that chapter on equal pay for equal work when teaching about basic human rights?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the question of principle is clear. It has been endorsed by the government and it has been put into place by the government.

Two weeks ago a few questions were raised by two judgments of the federal court which indicated that at present the rules applied by Treasury Board to determine pay equity were put into place. However, we are still willing to offer a compensation package of \$1.3 billion. Once again I would ask that the "syndicats" accept their responsibilities, help the employees and finally start negotiating in good faith.

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AGRICULTURE

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, the finance minister will know that net cash income of prairie farmers is in free fall. According to Agriculture Canada's own projections, 1998 farm income will drop by 11% in Alberta, 15% in Saskatchewan and a whopping 35% in Manitoba. Yet in a most recent budget speech there was not one word about agriculture as the federal government continues to abandon and ignore rural Canada.

• (1450)

What are the finance minister and the government going to do to help stabilize the income of prairie farmers this year?

Mr. John Harvard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I want to thank the member for the question.

I want to remind the member from Saskatchewan that right now we are undergoing a lengthy process of safety net review. A

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committee is in place. Come next year all the evidence will be in. At that time we will have some answers as to how we can prop up the safety net system which we have in this country.

* * *

FIREARMS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, there is an old legal maxim stating that withholding the truth suggests falsehood. I would like to return to the flawed information used by the Department of Justice to justify gun registration.

Last summer the RCMP commissioner raised serious concerns about incorrect public policy resulting from firearm statistics.

In the name of integrity, will the Prime Minister advise whether the misleading information used six times before the Alberta Court of Appeal will be corrected?

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, this is actually the fourth or fifth time the member has raised this question in the House.

The answer was given in the letter that was tabled in the House by the minister. The RCMP has said that it is satisfied with the methodology that was used by the firearms smuggling work group of which it was part.

It was a question of methodology. It was not a question of fixing the figures or doing anything in order to make our point.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I think she had it right. But it may be mythology.

I attended a briefing yesterday by the minister's officials in which the RCMP were in attendance. They refused at that time to sign an affidavit which would justify those figures.

I am asking again, will the Minister of Justice or her departmental officials agree to withdraw the information or at least correct it on the record before the Alberta Court of Appeal?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the RCMP has been very clear. It was a question of methodology. The problems have been resolved. It has been established by the RCMP that they have been resolved. The RCMP is satisfied.

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[Translation]

OFFICIAL LANGUAGES

Mr. Mark Assad (Gatineau, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

What is the role of the task force on the effects of government changes on official languages?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, in recent years the government has undergone changes, it has privatized, it has devolved and it has commercialized.

In such cases, as the Commissioner of Official Languages has reminded us, the Official Languages Act must continue to apply. The federal government has long been committed to this and will continue to be.

So, we set up a task force with the mandate of examining changes within the government, determining their effect on the application of the Official Languages Act and providing the best possible recommendations to ensure that the Act—

The Speaker: I am sorry to interrupt the hon. Minister. The hon. member for Skeena.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, you would think that the ministers could find better ways to make statements in the House.

Chief Keith Moon from the Blood reserve wrote the Minister of Indian Affairs and Northern Development five months ago with serious concerns over accountability on his reserve. He still has not got an answer. Today in the Calgary *Harold* there is an article that says the minister intends to give the chief more control over oil and gas revenues on that reserve.

My question to the Prime Minister is, how can he justify giving more control over oil and gas money to these chiefs when the minister has not even begun to address the problem of accountability on—

The Speaker: The hon. government House leader.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member opposite continuously tries to raise issues which undermine the authority of the elected chiefs in this country.

Why is it that he does not raise the fact that the Whitecap Dakota band in Saskatchewan, according to important media articles, provided strong leadership and turned the First Nation around, which is now operating in a financially successful manner?

• (1455)

Why is he not raising those kinds of issues? Why is he always raising issues that undermine the credibility of duly elected officials?

*Oral Questions**[Translation]***RCMP**

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Solicitor General.

Yesterday we learned from a television report that confidential information on dozens of citizens was available to Canadian insurance companies from the main RCMP computer.

Will the Solicitor General confirm this disturbing news, and if so, what is his explanation for it?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, we are looking into the matter even as we speak.

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ATLANTIC CANADA OPPORTUNITIES AGENCY

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, my question is for the Minister responsible for the Atlantic Canada Opportunities Agency.

With ACOA having been created to help foster economic development in Atlantic Canada, keeping in mind the extremely high unemployment rates in the region, and knowing that small and medium size businesses are the ones creating the jobs, can the minister responsible confirm for Atlantic Canadians that the ACOA budget will be reduced by one-third to \$250 million by the first year of the next millennium, projecting the lowest level of funding since 1988-89?

Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I thank the hon. member for her positive question on ACOA.

In response, I have to point out that ACOA is made up of two parts: the core funding of ACOA, which basically has not changed in about 10 years, and special programs that have a beginning and an end, for example, the infrastructure program, base closure programs and adjustments for the fixed link.

These programs have a beginning and they have an end. When they end, which is projected to be roughly after the turn of the century, the core funding of ACOA will remain basically the same as it is now, roughly in the vicinity of a quarter of a billion dollars, which will provide hope, opportunity and jobs.

FIREARMS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, we get the same non-answers every time we ask this question.

In light of the recent suggestion that the Canadian Police Association may withdraw its support of gun registration, I ask the Prime Minister if he will speak with Department of Justice officials and ask them to issue a clarification in the Alberta court case which outlines the RCMP's concerns with respect to the faulty firearms facts.

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I take great offence on behalf of the Minister of Justice and also this government to the inference that this government attempted to make up facts and figures.

The RCMP has stated both in a letter and at a meeting which the hon. member attended that the statistics were true, they were not false. The methodology that was used was different and they accepted that as a fact.

* * *

TRANSPORT

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, yesterday the Minister of Transport announced his review of Canada's 20 year old policy governing international air charter passenger services.

Will this review address the concerns of Canadians who rely on affordable charter flights to international destinations?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, it became obvious after the discussion last fall that the existing policy framework really did not fit today's needs and aspirations of Canadian travellers.

That is why we will be undertaking an exhaustive review. We want to complete it by the end of the year. It will deal with charter types, advance payments, minimum prices, minimum payments, payment protection as well as one-way charters.

This government is absolutely and totally committed to an environment with the cheapest air fares, the maximum flexibility and the safest environment.

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HEPATITIS C

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, it is unfortunate that the Prime Minister has silenced his own backbench and we have to listen to questions like that.

Every opposition party—

House of Commons

• (1500)

The Speaker: Colleagues, with respect, all hon. members have the right to seek the floor to ask questions. I am sure we want to hear the questions and we want to hear the answers. Whether we make comments or not on the questions or the answers, I think maybe we should just put that behind us.

I am going to hear this question. The hon. member for Saanich—Gulf Islands.

Mr. Gary Lunn: Mr. Speaker, every opposition party in this House is calling for a full compensation of hepatitis C victims. The Liberal backbenchers are calling for compensation. The premier of my province is uncomfortable with the way things are now. They all know what is wrong. Only the Prime Minister insists on doing what is wrong.

Why will the Prime Minister not admit that he is wrong and compensate all victims? Why not?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when we spoke this morning he did not mention that he is not in agreement with his minister of health.

There was a discussion among all the ministers of health in Canada. They have agreed to take the responsibility for the period 1986 to 1990. The federal government has contributed \$800 million toward the problem and the provinces have contributed \$300 million which makes \$1.1 billion. I think it is a very good compensation program that has been agreed to by the 13 governments and the agreement still stands.

The Speaker: On a personal statement the hon. leader of the Progressive Conservative Party.

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THE HON. JEAN J. CHAREST

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I rise today to announce that I have changed my mind.

Some hon. members: Oh, oh.

Hon. Jean J. Charest: I have never seen so many faces change so rapidly.

[Translation]

Today I am confirming to the House the decision I announced last week to resign my position as the leader of the Progressive Conservative Party of Canada. This resignation is to take effect on April 3. I shall be retaining my position as MP for the federal riding of Sherbrooke for several weeks and shall inform you in writing of the effective date of my resignation from that position.

I had the privilege of being elected to the House of Commons for the first time in 1984 and was re-elected in 1988, 1993 and 1997.

Upon my arrival in the House of Commons I was appointed to the position of Assistant Deputy Speaker. I held several ministerial portfolios, including Minister of State for Youth, to which was later added the responsibilities of Minister of State for Amateur Sport and deputy House leader.

In 1990 I headed a House of Commons special committee on a resolution to accompany the Meech Lake agreement.

I held the position of Minister of the Environment for over two years. For a short time I was also Minister of Industry and Deputy Prime Minister.

During those 14 years I was actively involved in one leadership race and two referendums. I will be leaving the House of Commons for a new political arena.

[English]

During my years in federal politics I was a participant in two great events. The first was one of the greatest victories in Canadian political history. The other was one of the greatest defeats in Canadian political history. I am grateful to be able to stand here today in front of my peers and to say to them that I actually survived both.

• (1505)

As a minister of the crown I applied a simple test to the policies I sought to implement. I would ask myself whether any given initiative would be meaningful enough to actually be around and withstand the test of time long after I would have departed.

As minister of youth I attempted to implement a national youth strategy that resulted in two meaningful initiatives: the stay in school program, which was directed at young Canadians who needed help and encouragement to pursue their studies; and a major youth initiative in the province of New Brunswick.

[Translation]

When I was Minister of State for Youth our government quadrupled funding for co-operative education through what was known as the co-operative work education program. We also implemented several literacy initiatives.

I must note that I became concerned with this problem when, as a young criminal lawyer I noticed that a lot of young people who ended up in court did not know how to read or write. I was shocked and told myself that one day we would have to deal with this problem.

[English]

As minister of sport I assumed the portfolio at a very turbulent period. The Dubin inquiry into the use of drugs in sport had become a most significant inquiry in the world of amateur sport.

*House of Commons**[Translation]*

As minister of amateur sport, there are two initiatives of which I am very proud. In 1989 Canada's ministers of sport decided to formally include sports for physically handicapped athletes in the Canada Games. We also made representations in this regard for the Olympic Games and for the Commonwealth Games in 1990. We were encouraged in this initiative by two great Canadians, Rick Hansen and André Viger who is from my riding of Sherbrooke.

The second initiative of which I am very proud is my contribution to the first Francophone Games, a sporting and cultural event that is different from all others, especially since these games are held alternately in the northern and southern hemispheres.

[English]

As minister of environment I experienced one of the most fulfilling mandates of my political life. I was minister of a department that was at the cutting edge of science, law and public administration.

We proceeded to implement one of the world's only plans of sustainable development, the green plan. I was also privileged to lead Canada's delegation to the earth summit in Rio. The summit was a high point for Canada and for then Prime Minister Mulroney whose leadership broke the G-7 logjam on the issue of the biodiversity convention and a convention on climate change.

In all my endeavours, today if there is one thing I would like to say, it is how privileged we are as a country to be served by what is undoubtedly the best public service in the world. In all the years I have worked in government, I have been impressed day after day. I am sorry to say that there are not enough opportunities for us in this House to share with other Canadians how the men and women who work in our public service do it with a great deal of rigour, with a great deal of energy. When we compare the level of service that we get here in Canada to any other country in the world, we are privileged and lucky to have what I think is the best public service bar none.

In my 14 years of service I have had the opportunity to serve five prime ministers: Mr. Turner, Mr. Clark, Mr. Mulroney, Ms. Campbell, and the present incumbent, the member from Shawinigan. All these prime ministers are, without exception, exceptional individuals. There is no doubt in my mind that they had only one goal and that is to serve their country well. I want to recognize that today for all those in this House and for the present incumbent.

Most of my years in federal politics were served under former Prime Minister Brian Mulroney. His government began the difficult task, an unrewarding task, of spending restraints and deficit reduction.

The policies brought forward between 1984 and 1993 set the stage that allowed the current government to attain a balanced budget. Canada's influence on the world stage was significant. I was part of a government that fought for free trade and NAFTA. I am honoured to have served in a government that I believe history will judge as being one of the best.

• (1510)

As the first French Canadian leader of the Progressive Conservative Party, I am leaving the party of Confederation. I leave behind a young and dynamic caucus, colleagues in the Senate. Most of all I will miss my friend and trusted companion, the member for Saint John.

I leave behind all those who work in the House of Commons. Today I want to spill the best kept secret in the country. This is the best place to work in Canada. Pages, messengers, bus drivers, security staff, all of them, it has been a privilege to have worked with them.

[Translation]

I want to thank my political staff who for 14 years has always supported me in my work.

I especially want to thank the fantastic team in my Sherbrooke office. I want to thank all these people who have served me so well.

We live in a country which, better than any other country, is preparing its citizens to live and work in the new area of globalization. Our diversity demands that we respect differences and espouse the virtues of a society which values tolerance.

Canada is based on a partnership between anglophones and francophones, which has grown to include first four provinces, then ten provinces and two territories, soon to become three. This partnership has evolved toward social and economic solidarity. This partnership, which originated in the 1774 agreement, has allowed us to do great things together in Canada.

Our destiny is calling us to even greater things, to renew our commitment, this 1774 partnership, to reconfirm it because we are presently in a state of doubt in this regard. But this partnership calls on us to do more by including our western fellow citizens in our institutions and doing more to include our native peoples.

I know of no other country in a better position to prepare the next generation to live, work, travel and create in the new millennium.

I have often said that my most important title was member for Sherbrooke. I am giving up this title at the federal level in favour of the same title in the Quebec National Assembly. I am answering a call, and after listening to people in Quebec I chose to listen to my own heart. Today Quebec is profoundly divided, therefore in a weakened state.

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However, I do know that when Quebecers are united and pursue a common goal, as they did in the early sixties under Jean Lesage, they can do great things. I also know that they need neighbours who are not strangers, especially not adversaries, neighbours who are fellow citizens and allies, people who share the same values. It is to go back to these people—

Some hon. members: Hear, hear.

Hon. Jean J. Charest: I am leaving for Quebec to protect and promote Quebec's interests, to find a kind of solidarity that rises above the interests of political parties so that we can head for a future where we will join those elsewhere in Canada who want the same things as Quebecers. It is in that spirit that I am embarking on this new journey.

I want to conclude here today by thanking those who supported me the most in my work: my family, my in-laws, all those who were with me every day.

I have shared my life with two women since 1993, with Elsie, here in the House of Commons and with my wife, Michèle, who deserves my admiration and, above all, my love, for all she has done for me, for our children and for the party since we both became actively involved in politics. I want to thank them.

Some hon. members: Hear, hear.

• (1515)

Hon. Jean J. Charest: Mr. Speaker, I thank you for the few minutes you have given me, and to all my colleagues in the House of Commons, I am looking forward to meeting you again. Thank you.

Some hon. members: Hear, hear.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I want to salute the Leader of the Progressive Conservative Party and member for Sherbrooke.

I know today must be extremely difficult for him because, when you have been in the House of Commons for 14 years, you have learned a lot of things and made a lot of friends. I once voluntarily left my seat in the House of Commons and it was almost a tragedy for me. I missed it so much that I could not stand it and had to come back.

I want to salute the member for Sherbrooke because he is still a very young man who has a lot of experience. First he was a young MP. Then he held very important positions in the House of Commons and in cabinet. Then he became Deputy Prime Minister. He took the reins of his party under very difficult circumstances.

[English]

The last four years must have been very difficult for the leader. He must have been going around the country eating a lot of rubber chicken for the good of his party. He has done very well. Now that

he is leaving we are sad to see him go because he has made a great contribution to this House. I know he will carry on making a great contribution to this country.

He must be quite an athlete because he likes to give it and he can take it. Many times we have been hot under the collar as they say in English. I admire his great commitment to this institution.

I had the privilege during the referendum of 1995 to see his commitment to this country. I will always remember talking to him in the rain one night in Montreal. We knew we would have to give a last effort to make sure Canada would stick together. I was very impressed by the depth of his commitment to making sure this country would carry on. We do not belong to the same party but his commitment to the values of Canada was very evident whenever he spoke. The notions of tolerance, diversity and sharing were always present.

He has touched a lot of Canadians in this land. He has been a great example to young people. We are members of the House of Commons. It is one of the greatest institutions. Democracy came to Canada a long time ago. We are one of the first democracies where responsible governments were established. We have managed to build a country that is an example to the world.

I hear a baby in the gallery. He is applauding you already. He or she is in the Liberal gallery.

• (1520)

[Translation]

I know the hon. member for Sherbrooke is embarking upon a tough journey, but he can rely on the support of the members from Quebec in this House, for we know that the future of our country and our future, our prosperity and our place on the world stage depend on our association with Canada.

The leader of the Progressive Conservative Party, the hon. member for Sherbrooke, announced that he had chosen Quebec, because he wants Quebec to be part of Canada, because Quebecers founded this country and because French speaking Canadians have been elected to this House of Commons ever since the birth of our country.

The hon. member for Sherbrooke has set for himself an enormous task, but we all are aware of his enthusiasm, of his devotion to public life and of his desire to ensure that all Canadians can benefit from being citizens of this great country of ours.

I want to tell him that we are all very sad to see him go. He was an excellent member of Parliament and he worked very hard at it.

I also want to pay tribute to his wife, because we often forget that the family members of those involved in public life are the ones who suffer the most and who have to make all the sacrifices. I understand how terrible it must be to sell a house one has not moved into yet and to set aside all the plans you had made, but I

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think she has understood that her husband is a great Quebecker and a great Canadian.

The whole country congratulates him for the initiative he has undertaken. We wish him good luck. Long live Quebec and long live Canada.

Some hon. members: Hear, hear.

[*English*]

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I rise to join the Prime Minister and other members of the House in extending best wishes to the hon. member for Sherbrooke as he departs the House for his new role in provincial politics in Quebec.

As parliamentarians we tend to look at decisions and changes of this nature from a political standpoint. But as all of us know, the people most directly affected by our career choices are our spouses and our families. So we also want to extend our best wishes to the hon. member's wife and children, to Michèle, to Amélie, Antoine and Alexandra, and to express the hope that this decision and change will open up new and exciting possibilities for them as well.

The hon. member for Sherbrooke has sometimes expressed the suspicion that Reformers dislike Tories, especially Tories from Quebec. I do not know where he got that idea. As he departs I want to take this opportunity to assure him that this is not the case. In fact, over the next few months we plan to be especially kind to Tories no matter where they are from and to inquire after their welfare and even to invite them home for dinner.

On a more serious note, the hon. member is leaving the leadership of the federal Progressive Conservative Party to join the Quebec Liberal Party for a principled reason. That reason is to create a stronger federalist alternative in Quebec and a better future for Quebec within Canada.

Federalists throughout the country, including the official opposition in the House, wish to offer our encouragement and best wishes to the hon. member as he undertakes this important task.

• (1525)

As the member for Sherbrooke will know, every defender and advocate of federalism in Quebec encounters the argument, invariably from sovereignists but also from sceptical and weary Quebec voters, that no one outside Quebec really wants to fundamentally change the federal system to make it work better.

If it will be of any help to the hon. member in laying that argument to rest, I want to assure him on behalf of official opposition members, all of whom come from west of the Manitoba-Ontario border, that Quebeckers who want to change the federal system, in particular to rebalance the powers, will find allies in our part of the country. If he assures Quebeckers that changes in the

federation are coming he should know that we will do our part to ensure that change actually occurs.

[*Translation*]

To the hon. member for Sherbrooke, I say thank you, goodbye and good luck.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is rather odd for a sovereignist, leader of the Bloc Québécois to boot, to say farewell to the leader of the Progressive Conservative Party, who is seeking the leadership of the Liberal Party of Quebec to fight the Parti Québécois.

After 14 years in this House, the member for Sherbrooke and leader of the Progressive Conservative Party has decided the time has come for him to do something else and move on to another political party.

The member for Sherbrooke, who came to Ottawa in 1984 at a very young age, is leaving today a seasoned politician. He will be remembered as having held several positions in the federal government, namely Minister of State for Youth, Fitness and Amateur Sports, Minister of the Environment, Minister of Industry and Science, and even Deputy Prime Minister during the last month of the Conservative government.

It should also be remembered that, in a sense, he was instrumental in the creation of the Bloc Québécois. Indeed it was after the Charest report was tabled that Conservative and Liberal members from Quebec left their respective parties to create the Bloc Québécois.

Nevertheless, I will remember the member for Sherbrooke as a strong political adversary. The leader of the Conservative Party has always shown respect and professionalism during our exchanges and debates. I am convinced he will still behave the same way in his new position in a different political theater. I trust he will carry out his new responsibilities with the same dignity he has shown here in Ottawa for 14 years.

Moreover, on some fundamental issues, I have appreciated his party's support for our position, especially with regard to the \$2 billion in compensation Quebec is entitled to for harmonizing its sales tax with the GST. I hope he will keep bringing this up.

I would also like to mention the support the hon. member for Sherbrooke and all members of the Conservative Party in this House recently gave the Bloc's motion recognizing that Quebec alone should decide its own future. As a result, yesterday's enemies and tomorrow's allies, the federal Liberals, found themselves isolated.

Encouraged by his support on this issue, we are nonetheless looking forward to the future leader of the Quebec Liberal Party answering a number of fundamental questions in the new political arena he is about to jump into.

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For example, now that he is leaving for the Quebec National Assembly, will he recognize that Quebec is a nation? Will he recognize, as the Quebec Liberal Party has always done, the territorial integrity of Quebec? Does he still believe that the federal government should interfere in areas of provincial responsibility such as education?

• (1530)

Does he still believe that gun control legislation is inappropriate, when a consensus to the contrary has developed in Quebec on this issue since the tragedy at École Polytechnique?

These are but a few of the essential questions the future leader of the Quebec Liberal Party will have to answer.

Now that his career is taking a new direction, I suggest that the hon. member for Sherbrooke always keep an eye on Ottawa and be on his guard with his new allies.

The inflexibility of the federal Liberals, their inability to adjust to new realities and to make the necessary changes to bring Quebec and Canada into the next century are likely to follow the Conservative leader and soon to become Quebec Liberal leader to Quebec like a millstone around his neck.

Having chosen between remaining leader of the Conservative Party and running for the leadership of the Quebec Liberal Party, the hon. member for Sherbrooke has another decision to make, the implications of which may be much greater for Quebec.

He has to decide whether to adopt the federal Liberals' constitutional status quo or to fight their do-nothing attitude from within Quebec's Liberal ranks.

I shall not dwell on this point today, as the Conservative leader is leaving and will now have to answer all these questions in Quebec.

I would therefore like to pay tribute to the hon. member for Sherbrooke for his career in federal politics which is coming to an end. As he prepares to embark on a new career with the Quebec Liberal Party, I want to wish him good luck, but not of course every success.

Farewell to the hon. member for Sherbrooke.

[English]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I would like to return to the federalist tone.

Some hon. members: Hear, hear.

Mr. Bill Blaikie: It is obvious that some of our colleagues are more concerned than others about the return of the hon. member.

Some hon. members: Oh, oh.

Mr. Bill Blaikie: On behalf of my colleagues and my leader I would like to wish the hon. member for Sherbrooke well in his new career as a Liberal. I wish him well more as a federalist than as a Liberal.

We all know the dilemma that he must have found himself in, but I think he did what all good people do in the end. He responded to the call. He responded to the duty that he saw was his in this historical moment. We congratulate him for that.

It must have been difficult, wondering whether or not the call was stronger to go to Quebec to fight the separatists or to stay and be a major player in the "unite the right" or whatever it is called. I have to say to him that from our perspective the right has been united in the country for along time. It has never been more united than it has under the banner of the Liberal Party since 1993.

The member for Sherbrooke has said that he needs to enter into this new time in his life and this new time in the political life in Quebec, knowing as we all should know that no one person can save the country by himself or by herself. We all need to do this together. We need to work together.

As a veteran of many constitutional debates in the House and in that context I would specifically like to add the best wishes of my colleague from Qu'Appelle, formerly the member for Yorkton—Melville, who fought alongside and debated alongside the member for Sherbrooke in many of those debates.

• (1535)

There was a tendency in all those debates and in all those times for political parties to hold up one member, a prime minister, a leader or someone else, as the one person who could save the country. We will never save the country if anybody is interested in getting the credit for saving the country. We need to save the country, no matter who gets the credit, and that I hope is the sense that the hon. member will take into the struggle he is about to embark upon in Quebec.

Our view is that the country cannot be saved apart from recovering the social democratic consensus that has existed for a long time. John Ralston Saul states in his most recent book that the success of the partnership between Quebec and the rest of Canada has been in part because it was always governed somewhat to the left of centre.

I would ask the hon. member for Sherbrooke, because he not I mentioned first the first trade agreement and NAFTA, to reflect on whether or not some of the policies that have been adopted over the last 10 to 15 years have not indeed worked to weaken the fabric of the country and to weaken the role of government in Canada.

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It was through government that we built the partnership between French speaking Canada and English speaking Canada. It was through the power of government that we created this distinct society we call Canada, a place very different in North America where we have a different set of social and economic values.

It is in recovering those values that I think we will be able to once again invite all Quebecers to abandon the failure of imagination that we see here among our Bloc Quebecois colleagues and to begin once again to build a great country, not just through the marketplace but through the things we do together in the public sector and through the power of government.

Godspeed.

[Translation]

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I need hardly tell you and the members of this House that during the last election campaign my colleague and friend, the hon. member for Sherbrooke, never told me I would have to make a speech like this one today.

It is with a great deal of emotion that I rise to pay tribute on behalf of my colleagues in the Progressive Conservative Party to a remarkable man and a dynamic leader, the member for Sherbrooke.

As you know, it is not easy to lose a leader and to see a friend go. We have been colleagues since 1984, when we were first elected to this place. Over the years we developed a true friendship. Incidentally I was proud to support him during the 1993 Conservative leadership race.

His political career is impressive. Regardless of the position he held, he was faithful to his friends, his voters, his party and his country. Following the 1993 election he accepted the challenge of the leadership of our party under particularly difficult circumstances.

He knows Canada and Canadians very well. A number of them discovered him during the 1995 referendum campaign. His passionate speeches not only moved people but made him the most credible spokesperson for national goodwill in Quebec, and this is still true today.

The hon. member for Sherbrooke was able to find the words to say to Quebecers because he is like them and because of his deep convictions. During the referendum campaign he called himself the keeper of change. He talked about a modern, strong and confident Quebec.

The member for Sherbrooke enjoys such credibility is because he gave the Progressive Conservative Party a new constitution, a new platform. He reconnected it with its grassroots.

During the last election campaign we had a huge gathering in my riding of Chicoutimi. People were drawn to his message and to his genuineness.

Many Quebecers trust the member for Sherbrooke because of his political opinions and his strong convictions. Last week he told me "I am choosing Quebec". I understand his choice.

• (1540)

How could he not answer the call of Quebecers who, I am sure, will answer the challenge he made on May 6 last year in Chicoutimi where I come from: "I invite Quebecers to again win the heart and soul of this country, this continent they founded, explored and shaped"?

First you will become the leader of the Liberal Party of Quebec and then, I hope for us, he will become Premier of Quebec.

In choosing their premier Quebecers make an important decision. They place their trust in someone who will defend their interests.

We know Quebec is profoundly divided and weakened. This is why I am hoping he wins for the sake of Quebec and Canada.

He proposed a partnership during the campaign where Quebec would participate rather than endure, where it would express its opinion and not just its opposition, where it would share in discussions instead of opting for confrontation. I believe in this sort of partnership. I believe in his ability to bring people together.

My colleagues in the Progressive Conservative Party and I want to express our deepest gratitude for his years of indefatigable service to our party and for having put this party back on the road to recovery in these tumultuous and trying times.

I would be remiss if I failed to mention the sacrifices made by his family, his wife, confidant and constant ally and his children, Amélie, Antoine and Alexandra. I want to thank them for sharing him with us and with all Canadians.

I would especially like to thank the voters of the riding of Sherbrooke. Without them, the Progressive Conservative Party would not be here today, in which case we would have been deprived of his leadership and his vital contribution to democratic life in our country.

The member for Sherbrooke has done much for our party and we thank him for it. We thank him and his family. He has served well, and we offer him our best wishes and the best of luck.

Some hon. members: Hear, hear.

Routine Proceedings

• (1550)

*[English]***BUSINESS OF THE HOUSE**

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I have the honour to fill the position of our House leader to ask the traditional Thursday question to find out whether the government has any agenda for the next little while and, if so, what it is.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this afternoon the House will continue with the marine liabilities bill, Bill S-4, which will be followed by Bill C-12, the RCMP bill, and then, time permitting, we will start the debate on Bill C-38, the amendments to the National Parks Act. Tomorrow we will continue with Bill C-38.

There have been consultations among the parties with respect to the debate on the rules, pursuant to Standing Order 51, and it would appear to be more convenient for some hon. members to have that debate on April 21, rather than the previously announced date of April 20. Consequently, I would like to redesignate that debate for April 21.

On April 20 we shall call Bill C-39, the Nunavut bill, and we will continue with that bill, if necessary, on April 22.

Thursday, April 23 shall be an allotted day.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, during question period today the hon. member for Macleod used language which the Chair may find, upon reviewing the blues, as being unparliamentary.

I draw it to the attention of the Chair. I think the Chair will want to review very carefully what was said and the intent behind what was said and review whether that particular language was in fact unparliamentary, recognizing that as usual the Chair has the full authority to decide that anything that causes disorder is in itself unparliamentary.

With that in mind, I would ask the Speaker to review the blues and to comment, not now, but perhaps tomorrow or at an appropriate time.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I listened carefully, too. I heard the same comment during question period. I do not think there is anything wrong with "request flyer." He just dropped the *f*. It is not a big deal.

The Speaker: Sometimes, my colleagues, we try to play with words, and it got by me if something was said. I will have a look at the blues.

My colleagues, when we try to juggle a bit like this sometimes the House loses as opposed to anything else.

Once again, I will have a look at the blues and if it is necessary I will get back to the House.

ROUTINE PROCEEDINGS*[English]***COMMITTEES OF THE HOUSE**

HEALTH

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find that there is unanimous consent for some travel motions, as there have been consultations among the parties.

Therefore, I move:

That, within the context of its Natural Health Products Study, the Members of the Standing Committee on Health and the necessary staff be authorized to travel to Vancouver and Toronto, April 19 to April 23, and to Montreal on April 27.

The Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

(Motion agreed to)

• (1555)

TRANSPORT

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That the Members of the Standing Committee on Transport, the Clerk, two Researchers and one Interpreter be authorized to travel to New York and Washington, D.C., on Monday and Tuesday, May 4 and 5, 1998, to gather information in relation to their study on the National Passenger Rail System.

The Deputy Speaker: Does the parliamentary secretary have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

(Motion agreed to)

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That 10 Members of the Standing Committee on Environment and Sustainable Development be authorized to travel to Calgary from May 4 to May 6 for the purpose of participating in the Canadian Energy Research Institute Conference on Climate Change and that the necessary staff do accompany the Committee.

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The Deputy Speaker: Does the parliamentary secretary have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

CANADA SHIPPING ACT

The House resumed consideration of the motion that Bill S-4, an act to amend the Canada Shipping Act (maritime liability), be read the third time and passed.

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, it is a privilege to rise in the House to speak in favour of Bill S-4, an act to amend the Canada Shipping Act. Bill S-4, introduced in the Senate on October 8, 1997, will amend parts of the Canada Shipping Act which deal with liability for maritime accidents and oil pollution damage.

Bill S-4 reintroduces amendments to the Canada Shipping Act first introduced to the House of Commons as Bill C-58 on September 19, 1997. Bill C-58 completed committee stage as proposed by the Standing Committee on Transport in its report to the House of Commons on December 11, 1996. The bill died on the Order Paper in April 1997 when the election was called.

The bill was introduced through the Senate because it had already passed the different stages in the House of Commons during the last parliament and the government wanted it to be passed in the fastest way.

I wish to take this opportunity to mention again, as my New Democrat colleague did at second reading, that the NDP does not support the practice of introducing bills through the Senate. Canadians elected 301 representatives last June. They are sitting in this Chamber, not in the Senate.

I believe a majority of Canadians want major reforms to be made to the Senate and, although I oppose bills coming through the Senate, I will certainly use these opportunities to remind this government that it is ignoring Canadians. Although we do not support the practice of introducing bills in the Senate, we are in favour of this piece of legislation which is long overdue.

Bill S-4 is a part of the Canada Shipping Act reform. Parts of the Canada Shipping Act are old and out of date with today's reality. The NDP believes that it is time to modernize the Canada Shipping Act.

The revision of the existing limitation of liability for maritime claims is a very important step toward modernizing the legislation. The existing regime with respect to limits for general maritime

claims in the Canada Shipping Act is largely based on the 1957 international convention relating to the limitation of liability of owners of sea-going ships.

The limits on liability set out there have naturally lost value as a result of inflation over the years. As a matter of fact, most maritime nations consider the limits of liability set out in 1957 to be inadequate.

The 1957 convention was replaced by the 1976 convention on limitation of liability for maritime claims and its 1996 protocol is the global standard for limitation of liability for maritime claims. Bill S-4 will permit Canada's accession to it.

• (1600)

The Canada Shipping Act amendments in Bill S-4 will also implement the provisions of the 1992 protocols to the 1969 convention on civil liability for oil pollution damage and the 1971 convention on the international fund for compensation for oil pollution.

The maximum compensation available to claimants in an oil pollution incident will increase from \$120 million to \$270 million, which consists of the shipowner's liability under the civil liability convention and a supplementary amount available from the international compensation fund.

When we know that tragedies such as the *Exxon Valdez* can happen, we know it is advisable to increase the liability of shipowners for environmental damage.

Just a few years ago we had the *Irving Whale* disaster. The company, a very large and well known company, did not pay in the project to refloat its barge. It is the Government of Canada, in other words the Canadian people, that had to spend millions of dollars.

Large corporations have to be more responsible. They have to be more accountable. It is our environment that has suffered and we must ensure its protection. We will be supporting the bill.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am pleased to rise on Bill S-4, the Canada Shipping Act amendments.

Few countries in the world have as much interest in this issue as we have in Canada because we are virtually surrounded by water. We have water east, west and north. We have the Great Lakes and the seaway.

The bill has been nurtured through the system for many years. We are really pleased to see it and we will be supporting the bill.

The bill will substantially increase the amount of compensation available to Canadian claimants for maritime claims in general, especially for oil pollution damage as a result of shipwrecked oil tankers.

The current Canada Shipping Act provisions dealing with limitation of liability of maritime claims are based on the 1957

Government Orders

international convention relating to limitation of liability of owners of seagoing vessels. Most maritime nations consider limits of liability inadequate mainly as inflation has eroded their value and it only make sense as those were developed in 1957.

The bill began as Bill C-58 in 1996 when it went through the committee process and died on the order paper with the election call in April 1997. There are important changes contained in the legislation and unfortunately the government did not make it a priority to move it ahead quickly enough, but at least it is here now. Now that it is here we are dealing with the bill and I am pleased to be here to speak on it.

The bill will substantially increase the amount of compensation available to Canadian claimants for maritime claims, for oil pollution damage in particular. It harmonizes Canadian rules for maritime liability with those of other maritime nations and will enable Canada to accede to the relevant international conventions.

With respect to the limitation of liability for maritime claims, Bill S-4 amends part 4 of the shipping act to implement provisions of the 1976 convention on limitation of liability for maritime claims and its 1996 protocol.

Bill S-4 will, first, substantially increase shipowner limits of liability, long past due. Second, it will allow the cabinet on recommendation of the transport minister to implement new limits of liability to reflect inflation. Three, it will limit the liability of owners of small ships less than 300 tons to \$1 million for loss of life or personal injury and \$500,000 for other claims. It will also extend the application of the liability regime to all ships operating in Canadian internal and inland waters, not just seagoing vessels, which is very important.

Finally, it increases the liability limits for owners of docks, canals and ports and for property damage claims to the greater of \$2 million or an amount based on the tonnage of the largest ship that has docked in the area in the last five years.

Atlantic Canada and all Canadians welcome the aspect of the bill that relates to oil pollution liability and for compensation for oil pollution damage. Bill S-4 will amend part 16 of the Canada Shipping Act to implement provisions of the 1992 protocol to the 1969 civil liability convention and the 1971 convention on the establishment of an international fund for compensation for oil pollution damage.

This means it will make shipowners liable for clean-up costs for oil pollution damage. It makes compensation available for pollution damage caused by tankers with residues of oil remaining from their previous cargo. This also makes it possible to recover costs incurred for preventive measures taken in anticipation of a spill from a tanker.

• (1605)

The maximum compensation currently available to claimants in a oil pollution incident is approximately \$120 million. As a result of Bill S-4, the amount will more than double to \$270 million which is still probably not enough but it is a good start.

In summary, we are pleased to support this legislation. It is long past overdue and very much needed in the maritime industry in Canada. We are supporting this because it will improve compensation for the benefit of all Canadian claimants involved in any kind of marine accident in general and certainly for purposes related to pollution claims.

Also, the important harmonization of our laws with other nations benefits every participant. I am speaking about all participants involved in the maritime trade, shipowners, cargo owners and charters providing consistent internationally recognized and accepted rules which deal with the economic consequences of unfortunate accidents at sea.

Without these former rules international shipping, which Canada relies on to a tremendous extent, would otherwise become extremely expensive and unpredictable. As a result it would have negative consequences for the Canadian industry as a whole.

Again, we support this legislation and only wish that we could have moved it through the system a little more quickly.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, being the last to speak on Bill S-4, I am not going to go through the bill in any detail, which will be good news for everybody.

The bill is long overdue. It will be welcomed across the country and throughout the world.

It was ironic, however, when I was reading the very last of my notes. This is a little humour here. It is talking about the failure to file information with the Minister of Transport regarding oil shipments resulting in a summary conviction of \$100 for each day of default. I know there are members who have paid that much of a fine for speeding. I thought that portion of the bill was a little lax. It could have been more. However, this is a good bill.

When the bill was introduced today by the hon. gentleman from the government side, he thanked those people who had worked on the bill. He thanked the Standing Committee on Transport. I appreciated his remarks. We did have a good round of looking at the bill in committee. We had a great deal of support from all the members of the committee. We had a great deal of support from the chairman of the committee.

I spoke to the bill on second reading. I totally disagree with a bill of this nature originating in the Senate and then coming here, even though we can call this a housekeeping bill. Members in my party and other opposition members also disagree. This is not good

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practice. We do not think we should have a bill come to us to examine amendments made by an unelected body.

That may not seem like a very big thing to a lot of people. I picked up the papers the other day. There were some things in there about me because of some of my criticism, some of the criticism from my colleagues and some of the criticism from all the parties about this practice. I assume it was a generalization that I was being somewhat hypocritical. No one who knows me, who has been on the transport committee with me, would say I am hypocritical. That was the tone, because we disagreed fundamentally.

This is a good bill. There is nothing wrong with the bill. Some amendments were made and passed. But the opposition claims that the last place bills like this should originate is the Senate. Bills dealing with huge amounts of penalties, huge amounts of fines, huge amounts of liabilities should not originate in the Senate and then come here asking the elected people to put our stamp on it. We deem that incorrect. I am sure most members do. If members from the government side really looked at it they would also deem it incorrect.

• (1610)

I am pleased that we are going to support this bill. We think it is a good bill.

The Deputy Speaker: The Chair has been remiss in not asking for questions or comments on members' speeches but I assume in light of the debate there were none.

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.

An hon. member: On division.

(Motion agreed to, bill read the third time and passed)

* * *

[Translation]

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACT

The House proceeded to consideration of Bill C-12, an Act to amend the Royal Canadian Mounted Police Superannuation Act, as reported (without amendment) from the committee.

Hon. Stéphane Dion (for the Solicitor General of Canada) moved that the bill be concurred in.

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

Some hon. members: Agreed.

(Motion agreed to)

The Deputy Speaker: When shall this bill be read the third time? With leave of the House, now?

Some hon. members: Agreed.

Hon. Stéphane Dion (for the Solicitor General of Canada) moved that the bill be read the third time and passed.

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I have the privilege to rise in this House in support of Bill C-12, an Act to amend the Royal Canadian Mounted Police Superannuation Act.

This bill provides RCMP members serving abroad as peacekeepers in special duty areas with medicare benefits and death benefits. This means they will be covered 24 hours a day in case of work-related disease, invalidity or death.

We need to pass this bill as soon as possible.

Like any other government employees, RCMP members are eligible for government benefits if they suffer from a work-related disability or injury or if they die as a result of a work-related accident.

Pursuant to existing agreements, there is a difference between work-related incidents and those that are not and that difference is usually easy to make: the work-related incidents are defined as occurring only during work shifts.

However, in some cases, the distinction we need to make between "during working hours" and "outside working hours" is not so clear.

Take, for instance, the RCMP members who are currently serving abroad as peacekeepers.

Pursuant to the Special Duty Area Pension Order, the governor in council can designate as special duty areas any geographic area outside Canada where peacekeepers may be exposed to hazardous conditions not normally associated with service in peacetime. These dangerous areas are called "special duty areas".

The bill acknowledges that when RCMP peacekeepers are posted in special duty areas, they never really stop serving and running risks, even when their shift is over.

Under the current act, RCMP members who are injured while posted in a special duty area must prove their disability is directly related to their service or the performance of their duties.

When Canada started taking part in international peacekeeping missions and sending members of the armed forces to areas of armed conflict, it was acknowledged that it would be unfair to oblige these individuals or their department to prove that injury or death was attributable to their work and occurred while the individual was on duty.

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• (1615)

Under the Special Duty Area Pension Order, any injury, disease or disability sustained by a member of the Canadian Forces while on a peacekeeping mission in a special duty area is presumed to be directly related to the performance of his or her duties. In case of death, benefits are transferred to the victim's family.

Therefore, under this order, military personnel are considered to be on duty 24 hours a day for the purpose of employment- or service-related benefits. The order also acknowledges that the security of these people is always threatened.

However, in dangerous areas, even when serving side by side with Canadian Forces personnel, RCMP members are eligible for benefits only if the injury or disease occurs during a normally scheduled work shift.

RCMP personnel posted as peacekeepers in special duty areas are treated differently from their counterparts in the Canadian Forces, even though they face the same risks and circumstances.

At the present time, for instance, members of both forces are deployed in Haiti and the former Yugoslavia, which have both been declared special duty areas.

Under the Special Duty Area Pension Order, members of the Canadian Forces are considered to be on duty around the clock, if injuries, illness or fatalities occur.

On the other hand, RCMP personnel are considered to be on duty only during their shift. In keeping with the purest tradition of the RCMP, its members sought out this type of mission and volunteered for it. In so doing, they are perpetuating a tradition of which Canadians are proud, and one which has earned them their international reputation as major contributors to world peace and security.

Canada has an obligation to ensure that these courageous women and men, as well as their family members, are eligible for the same benefits as their Canadian Forces counterparts.

The purpose of today's bill is to remedy this abnormal situation.

[English]

I also wish to note that in addition to disability benefits, Canadian forces peacekeepers who are injured or taken ill while serving in special duty areas are entitled to the benefits provided under the veterans independence program. This program provides funds for services necessary to maintain a member in his or her own home as an alternative to institutional care. This includes housekeeping services and modifications to accommodate wheelchair access in a member's residence.

These special pension benefits take into account the increased risk associated with peacekeeping duties. The amended legislation will extend the same kind of program benefits to disabled RCMP peacekeepers.

This legislation reflects the changing role of peacekeeping in general. Adding to their traditional role as an arbiter of conflict, peacekeepers are now contributing to the broader reconstruction of society, the peace building phase that follows a peaceful settlement.

Through the volunteered services of RCMP peacekeepers, Canada has provided what many countries need most to sustain peace: respect for democratic tradition and a method for enforcing the rule of law. A troubled country may be able to build on the traditions and expertise demonstrated by the RCMP and Canadian forces peacekeepers to establish a new respect for law enforcement and respect for the law itself.

[Translation]

Passing this bill is the best and fairest action we can take. I am sure I speak for all members of this House in wishing that no Canadian peacekeeper, whether a member of the RCMP or a member of the armed forces, will ever need to use health insurance benefits, disability insurance or death benefits as the result of a mission to a special service area.

• (1620)

If such a need should ever arise, however, it would be only fair for RCMP members to benefit from the same extra protection, as provided in this bill for themselves and their family members.

I believe all members of this House recognize the importance, as far as equity is concerned, of the amendments being proposed to the RCMP pension plan.

I trust that I shall be able to count on the support of all the political parties in this House to ensure that this important bill is passed promptly.

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Beauséjour—Petitcodiac, Employment; the hon. member for Crowfoot, Violence against women.

[English]

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, it is a pleasure to speak on Bill C-12.

I happen to have been a member of the Royal Canadian Mounted Police when we were sending members over to dangerous situations in foreign countries. Bosnia and Namibia come to mind. At that time we survived on the good graces of the solicitor general and the government in that if something did happen to one of us while we were over there, the government would stand behind us and our families.

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I and my party certainly support Bill C-12. It will ensure that members of the force and their families are taken care of in the event of a tragedy.

We can certainly look at the performance and the service the Royal Canadian Mounted Police has provided to Canada since 1873. This year is the 125th anniversary. The service overseas in foreign countries, the latest one being Haiti, is a good example of the dedication these men and women from every province provide in serving their country.

Today there has been a lot of talk about Quebec and the Northwest Territories. The Royal Canadian Mounted Police is well positioned and very prominent in those provinces in enforcing federal statutes.

There are no problems with Bill C-12 itself. There are some issues surrounding the peacekeeping and peacemaking role which Canada has assumed. For the members of the Royal Canadian Mounted Police, there is always the question if they are injured or hurt whether or not the compensation will come automatically through the pension and benefit scheme, or whether they will have to fight for the rights and the benefits if some disagreement arises. This was raised earlier.

The member, the member's estate or the family must receive a commitment from the government that it will pay the family to hire their own lawyer as opposed to being appointed one by the Canada pensions benefit scheme. A lawyer who was appointed would obviously have a conflict of interest in whether he takes the government's side or the member's side. That is definitely a concern.

Another issue which has been of concern is very evident in the case of Haiti. Our Canadian military pulled out of that country by agreement. Our policemen were left there. The question was whether or not they had adequate medical services after the Canadian military left. I raised this in question period but I did not get a satisfactory answer. There is no doubt the health services officer for the Royal Canadian Mounted Police did go to Haiti. I believe the RCMP will ensure that the government does provide proper care for its members.

• (1625)

There is also the problem of members being exposed to strange diseases or chemicals. We have seen this happen in countries that harbour those kinds of weapons. There is concern that these members be taken care for their lifetime. Perhaps this falls under the policy but I would have to look further into the pension act. I raise this to indicate everything is not as simple as a policeman going to a foreign country, coming back home and expecting everything to be all right.

There is another point the government did not mention today. There are police officers from non-RCMP forces such as city police

forces, and provincial forces from Ontario and Quebec going to foreign countries. During our committee hearings we did not have anyone attend from these police forces or provincial governments to indicate whether or not those officers would have adequate benefits, for example compensation and medical care, if they were injured or killed.

The Royal Canadian Mounted Police are being taken care of but I do question whether police from the city of Toronto for example have medical benefit coverage for 24 hours a day. The government would be wise to look at this issue. When a city police officer is asked to go to a foreign country, the issue of health benefits should be discussed to avoid the government being sued in order that non-RCMP officers can get compensation.

When a member of the Royal Canadian Mounted Police goes overseas to one of the specially designated areas, the RCMP detachment from which he came is left with a vacant position. There is no backfilling of the position for the period the peacekeeper is away, which is usually six months. It causes a problem in the community which is short an officer for that length of time.

There is special funding available under the peacekeeping initiatives. The RCMP is being paid from government funds for the cost of the member while he is on peacekeeping duties. The question I have for the government is if the position is empty, is the budget still receiving the money for that officer's salary and benefits?

This is not a problem for the RCMP. I raise it for the government to clarify that the Canadian taxpayer is not paying for that position twice, once through the peacekeeping initiative and again through the budget of the RCMP.

There have been occasions in the past when the Royal Canadian Mounted Police was able to leave positions open in a provincial contract. The way it is worked out financially, there is a cost saving. It saves the province money and it saves money in the RCMP's budget. This helps it come in on budget or a little under budget, and it certainly is good for the commanding officer when he can show the government that we was able to save money in a given year.

The primary thing in Bill C-12 and for our communities in Canada is the safety of the members who are overseas and compensation if they are injured in dangerous situations. That is the paramount issue. For the people at home, the paramount issue is that we maintain safety and security at a reasonable cost.

• (1630)

I would like to close by commenting once again on what a tremendous job the Royal Canadian Mounted Police and other city police forces have done over the years. I wish them well as they continue with further peacekeeping missions in the future.

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[Translation]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, I am pleased to speak to Bill C-12. I will use the time I have today to explain to the House why the Bloc Québécois supports this bill.

Bill C-12 would make members of the RCMP eligible for benefits under the Pension Act. We want members of the RCMP serving abroad to have the same benefits as their counterparts in the armed forces in the event of illness, injury or death.

First, I want to salute the men and women who work as peacekeepers in a sometimes very unstable world. The international community must show solidarity in the face of armed conflicts, famines, droughts and all the other critical situations that exist in the world today.

It is in this spirit of co-operation that we frequently send contingents abroad to lend a helping hand on a temporary basis. Year after year, countries like Haiti, Bosnia and Uganda are added to the list of nations that need our help. As a member of the international community, Canada must respond to these urgent calls for help.

Members of the RCMP have played an active role in peacekeeping missions. Many Canadians and Quebecers have rolled up their sleeves and offered their help to the countries most in need of it. These men and women have crossed oceans to share their knowledge, their experience and their hope that they can bring peace to this planet.

On a few occasions, the RCMP has been given the difficult task of helping set up an entire police force. The day after the fall of the Duvalier regime, for example, it was necessary to restore Haiti's self-confidence, and this meant building an effective police force.

Quebec and Canada therefore responded to the invitation that went out to them. We have sent our soldiers and our police officers all over the world in order to provide substantial assistance with a number of problems. These countries are grateful to us. Diplomats and ministers are exchanging compliments. Government representatives are proud, sometimes rightly so, that their assistance has been beneficial.

But what about those who go to these countries? What about the soldiers and police officers who risk their lives to make these missions a success? Are we treating them fairly? Are we providing them with proper recognition of their work which, let us be honest, is the reason we have such a good reputation within the international community?

As I have already mentioned, it is all very fine and well to rise in the House and make ministerial statements in support of people

setting off overseas, but I also think it would be good for RCMP members to feel supported economically.

This is where Bill C-12 comes in. It tries to address a certain unfairness in the distribution of employee benefits. We realized there was a difference in the levels of pay of members of the RCMP serving on peacekeeping missions and members of the Canadian armed forces serving as peacekeepers on similar missions.

The inequality arises from the fact that the Pension Act currently provides for payment of an allowance in the event of disability or death relating to service in the armed forces. While they are eligible for the same benefits as the armed forces in peace time, the members of the RCMP are not, by definition, entitled to benefits under the Special Duty Area Pension Order.

So, members of the RCMP are not entitled to the same benefits as the people they are working with—the members of the armed forces. This salary difference remained, despite the fact that they are both exposed to the dangers of the special duty areas.

Bill C-12 clearly tries to remedy this anomaly. In fact, by changing section 32(1) in part II of the Royal Canadian Mounted Police Superannuation Act, the bill remedies the inequality that had existed up to now.

● (1635)

This amendment will provide for a pension to be awarded in accordance with the Pension Act to a member of the RCMP who is disabled or dies as a result of an injury or disease incurred while serving on a peacekeeping mission in a special duty area.

The expression “service on a peacekeeping mission” would not be defined so as not to be limited in the application of the law. A broad interpretation would enable us to apply new provisions, not only to traditional UN peacekeeping missions, but to other duties as well, such as supervising free elections held in special duty areas.

In the Standing Committee on Justice and Human Rights we had an opportunity to hear a number of witnesses concerned about the changes proposed by Bill C-12. Whether it was Deputy Commissioner David Cleveland, director of RCMP human resources or Staff Sergeant Gaétan Delisle, the president of the association of the members of the RCMP, everyone agreed that the bill corrected injustices concerning the health and safety measures enjoyed by the military, but not the RCMP.

During committee deliberations, we had the opportunity to ask a number of questions of the various representatives. Like most parliamentarians, I agree with the measures put forward in Bill C-12. I took the opportunity to thank the witnesses, who, in their testimony, shared with us what they go through on foreign mis-

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sions. At the same time, this was an opportunity to find out what kind of support they expected from their government.

In debating Bill C-12, we must bear one thing in mind: parity. This is the purpose of the bill. It is designed to remedy imbalances in the operation of the pension schemes. Basically, the intent of the bill can be summed up as the same coverage for the same risks.

In the future, RCMP and Canadian Forces members will be able to say that they serve under the same conditions with the same benefits.

However, as the members of this House are about to vote in favour of Bill C-12, I must ask them this: once this bill is passed, will we be able to say that any and everyone serving in special duty areas has a pension? In other words, is anyone who falls ill, is injured or killed in a peacekeeping operation eligible for benefits under the Superannuation Act?

Let us not forget that there are police forces besides the RCMP that participate in peacekeeping operations. For instance, municipal police forces in Quebec were actively involved in the training of police in Haiti. For them and for their counterparts in the RCMP and the Canadian Forces, there was a risk involved in accepting to help these communities. In fact, I suggest that parity requires that individuals serving abroad, whether RCMP, military or municipal police, be entitled to the same benefits.

During the hearings of the Standing Committee on Justice and Human Rights, RCMP officials expressed their view on the case of the municipal police officers who work abroad under the same conditions as their members.

Mr. Cleveland, the RCMP's director of human resources, stated that it was not his intention to have Bill C-12 apply to municipal police officers, since they are not federal employees, unlike RCMP officers. No one can refute that statement. I think we all agree that municipal police officers are not members of the federal public service. However, based on the wording of the RCMP Act, municipal police officers serving in special duty areas could be considered as RCMP officers and thus enjoy the benefits provided under Bill C-12, to ensure equal treatment.

In this regard, I would like to submit to the attention of the House section 7(1)(d) of the RCMP Act, which reads as follows "The Commissioner—designate any member, any supernumerary special constable appointed under this subsection or any temporary employee employed under subsection 10(2) as a peace officer".

As for subsection 10(2), it provides that "The Commissioner may employ such number of temporary civilian employees at such remuneration and on such other terms and conditions as are prescribed by the Treasury Board, and may at any time dismiss or discharge any such employee".

• (1640)

Therefore, what prevents the RCMP Commissioner from appointing municipal police officers, so that they are temporarily deemed to be RCMP officers during peacekeeping missions? Municipal police officers could then enjoy the benefits provided under Bill C-12. Far from being farfetched, this proposal would allow all those who take part in peacekeeping missions abroad to enjoy the same benefits.

For the Bloc Québécois, equal treatment implies that all those who participate in the important task of peacekeeping are treated equally. We think Bill C-12 meets our desire for fair treatment.

Still, we feel that a little goodwill on the part of those involved is all that is necessary to ensure that municipal police officers from Quebec—who do a tremendous job abroad—can also get their fair share.

[English]

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, I am pleased to rise today to speak on behalf of my party in support of Bill C-12, an act to amend the RCMP Superannuation Act.

The legislation gives members of the RCMP serving abroad as peacekeepers the same benefits as their counterparts in the armed forces in the event of illness, injury or death. It has been too long in coming.

While we support its passage at third reading, we hope that in future when we ask our young men and women to place their lives on the line for their country they will not have to worry about their benefits and our commitment to them.

We must recognize that when our peacekeepers are serving abroad in war zones, areas of civil strife or natural disaster they are on duty around the clock, putting their lives at risk for their country 24 hours a day.

Canada is respected around the world for its commitment to peace and as a leader in peacekeeping missions. We as representatives of the people must ensure that every measure is taken to give full support to our peacekeepers and their families both at home and abroad.

The legislation is intended to provide RCMP members who serve as peacekeepers the same health benefits as their counterparts in the armed forces. It is a step in the right direction and is only fair.

However, more must be done to recognize the service of our peacekeepers and the sacrifices they and their families make in the name of peace on behalf of all Canadians. The issue of equity for all those who serve Canada must be addressed both at home and abroad, particularly with respect to the RCMP that currently do not have the same collective bargaining rights as their brothers and sisters in other law enforcement agencies across the country.

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We hear stories of members of the Canadian Armed Forces and their families having to use food banks to sustain themselves. Men and women who put their lives on the line for their country and for peace around the world are forced to live in near poverty conditions when they return home to Canada.

Long expected raises for servicemen and women have been put on hold. This is in stark contrast to the Treasury Board decision to pay huge bonuses to an executive group of the public service averaging from \$4,300 to \$12,000, illustrating the government's bias in favour of the executive ranks while denying long, outstanding, legally required pay settlements to lower paid workers.

Recent history shows that the Canadian government will use its power against its own employees to take away rights and discriminate against low paid workers. In the name of fiscal restraint, the government has in the past passed legislation to take away employee bargaining rights, freeze wages and remove job security.

The slash and burn policies of the government jeopardize the lives of Canadians at home and abroad. Half of the military installations across Canada have been closed. Aircraft and equipment are being mothballed, services reduced and thousands of jobs lost in both the public and private sector.

• (1645)

This has been the impact of the Liberal government and demonstrates its lack of commitment not only to our peacekeepers but to all Canadians. It is timely to address these issues at a time when all Canadians are encouraged to reflect upon the great sacrifices made by all members of our services on behalf of Canada and peace around the world.

We support Bill C-12 and hope that it is the beginning of a renewed commitment to our peacekeepers and indeed to all Canadians, for the government has a very long way to go to restore equity and fairness to Canadians. We in the NDP will continue to fight to ensure that it does.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am very pleased, as always, to rise in the House of Commons to pledge the support of the Progressive Conservative Party for Bill C-12.

My colleagues in the Conservative caucus and I support the legislation because it expands the scope of pension benefits for many courageous Canadians who presently serve or have previously served as peacekeepers throughout the world.

Specifically Bill C-12 would provide peacekeepers who are members of the RCMP with the same pension entitlements in the event of illness, injury or death as peacekeepers from the Canadian Armed Forces. The legislation in essence is long overdue.

If Bill C-12 is adopted, provisions of the RCMP Superannuation Act would correspond exactly to provisions of the Pension Act regarding coverage and benefits for injuries, illness or deaths incurred while on peacekeeping missions. RCMP peacekeepers would therefore be put on a level playing field with all Canadian forces counterparts.

Our position in the global community is unique since for the last 40 years Canada has built a proud tradition as peacekeepers in the world. Cyprus, Egypt, Rwanda, Somalia, Bosnia and Haiti are but a few of the countries where Canadian men and women have put their lives on the line to help preserve the cause of peace, proud Canadians all.

Indeed Canada has been at the forefront of developing and implementing modern peacekeeping operations in the world. This is due in no small part to the active involvement of thousands of members of the Canadian Armed Forces.

Following the first 30 years of participating in peacekeeping nations and operations throughout the world the nature of Canada's peacekeeping changed. In 1989 RCMP officers were deployed to Namibia, the former southwest Africa, as it made its transition from the South African protectorate to an independent and democratic nation.

No longer would peacekeeping remain the sole domain of the Canadian forces. These brave men and women who will henceforth have support from their peacekeeping colleagues in the RCMP will continue to do Canada's work abroad.

Since 1989 more than 600 members of the RCMP have participated in United Nations missions to the former Yugoslavia, Haiti and Rwanda. I personally have had the pleasure of knowing a member who took part in such a mission. From the constituency of Pictou—Antigonish—Guysborough, Guy Piché, a member of the Stellarton RCMP detachment and a dedicated officer, served his country proudly in Haiti.

The RCMP has successfully complemented the Canadian Armed Forces and their involvement in peacekeeping. By expanding upon the earlier successes of Canadian forces in many of the world's trouble spots, RCMP members have met the demand for peacekeepers in developing nations.

We should pause for a moment and reflect on what peacekeeping means. It is more than a buzzword. Peacekeeping means providing tools to developing countries to help support a stable and democratic government, namely an effective security force in place which will ensure and respect human rights and dignity.

RCMP members avail themselves to provide skill training in areas such as investigation, first aid and case management. They

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have also provided monitoring for individual officers and monitoring for development of civilian peace officers.

Finally peacekeeping includes maintaining a safe and secure environment in which developing peace forces can operate without fear of reprisals. The last element of peacekeeping is probably the most dangerous for those in the RCMP. Like their Canadian forces colleagues in the traditional peacekeeping settings, RCMP officers will face violent opposition to their presence in some instances. They will place themselves in harm's way because of warring factions. This is the ultimate in bravery in the fight against unruly forces.

United Nations and the bill define these peacekeeping locations as special area duties. The everyday reality is much more precise. These are deeply troubled areas in which Canadians are putting themselves at grave risk of injury, illness or death for the cause of peace.

• (1650)

For these reasons the intent of the legislation, to put Canadian forces and RCMP personnel on an equal footing with respect to the Pension Act, is certainly a positive one, which I feel should receive priority and attention from the House and from the Senate.

I should note, however, that the situation of imbalance between Canadian forces peacekeeping benefits and the RCMP peacekeeping benefits was neither planned nor deliberate. It occurred under the evolution of Canada's international military and security role during this century.

At the beginning of the 20th century there was no such thing as peacekeeping. Soldiers for the peacekeeping force were, merely by the absence of full scale war, doing their duty abroad. Such a war became a reality in the first world war in which Canada paid dearly with the price of the lives of many of the young generation of Canadians who took part.

In the wake of the first world war's carnage, the government of the Right Hon. Sir Robert Borden introduced the Pension Act, which provided compensation for disability and death related to service in Canadian forces. The Pension Act, however, maintained a fundamental distinction in the eligibility of benefits between wartime and peacetime military service. That distinction remained almost 80 years later.

Put simply, if an injury, illness or death was attributed to or incurred during the first or second world war, a pension shall be awarded under section 21 of the act. This was around the clock coverage. Peacetime service would result in the same benefit as wartime service, only if it could be established that the injury, illness or death was sustained on duty and attributed to service. The difference was clear. If there existed a state of war, 24 hour coverage was provided. However for anything less much stricter restrictions would apply.

After the second world war Canada continued to be involved in international military operations during peacetime such as in Korea and the Persian gulf. Canada also introduced and executed the innovative notion of peacekeeping which nonetheless placed Canadian forces personnel in hazardous conditions not normally associated with traditional peacekeeping service.

In response to that evolution, the federal government introduced the Appropriation Act No. 10, 1964. The bill then allowed cabinet, through order in council, to designate special duty areas outside Canada in which members of the armed forces would be eligible for the same pension benefits as under section 21 of the Pension Act.

In other words, there was 24 hour coverage for Canadian forces personnel in these special designated duty areas, whether in military operations such as in Korea or the Persian gulf or peacekeeping activities such as in the Middle East or the former Yugoslavia.

Various governments have issued more than two dozen such designations. Our Canadian forces personnel have therefore been eligible for pension benefits in the event of illness, injury or death incurred in these special duty areas.

The RCMP meanwhile have been eligible for the same pension benefits as those listed under section 21(2) of the Pension Act, but the illness, injury or death provisions incurred through peacetime military service was deemed to be equivalent to illness, injury or death entitlements for members of the RCMP.

The principle was confirmed under the RCMP Act in 1984 and confirmed in the first RCMP Superannuation Act in 1959. This was a logical provision for the domestic RCMP service. In an area such as Canada where peace is the rule, it makes perfectly good sense to link this type of pension eligibility to duty rather than to service.

Therefore in special duty areas peace is the exception and not the rule. That is why the federal government, I surmise, has changed the pension eligibility rules for Canadian forces personnel which were in effect for 30 years. I suspect that is why the federal government must now change the pension eligibility rules for RCMP personnel who are now very much an integral part of Canada's international commitment to peacekeeping.

This is the sole purpose behind Bill C-12. For the reasons I outlined, it is with pleasure that I pledge the support of the Conservative caucus in a very non-partisan way. I suspect that this will be of tremendous benefit to existing members of the RCMP and future generations who partake in this very noble duty abroad and within Canada.

• (1655)

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, it is a privilege to follow the member for Pictou—Antigonish—Guysborough. It must be a rare occasion when two members with the same name on opposite sides of the House support the same bill. I

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intend to split my time with the member for Waterloo—Wellington.

This is a very straightforward bill which will correct the inequalities that exist today between two groups of very noble Canadians, namely our peacekeepers and members of the RCMP. In particular, it will extend protection provided to RCMP members in the event of an injury, illness or even death connected to such service.

First let me explain the amendment and its importance to Canada and its international peacekeepers. Our Canadian peacekeepers serve in some of the most war torn areas of the world. They are highly skilled individuals who work to bring law and order to nations experiencing civil strife. While doing so Canadian peacekeepers live in danger 24 hours a day.

Canadians are justifiably proud of their peacekeepers and expect that they will receive the same kind of protection and benefits that properly reflect the conditions in which they work and live. The special duty area pension order recognizes the environment in which our peacekeepers serve.

Members of the Canadian forces are considered on duty 24 hours a day while serving in special duty areas. That means that should a member of the Canadian forces suffer an injury or illness or even die while serving in such an area, he or she automatically becomes entitled to the benefit under the Pension Act.

Unfortunately such cannot be said for members of the RCMP. At present 44 of their members are serving abroad in Bosnia or Haiti. They are only entitled to benefits under the Pension Act if the injury, illness or death occurs during their normally scheduled work shift. We had an anomaly with regard to two members serving in the same area, one an RCMP officer and the other an off duty soldier. If injured, one receives compensation and the other does not. It is not fair and it is not equitable.

Under the terms of the present act the onus is on the employee to prove the disability attributable to the employment or service. Since Canada first participated in international peacekeeping missions by sending members of the armed forces to areas of armed conflict, it was acknowledged that it would be unfair to oblige these individuals or their beneficiaries to prove that injury or death was attributable to their work. Whereas a member of the Canadian forces benefits from the presumption that the injury or loss of life occurred while serving in a special duty area and is attributable to his or her service, the onus unfortunately shifts to the member of the RCMP to prove his or her case.

The bill corrects that inequity. It solves the problem of the differences in treatment between members of the Canadian forces and the RCMP. It acknowledges that Canadian peacekeepers never

stop serving and running a risk even when their shift is over. As I indicated earlier, we would have two individuals leaving the service area, going off duty, and in the same accident one member would be covered and the other would not be.

At the present time, for instance, members of both forces are on a mission in Bosnia, which has been declared a special duty area. In accordance with special duty area pension orders, members of the Canadian Armed Forces are considered to be on duty 24 hours a day with respect to injury, illness or death. Members of the RCMP, however, are considered to be on duty only during their shift and therefore are treated differently from military personnel participating in the same mission, even though they are enduring the same conditions and are exposed to the same dangers.

These special benefits take into account the increased risk associated with peacekeeping duties. The amendment will extend the same kind of program to disabled RCMP peacekeepers. The amendment reflects the changing role of peacekeeping and how Canada as a country, respected worldwide for its commitment to peacekeeping, has provided what many countries need most to sustain peace, a respect for the rule of law and a method of fairly enforcing the law.

• (1700)

We must remember that RCMP members participating in these peacekeeping missions are volunteers. They are highly dedicated individuals and highly skilled individuals who bring to their mission a great deal of talent and dedication. They are all volunteers and they all experience some level of risk. Their job is not an easy one. It is not without significant personal risk.

Therefore it is very important that RCMP members serving as peacekeepers be treated fairly and that their families can be confident in the adequacy of benefits to which they are entitled. The bill strives to do just that. It seeks equity for all Canadian peacekeepers, whether they are military or RCMP personnel.

In supporting this bill parliamentarians from all sides of the House will acknowledge the contributions of the RCMP as equal in value to that of their colleagues in the Canadian forces. It is good law. It corrects inequity and I hope all parties from all sides of the House will see fit to support it.

I am hoping this House will act quickly. There are at present 44 members of the RCMP serving abroad in areas of risk. We need to address that, and I am hoping all members will see fit to pass the legislation quickly.

Members of the RCMP currently serving their country in peacekeeping missions must be assured that they will be protected in the event of injury, illness or death. I hope that all hon. members understand the fairness of the amendments proposed to the Royal

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Canadian Mounted Police Superannuation Act and that they will join me in the passage of Bill C-12.

For all of those reasons, as the hon. member opposite said, I support the legislation. I hope that in supporting the legislation it will see speedy passage.

Mr. Jack Ramsay (Crowfoot, Ref.): Madam Speaker, I enjoyed the comments made by my colleague who sits on the justice committee, as do I. I am wondering if he would like to comment on a bit of a sidebar to this bill. As we send our RCMP members overseas, which is rather a new and unique occurrence in the history of the force, I am wondering if he is concerned about the vacancy that is left in this country, where we see some detachments, particularly in western Canada, manned by the most senior member who holds nothing greater than the rank of corporal.

I wonder if he has any thoughts that he might add to his earlier comments with regard to that kind of a situation which is developing as a result of the extension of the work of our RCMP to serve in other countries which, at the same time, weakens the force in Canada.

Mr. John McKay: Madam Speaker, I was more worried that the hon. member might ask me something about the proposed DNA legislation.

I would point out to the hon. member that all of the people who are serving in Bosnia and Haiti are in fact volunteers. I am assuming that in the course of both budgeting and deploying resources the concept of their volunteerism is taken into consideration with their superior officers.

I would not argue that any diminution of ability or resources locally is in any way affected because of the approach to volunteering for this service. These people do a wonderful job. We should be proud of them. We need to support them and this bill goes a long way toward doing just that.

• (1705)

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, it is a privilege for me to address the proposed legislative change to amend the Royal Canadian Mounted Police Superannuation Act. I fully support this bill which will balance the benefits given to our peacekeepers whether they belong to the Canadian forces or to the RCMP.

Currently there are inconsistencies in the work related health and death benefits offered to peacekeepers working in these two groups. The amendment would allow RCMP officers to be covered 24 hours a day for illness, disability and death while working overseas in special duty areas in the same way officers in the Canadian forces receive their benefits.

I will outline the importance of this bill to all Canadians.

Our peacekeepers are sent to represent our country as well as to provide security and stability to the people living in some of the most war torn areas of the world. They are highly skilled individuals who work to bring law and order to nations experiencing strife. While doing this, Canadian peacekeepers are effectively on duty 24 hours a day whether they are on a formal shift or not.

While at home RCMP members, like all other Canadians, are entitled to government sponsored benefits for work related illness, disability and death. The system makes a distinction between work and non-work situations. In Canada this distinction is clear. A work related incident occurs during a work shift. However, in the case of peacekeepers serving outside Canada in hazardous areas, the line between being on duty and off duty is less clear. This bill will recognize that our Canadian peacekeepers while serving overseas can never truly go off duty or be away from danger.

Canadians are proud of their peacekeepers and expect them to receive the protection and benefits they deserve. I know this to be true. My constituents in Waterloo—Wellington are very proud of those who do so much for all of us as Canadians.

Since the Canadian Armed Forces first participated in international peacekeeping missions, soldiers or their beneficiaries were not required to prove that injury or death had occurred while the individual was on duty. This acknowledgement continues today.

Members of the Canadian forces are on duty 24 hours a day while they serve in special duty areas such as Bosnia and Haiti. This means that if a member of the Canadian forces suffers an injury, becomes ill or even dies while serving in these areas, the benefits under the Pension Act automatically apply. This is not so for the RCMP. These officers are only entitled to benefits under the Pension Act if the illness, injury or death occurs during a normally scheduled shift. Under the terms of the act, the onus is on the employee to prove the disability is attributed to on-duty service.

Presently members of both forces are on a mission in Bosnia, a region declared as a special duty area. According to the special duty pension order, members of the Canadian forces are considered to be on duty 24 hours a day with respect to the risk of illness, injury or death. However, members of the RCMP are considered to be on duty only during scheduled shift hours. Although both forces are participating in the same mission under the same conditions and exposed to the same dangers, RCMP members are treated differently than military personnel. This bill addresses this double standard.

It solves the problem of the differing treatment between members of the Canadian forces and members of the Royal Canadian Mounted Police doing the same jobs. It acknowledges that Canadian peacekeeping forces never really stop serving and running risks even when their shifts are over. This special pension benefit

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takes into account the increased risk associated with peacekeeping duties.

Bill C-12 reflects the changing role of peacekeeping and how Canada, a country respected worldwide for its peacekeeping commitments, has assisted many countries in stabilizing law and order. This bill strives for equality for all peacekeepers whether they are military or RCMP personnel. By supporting this bill we will acknowledge that the RCMP's contribution to peacekeeping is as important as that of the Canadian forces. I hope all hon. members understand the fairness of the amendments proposed to the Royal Canadian Mounted Police Superannuation Act and that they will join with me and others in passing this bill.

(Motion agreed to, bill read the third time and passed)

* * *

● (1710)

NATIONAL PARKS ACT

Hon. David Anderson (for the Minister of Canadian Heritage, Lib.) moved that Bill C-38, an act to amend the National Parks Act, be read the second time and referred to a committee.

Hon. Andy Mitchell (Secretary of State (Parks), Lib.): Madam Speaker, I am indeed pleased, very proud and honoured to have an opportunity to begin second reading debate on the establishment of Tuktut Nogait National Park.

The opportunity and the sense of pride that I have in being part of the establishment of Canada's newest national park is indeed a broad pride that I have in our nation and in the program that we embarked on back in 1885 when we began the process of establishing our national parks.

This is going to be an important step in the completion of the national park system. As members are aware, it is our objective as a government and our objective as Canadians to have representation in all 39 of the natural regions of Canada. When we speak about completing our national parks system we are talking in the sense of making sure we have representation in all 39 agreements.

The process that we are engaged in today is the completion of a very lengthy process that has been ongoing for a number of years. The most important part of that process occurred on June 28, 1996 when an agreement was signed in Paulatuk in the Northwest Territories for the formal establishment of Tuktut Nogait National Park.

There was an agreement among many of the partners who have worked toward the initiation and establishment of this park. The agreement was signed by the federal government and indeed by the Minister of Canadian Heritage on behalf of the Government of

Canada, in fact the same incumbent who holds that position today. The agreement was signed by the Government of the Northwest Territories and by a number of representatives representing the Inuvialuit who are also signatories to the agreement.

The agreement also completed a long and lengthy process of almost seven years of study, negotiations and examinations of the issues that were evident in that area which came to a conclusion in 1996 and we are here in the House to formalize that agreement through an amendment to the National Parks Act.

One of the primary purposes in establishing this park was the protection of the Bluenose caribou herd and its calving and post-calving habitat. It has long been a priority of the government and a priority of many Canadians to safeguard the core calving grounds of caribou, not just the Bluenose herd as we are doing with this park, but indeed with caribou all across the Arctic.

We as a government and indeed the Prime Minister himself has said publicly, particularly in talking to our colleagues in the United States, how important this objective is and we have long called on the U.S. government to work toward that end.

Indeed this also represented a very special occurrence because in 1994 a resource company, Darnely Bay Resources, at the request of the Inuvialuit and others, voluntarily withdrew their mining interests within the park boundaries.

● (1715)

This was a very important signal of the times, that the mining community was willing to work with national parks, recognizing the importance of establishing them. They withdrew but not because they felt there was no possibility of mineral resources there because in fact the area is designated as having medium to high potential. At that time there was a request to withdraw because the important environmental considerations, the important objective of protecting the caribou herd was made persuasively and the company withdrew its interest in the area.

There are a number of important components to this park. Obviously it conforms with the Inuvialuit final agreement regarding their land claims settlement. This agreement signed in 1996 recognizes that and indeed it honours that agreement. It also provides for Inuvialuit wildlife harvesting activities. They will be able to maintain their traditional activities within the boundaries of the park.

As I said when I began my comments, the protection of Canada's special places is an important objective for this government. It is indeed something most Canadians and I would hazard to say all Canadians believe in. To date, federally we are protecting some 3% of our land and when we count that which is under protection by the provinces it is a little over 10%. We are working toward making

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sure we can leave to future generations these special places in Canada.

With this legislation and with the protection of the caribou, with the protection of what is one of the most beautiful places in Canada, we are working toward the completion of our national parks system. I am very proud of that.

I call upon my colleagues in the House to support this legislation. Support the formalization of this national park as a full-fledged member of the national parks family. This will ensure the protection we provide under the act will be provided to this area. I urge my colleagues from all parties to support the establishment of this very special national park.

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Madam Speaker, I am pleased to have this opportunity to speak to Bill C-38. This bill will establish the Tuktut Nogait national park in the Northwest Territories. The park will be 16,340 square kilometres and it resides in the Inuvialuit land claims settlement region.

The bill itself is very technical. It outlines in precise geographical terms the boundaries of the new park. However there is more to the bill than lines on a map and a lot of complicated geographical land descriptions. The driving force behind the creation of this national park was the protection of the calving grounds of the bluenose caribou. In fact in the Siglik dialect of Inuvialuktun, "tuktut nogait" means "caribou calves".

In 1989 the closest community to the new park, Paulatuk, prepared a community conservation plan that recommended the creation of a national park in order to protect the caribou calving grounds. In 1996 an agreement was signed by the Government of Canada, the Northwest Territories and four representative groups of the Inuvialuit. That agreement set out the boundaries of the park as they are set out in this legislation.

• (1720)

The new national park not only protects the caribou but it also protects the fragile tundra landscape in that region. The creation of the park advances the objective of Parks Canada of establishing a national park in every distinctive natural region of our country.

The Tuktut Nogait park is located in region 15, Tundra Hills, as designated by Parks Canada in its national parks systems plan. This particular region is highlighted by a number of spectacular features. One is the smoking hills where smoke billows from cracks in the ash covered ground.

As well, more than 95% of this region is tundra, rock barrens where only the hardiest plants can survive. Wildlife in region 15 is mainly comprised of summer migrants. Muskox, wolves and as many as 500,000 caribou can be found in this region. According to

Parks Canada this area is home to one of the rarest birds in Canada, the Eskimo curlew.

Tuktut Nogait comprises only a portion of region 15. However the new national park is an important step in preserving the wildlife and wilderness wonders which I have just described.

We live in a country that is extremely diverse in its landscape, temperatures and wildlife. It is incumbent upon us to act responsibly to ensure that the appreciation of that diversity is available to future generations. The creation of Tuktut Nogait is an important step in protecting that diversity and providing Canadians and our visitors with an opportunity to discover and enjoy the natural beauty of our country.

The Darnley Bay anomaly borders the new park on its western side. The anomaly area which covers 463,847 hectares is thought to contain nickel, copper and platinum group elements. There was some concern for the boundaries of the Tuktut Nogait park since this mineral find, or the proposed area where minerals may be, extends within the park's borders.

The company prospecting the anomaly had been given exploration permits by the department of Indian affairs that mistakenly included portions of the new national park. However in 1994 the company in question relinquished its exploration rights within the national park area so that the establishment of the park could proceed.

Last September the president of Darnley Bay Resources was quoted in the *Edmonton Journal*. What he said was that he would not seek a change to the park boundary if a major mineral deposit was found on the boundary. The company should be commended for that. It is encouraging to see that businesses in this country are willing to work with the government in preserving and protecting our natural heritage.

I look forward to reviewing this bill more closely in committee so that the exact costs of the establishment and maintenance of the park can be determined. I will be interested to learn how the park will be managed. I will be interested to examine any projected business or financial plans that may be available for the new park. While I am sure we are all in agreement as to the importance of establishing this park, we should also agree that the establishment of this park must be done in a fiscally responsible manner.

At this time I can see no reason for opposing the establishment of this new national park in region 15. It protects and preserves wildlife in an important wilderness area in the Northwest Territories. It preserves a part of Canada's natural heritage for us, for our children and for our grandchildren to enjoy. Surely such an objective can meet with the support of all members of this House.

Private Members' Business

● (1725)

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Madam Speaker, I concur with the speech just given by my colleague on the establishment of this park but I would like to add a couple of caveats.

My major concern is in the management of the parks under Parks Canada, soon to be under the parks agency.

It strikes me that there has not been a sufficient differentiation between parks and preserves. These are English words that I use to designate how I see the difference between the establishment of this park and many others, and where we have developed facilities such as the four mountain parks, especially the Banff park.

It is clear to me that there has to be an acceptance by the top management in Parks Canada or in the parks agency, whenever that comes about, to ensure we do not end up robbing Peter to pay Paul.

I am referring to the fact that the four mountain parks have the ability to generate revenue. The town site of Banff has a gross domestic product in the range of three-quarters of a billion dollars a year. That is not million; that is billion. Three-quarters of a billion dollars a year just from that one town site in the park.

Parks Canada also has the ability and the responsibility to collect fees from people who have concessions or leases within the parks. There is Riding Mountain National Park. There are the contractual arrangements for some of the tour operations in Gros Morne National Park. The park derives revenue that is going into the overall park revenue.

There should be some kind of linkage between the revenue which is being derived from a given area and the services which are being provided to that area. Unfortunately, as I understand the situation, revenues derived from the leaseholders, the tour operators, and other people who are paying into the park even the permits are currently going into the consolidated revenue of the park. In my judgment that represents a serious problem.

As my colleague has just stated, with the establishment of this park we have to make sure that we are doing these things on a very sound fiscal footing. If there is a good reason for the establishment of this park, and I believe there is, we have to be able to cost it out. The people of Canada will then know the administrative costs for the people involved in the environmental sciences, the protection and ranger work, the physical infrastructure required to support them as well as their pay and benefits. If they know that the cost of the entire package is going to be \$1 million, then Canadians can either buy into it because it is good value or say that it is too much.

There has to be a complete separation between the leasehold arrangements, the tour operator arrangements and the park fee arrangements that are currently in place. There has to be more focus on those areas where the revenue is derived.

I have a concern in the downsizing that has occurred. The Reform Party has been supportive of making government more accountable and leaner and we take pride in that. However, the concern I had when I was responsible for this portfolio before turning it over to my very capable colleague was that we were robbing Peter to pay Paul in the parks system.

We have an opportunity in the establishment of the parks agency which is also legislation presently before the House to address the issue I just raised. We have to approach it very conscientiously and very seriously.

Madam Speaker, how much time do I have left?

● (1730)

The Acting Speaker (Ms. Thibeault): The time has expired. It is understood that when the bill is brought back to the House the hon. member will have 35 minutes left.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS*[English]***ACCESS TO INFORMATION ACT**

The House resumed from February 12 consideration of the motion that Bill C-208, an act to amend the Access to Information Act, be read the second time and referred to a committee.

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Madam Speaker, it gives me great pleasure to speak on private member's Bill C-208 brought forward by the Liberal member for Brampton West—Mississauga.

Bill C-208 proposes to amend the Access to Information Act to provide sanctions against any person who improperly destroys or falsifies government records in an attempt to deny right of access of information under the act.

The Reform Party supports ensuring that the government is more open and accountable to the public. This bill would do that. It therefore has my support and the support of a great number of my colleagues.

The government has the responsibility to ensure that the affairs of government are open and above board. Canadians have a stake in government affairs and the actions of government must be open to public scrutiny. The wilful destruction of public documents clearly must be prevented. This can only be done with realistic sanctions, which is what this bill does.

Private Members' Business

Information collected for public purposes and paid for by the taxpayers belongs to the people. Canadians have a right to ensure that public documents are made available to Canadians under the requirements of the Access to Information Act.

Bill C-208 will help to ensure that the guarantee of public access to government documents is protected. Bill C-208 will hold government and public servants accountable for their actions when dealing with public documents. Bill C-208 will also serve as a deterrent to future recurrences of destruction of public documents as we witnessed during the Somalia affair.

Information commissioner John Grace investigated and found that allegations of document tampering or destructions at Transport Canada and national defence "proved to be well founded".

Investigation also found document destruction by Health Canada in 1989 of the Canadian blood committee audio tapes and transcripts of all preceding meetings of the Canadian blood committee. The destruction was ordered and carried out so that records could not become subject to the Access to Information Act.

The commissioner concluded that the decision to destroy the records was motivated by concern about potential litigation and liability issues associated with tainted blood products. The commissioner found that the then executive director of the Canadian blood committee had custody and control of the records and probably knew there was a pending access to information request for the records.

According to the information commissioner, these "lamentable incidents of wilful actions taken by public officials for the purpose of suppressing information have been a wake-up call".

The information commissioner has twice recommended: "There should be a specific offence in the access act for acts or omissions intended to thwart the rights set out in law. Moreover, those who commit this offence should be subject to greater sanctions than simply exposure of wrongdoing. At a minimum, the offence should carry a penalty of up to five years in prison. Such a penalty is in line with that imposed in section 122 of the Criminal Code for breach of trust by a public officer. The stakes are too high for simply a slap on the wrist".

Also according to the information commissioner, the government has improperly destroyed or falsified government documents in many ways. These include altering records before release to an access request or without informing the requester of the changes and without invoking any exemptions under the act, or destroying original records so that the alterations would not be found out.

This bill makes good sense. It is filling a hole that currently exists within the Access to Information Act by allowing or specifying penalties for people who would wilfully destroy or alter

public information so anyone having an access request would not get that information. I support this bill and I believe a number of people in the House will also support it.

• (1735)

This is one bill of four I am aware of that deal with the Access to Information Act. Bill C-216, the third hour on which will be in a couple of weeks, also deals with access to information. It deals with commissions and crown corporations such as the CBC and the wheat board that are now exempt from access to information.

The four bills come from all sides of the House dealing with access to information. This shows all parties are interested in having an Access to Information Act that works, that is accessible and covers all areas of government. We will see it happen in the votes over the next days and months in the House.

Mr. John McKay (Scarborough East, Lib.): Madam Speaker, I am indebted the hon. member for Waterloo—Wellington for his assistance.

I commence by commending my colleague for Brampton West—Mississauga for bringing this important issue to the attention of the House and for her continued commitment to safeguarding the rights of Canadian citizens.

I am also pleased to have an opportunity to speak on Bill C-208. It proposes to add to the Access to Information Act an infraction for destroying documents subject to the act with intent to deny access. Before talking about the specifics of the bill I will provide some background for my comments.

Canadians have had the benefit of the federal Access to Information Act since 1983. The federal government can uniquely invoke certain exceptional, specific and limited measures to refuse access to information. It is in these cases, when the government refuses to grant access to information, that the law confers on individuals the right to make a complaint to the access to information commission to review the decision made by the government in the federal court.

The laws of access to information of the federal government are a fundamental right in a democratic system. Under a declaration of the supreme court made earlier this year the primary goal of the legislative measures is concerning the access to information to facilitate democracy.

The laws of access to information that the government possesses in order to facilitate the functioning of the federal government are to render more simple, more receptive and more responsible government. States with repressive laws consequently are missing a tool that allows them to behave responsibly as governments. This is not to say that access to information could not be improved or brought up to date.

Private Members' Business

The hon. member is trying to improve the act with the amendment proposed in the legislation. One can argue that there is a gap in the protection currently offered by the act since it does not contain a penalty for the deliberate alteration or destruction of a record. The act does contain a penalty but it is a penalty for obstructing the work of the information commissioner.

The act also authorizes the commissioner to disclose to the Attorney General of Canada information relating to the commission of an offence against any law of Canada by any officer or employee of a federal government institution.

● (1740)

The bill would add an offence for actions that one can legitimately see as actions that intend to defeat the purpose of the act.

For that reason I agree with the hon. member that the Access to Information Act should include a penalty for deliberately destroying documents subject to the act. I believe that such action is unacceptable and therefore should be punished. For this reason I support the general goal of Bill C-208. I do not, however, support the specifics of the bill.

We could maintain that article 126 of the Criminal Code applies to a situation where a person voluntarily destroys a document with the goal to revoke access to information under the Access to Information Act.

Under article 126 of the Criminal Code whoever without legitimate excuse contravenes the federal law by voluntarily accomplishing is guilty of a criminal act and is liable for imprisonment for a maximum of two years.

The severity of the penalty seen in article 126 can bring us to ask if we can foresee the penalty under the access to information law in the case where voluntary destruction of documents is applied to.

We envision a penalty specific that would not be as severe as that in article 126 for the act of this crime and to receive imprisonment for a maximum of two years.

I am of the opinion that the penalty as described in the Criminal Code is probably far too severe. Consequently, if we add a penalty specific to the access to information law it should be less severe than the penalty currently listed in article 126.

What is proposed in Bill C-208? It is to create an indictable offence with a maximum penalty of five years in prison, which is heavier than the penalty provided for in section 126. For this reason I cannot support the bill.

I understand the hon. member wants to make the point that the destruction or alteration of the document is serious. We all agree to

this. It should also be put into perspective. In my view a maximum of five years is far too heavy a penalty for destroying documents.

This penalty would be more severely punished than the offence of assault causing bodily harm, a hybrid offence with a maximum penalty of 18 months when prosecuted under summary conviction. Destroying documents, while undoubtedly serious, cannot be compared to assault causing bodily harm.

I believe the need to create an offence for the deliberate destruction of records in order to thwart the Access to Information Act is an issue that should be considered within the context of the reform of this act and should be examined by the House.

I believe that a case can be made that an addition to such an offence would strengthen the principles of openness and accountability inherent in the access to information legislation.

I also believe that particular attention should be paid to determining the appropriate sentence to be attached to the offence, which should be proportional to penalties provided for comparable offences.

[Translation]

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, it is with special interest that I rise today to speak to Bill C-208, an act to amend the Access to Information Act.

This bill provides more severe sanctions against any person who improperly destroys or falsifies government records in an attempt to deny right of access to information under the Access to Information Act.

The 1980 Access to Information Act does not provide sanctions severe enough for this type of offence. Section 67 currently provides the following:

67. (1) No person shall obstruct the Information Commissioner or any person acting on behalf or under the direction of the Commissioner in the performance of the Commissioner's duties and functions under this Act.

(2) Every person who contravenes this section is guilty of an offence and liable on summary conviction to a fine not exceeding one thousand dollars.

● (1745)

Bill C-208 makes it an indictable offence to destroy, falsify or not keep required records. The punishment for such an offence would be imprisonment for a term not exceeding five years or a fine not exceeding \$10,000 or both.

This bill is timely since people from every walk of life are becoming increasingly interested in public life, and this is good. Whether they are artists, professionals, intellectuals or labourers, they all want to know how their interests are being taken care of. It is critical to understand that citizens want to take an active part in the development of government policies.

However, this legitimate demand requires that the policy development process be accessible. Therefore the process to disseminate government information must be effective and, above all, transparent.

Does the current act meet these expectations? Do information policies allow every citizen to really know how the government works?

According to the member for Brampton, who introduced this bill, the answer is no. According to the member, we must review the Access to Information Act to punish more severely any person who improperly destroys or falsifies official records.

I totally agree with the member. Public servants who commit such destructive acts must be punished more severely. As lawmakers, we must protect the right of our fellow citizens to be adequately informed of their government's actions. And I am not the only one who thinks so. On several occasions, the Information Commissioner criticized the lack of teeth in the Access to Information Act.

In his 1995-96 report, he condemned the three following cases.

First, at Transport Canada, a senior official directed his assistants to destroy all copies of an audit report concerning a refurbishing project which he knew was the subject of an access to information request.

Second, at the Department of National Defence, a reporter claiming that certain documents had been falsified before being released to him requested an investigation, which showed that the allegations were founded.

Third, there was a similar case at Health Canada. Testimony presented before the Krever Commission revealed that recordings of meetings of the Canadian committee were fraudulently destroyed in the late 1980s.

In his 1996-1997 report, the commissioner reaffirms his position that the law as it stands now does not provide for effective enforcement mechanisms.

On the specific issue of the tainted blood scandal, the commissioner once again sent a message to the lawmakers, saying "These lamentable incidents of wilful actions taken by public officials for the purpose of suppressing information have been a wake-up call. As recommended in last year's annual report, there should be a specific offence in the access act for acts or omissions intended to thwart the rights set out in the law. At a minimum, the offence should carry a penalty of up to five years in prison".

In his last two reports, the commissioner warned us that the legislation was not effective. In 1996, he said and I quote "After 13 years of operation of this Act, it is unfortunate to have to report several very disturbing manoeuvres to hinder the right of access to government documents, including destruction and falsification".

Private Members' Business

In 1997, for the second time in two years, the commissioner stated "These lamentable incidents of wilful actions taken by public officials for the purpose of suppressing information have been a wake-up call. As recommended in last year's annual report, there should be a specific offence in the access act for acts or omissions intended to thwart the rights set out in the law. At a minimum, the offence should carry a penalty of up to five years in prison".

• (1750)

It is obvious that we need to legislate according to the recommendations made by the commissioner. One of my colleagues, the hon. member for Berthier—Montcalm, has introduced Bill C-286. He too urges parliamentarians to solve the problems related to the enforcement of the Access to Information Act.

However, his bill differs from the one now before the House, because it deals with various aspects of the destruction of documents. The bill before the House does not seem to deal with that particular issue.

As my colleague from Laval Centre said, when we address the issue of the destruction and falsification of documents, we cannot disregard some considerations specific to our public administration. Documents requested under access to information are rarely destroyed by the individual who would really benefit from their disappearance. Very often—and the bill must have provision for this—it is senior officials or senior public servants who have ordered this to be done, although they have not done it themselves.

That is why the hon. member for Berthier—Montcalm is introducing Bill C-268, which forbids any employer in a position of authority from taking reprisals against anyone refusing to destroy or falsify a record when asked to do so. This shortcoming in the present legislation would be remedied by the bill of my hon. colleague for Berthier—Montcalm.

There must be severe penalties for those who use their authority to order destruction of a document and who threaten someone who refuses to go along with this. Unfortunately, Bill C-286 makes no mention of this.

In closing, it must be recognized that the bill attempts—albeit only partially—to solve a very significant problem in our information policy. It is therefore our party's duty to support it.

The Access to Information Act does, however, deserve to be reformed far more extensively. I am therefore inviting you to discuss Bill C-286, which addresses access to Privy Council confidences, with my colleague soon.

In conclusion, although this bill is praiseworthy, I must draw attention to some of its shortcomings. One of these is that it calls upon parliamentarians to resolve only some of the problems. It must therefore be made clear that this reform remains incomplete in many ways.

Private Members' Business

For example, we need to be aware that documents, and I repeat myself here, are rarely destroyed by the very person for whom their destruction would be advantageous. The Access to Information Act must, therefore, prohibit any reprisal, or threat of reprisal by an employer or a person in a position of authority.

The complete bill, in conjunction with Bill C-286, should therefore provide for three kinds of offence: destroying or falsifying documents; ordering the destruction or falsification of documents; retaliating against a person who refuses to destroy or falsify documents.

We therefore believe the intent of Bill C-208 to be commendable and that is why we are supporting it. Much more extensive amendments are in order, however. That is why we hope to have the opportunity at some point to discuss Bill C-286, which will be a useful adjunct to the bill before us today.

[English]

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I will add a few points to this important debate. We are talking about the destruction of evidence of what government officials and bureaucrats do. It seems the whole concept is one of accountability of which I am strongly in favour.

When I was first elected in 1993 I inherited all of the office equipment of my predecessor and the motor on the shredder was burned out. Everything in the office was shredded. Apparently they had bags and bags of shredded paper and a burned out motor on the shredder when it was all done.

I have a couple of suggestions for government with respect to the handling of confidential information. There is a bit of a misconception here. I believe there are justifiable occasions when in order to protect the rights of individuals, or in the case of MPs those of a constituent, documents need to be destroyed so they cannot be used against the individuals. That I think is important.

• (1755)

When it comes to government accountability and bureaucracy I think just the opposite is true. There are two points that I think are very important. One is that accountability comes from knowing that the document will some day be made public.

Recently we had a talk with, for example, the Canadian Wheat Board. It is not subject to the Access to Information Act so it can do whatever it wants. Other than what it chooses to report in its reports, the rest is never available to the public and in particular to farmers who have the greatest interest in the Canadian Wheat Board.

Even though one can argue that there is a commercial value to secrecy at a certain stage, why can we not after five years, or even after ten years, say that everything has to be opened up? At that stage people would know what decisions were made on their behalf five years before.

This would very greatly affect the decisions being made by bureaucrats, by officials. They might say they can do something and no one will ever find out and it does not matter. However, if they know that some years down the road someone will find out, it may affect their decision and cause them to do what is right instead of what may not be right.

The second part of what we are talking about today is the destruction of documents that could be called upon later. I would like to add another feature. Anybody who is ordered by a superior to shred documents or otherwise destroy them should have the right to obtain the order in writing and to retain that document for his or her own protection for the future so that nobody can pass the buck afterward and say "I was simply following orders", and then the person giving the orders saying "No, I never gave that order".

In that way an individual, someone lower down in the hierarchy who did not make the decision, would still have protection. Thereby the person who actually gave the order would be held responsible because the document would be held in the safety of the person receiving the order who would be able to produce it if the matter became an issue later.

In general I would like to speak in favour of the bill. It is an important measure to provide accountability and to make sure things are done correctly on behalf of taxpayers and voters. The Canadian people would have confidence in their government because information would be available to them when they need it in order to provide the facts. This measure would provide for the safety of materials, preventing their destruction, so that evidence could be brought forward if needed.

In principle I support the bill and I also urge other members to do so.

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

Some hon. members: Question.

The Deputy Speaker: Pursuant to order made earlier today, all questions on the motion are deemed to have been put and a recorded division deemed demanded and deferred until Tuesday, April 21, 1998, at expiry of the time provided for Government Orders.

Is there unanimous consent to call it 6.30 p.m.?

Some hon. members: Agreed.

*Adjournment Debate***ADJOURNMENT PROCEEDINGS**

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

VIOLENCE AGAINST WOMEN

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, on December 5, 1997, in the absence of the Minister of Justice, I asked her parliamentary secretary when the Liberal government would limit conditional sentencing to non-violent offenders. The parliamentary secretary refused to answer the question.

As of today my particular question on conditional sentencing has been outstanding for 45 sitting days of the House.

● (1800)

However, prior and subsequent questions asked repeatedly by myself and my colleagues have gone unanswered since the inception of Bill C-41, the vehicle of conditional sentencing, in June 1995.

For almost three years now we have asked the former and current justice ministers to amend the Criminal Code to restrict the use of conditional sentencing to non-violent offenders. We have ample reasons to be concerned about the releasing of violent offenders including convicted rapists onto our streets. These reasons include the safety of our sons and daughters, our spouses and our brothers and sisters.

Sex offenders have the highest rate of re-offending and therefore pose an enormous risk to the lives and safety of our families. Yet despite our repeated requests, the justice minister refuses to limit conditional sentencing. As a result, rapists and other violent offenders are walking free.

We have numerous examples to prove this fact. However, as my time is limited, I will use the most recent case which has raised the ire of Canadians across the country.

On January 26 of this year, a Quebec court judge granted 24-year old Patrick Lucien and 23-year old Evans Shannon conditional sentencing for sexual assault. Judge Monique Dubreuil granted these lenient sentences, although the crown recommended prison sentences of five and four years respectively.

A community sentence is totally inappropriate and unacceptable for these two men who took turns raping their 18-year old victim while the other held her down.

When questioned about these two cases, the justice minister provided her typical answer. She was satisfied to leave this and similar controversies to the courts.

Well the justice minister may be satisfied with this abhorrent use of conditional sentencing, but the Reform Party of Canada—

The Deputy Speaker: Order, please. The hon. member may not have been in the House the other day when there was an intervention by the Deputy Chairman of Committees of the Whole House.

The Chair is very concerned that the precedents of this House require that members be judicious in their comments in respect of the bench and members of the judiciary in this country. I must say that I take exception to the hon. member naming the judge in this case and referring specifically to this judgement.

If the hon. member wishes to refer to the case in general, the Chair has no objection to that. It is a perfectly fair comment. However, the authorities of this House, including citations in Beauchesne's, which I could find for the hon. member to assist him, indicate very strongly that members ought not to be naming members of the courts in connection with debates in this Chamber and then speaking about them in terms that are less than flattering.

I invite the hon. member to comply with the rules in that regard and avoid reference to the judge in this or in any other case, if he is going to make adverse comments in respect of that person because I believe it is inappropriate for that to be done.

The hon. member may continue his remarks.

Mr. Jack Ramsay: Thank you, Mr. Speaker. I will be guided by the judgment of the Chair on this matter.

I am not sure where I ended, but I will continue my remarks.

On January 26 of this year a Quebec court granted 24-year old Patrick Lucien and 23-year old Evans Shannon conditional sentencing for sexual assault. The judge in that particular case granted these lenient sentences although the crown had recommended prison sentences of five and four years.

I submit that a community sentence under conditional sentencing is inappropriate in this case. It is unacceptable for these two men who took turns raping their 18-year old victim while each one held the victim down.

When questioned about these two cases, the justice minister provided a typical response that we have heard in our request that an amendment to C-41 be made to limit conditional sentencing to non-violent offences. The minister has provided the answer, which is on the record, that she is satisfied to leave this and similar controversies to the court.

The justice minister, as I stated earlier, may be satisfied with this abhorrent use of conditional sentencing but the Reform Party and I believe thousands if not millions of Canadians are not satisfied with this. We want the Criminal Code amended and we are tired of

Adjournment Debate

waiting, as we are tired of waiting for the minister's answer to the question I asked on December 5.

• (1805)

Since the parliamentary secretary is present I repeat my question to the government. Will it consider an amendment to conditional sentencing that will deny the courts the use of that particular section in cases of convicted violent offenders, including rapists?

[Translation]

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in December, justice ministers met to discuss conditional sentencing issues. More specifically, they looked at the need for an amendment in order to limit conditional sentences to non-violent criminals.

All jurisdictions agreed that Canada's appeal courts should be allowed to issue the necessary guidelines to sentencing judges.

This is taking place in all appeal courts in the country.

[English]

At the appellate level, courts have expressed the view that conditional sentences are generally inappropriate for sexual offences unless exceptional circumstances are present.

We will continue, as the minister has said, to monitor in close consultation with the provinces and territories as requested by the territories and the provinces, the use of conditional sentences. There will always be sentencing decisions that create controversy, and the Reform members are great creators of controversy in this House by bringing up the exceptions to the rule every single time, that seem on their face to be inappropriate. That is why we have courts of appeal.

It is important for hon. members to keep matters in perspective. There have been well over 18,000 conditional sentence orders imposed in Canada since September 1996. As an article published in the *Toronto Star* in March 1988 noted the majority of the more than 18,000 conditional sentences have been free of controversy. The vast majority of conditional sentence cases are well-reasoned appropriate dispositions.

We continue to be vigilant. We are working with provincial and territorial correctional experts and prosecutors to collect data on the use of conditional sentencing, as was requested by all territories and provinces.

The evidence so far is clear. Most conditional sentences have been imposed for non-violent offences involving property, driving, drugs, administration of justice and other non-violent offences under the Criminal Code.

We do not make laws in this country for the exceptions. We make them in order to cover a wide range of offences.

[Translation]

I also wish to advise hon. members that there is an undertaking on the part of provincial and territorial governments to continue working together.

[English]

I want to advise in addition that the Minister of Justice is considering introducing possible amendments to streamline the enforcement of conditional sentences where an allegation of breach has been made.

The Deputy Speaker: 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 6.08 p.m.)

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