



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, February 9, 2000**

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**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Wednesday, February 9, 2000

The House met at 2 p.m.

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*Prayers*

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• (1400)

**The Speaker:** As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Saint John.

*[Editor's Note: Members sang the national anthem]*

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## STATEMENTS BY MEMBERS

*[English]*

### EAST COAST MUSIC AWARDS

**Hon. Andy Scott (Fredericton, Lib.):** Mr. Speaker, in that spirit I have the pleasure to rise today to congratulate the musicians of Atlantic Canada on the occasion of the 12th annual East Coast Music Awards in Sydney last Sunday night.

The evening was a terrific celebration of traditional and contemporary music emerging from the east coast. Great Big Sea, An Acoustic Sin, John Gracie, Glamour Puss and Natalie McMaster were among the big winners of the evening as were Morning Star, the Nova Scotia Mass Choir and John Curtis Sampson.

Music has long been important in defining who we are in Atlantic Canada, so it is gratifying to see so many of our artists rise to the top.

Congratulations to the honoured artists. As J. P. Cormier said upon accepting his award, when one of us wins, we all win.

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### LIBERAL GOVERNMENT

**Mr. Rick Casson (Lethbridge, Ref.):** Mr. Speaker, in the past month I have had the pleasure of attending several Action for Struggling Agriculture Producers meetings in southern Alberta.

I want to thank the hundreds of farmers who came out to these meetings and shared with me their thoughts on the farm income

crisis. As I travel across my riding and as I travel across the country, I am told over and over that the Liberal government has completely lost touch with Canadians.

This arrogant government has turned its back on farmers, promising help but not delivering. It has turned its back on families, promising to cut taxes while secretly raising them. It has turned its back on the sick, promising to defend health care while slashing billions.

Canadians pay the highest taxes in the western world and what do they get? An arrogant, out of touch Liberal government squandering billions upon billions of their hard earned tax dollars.

The time has come to restore hope. The time has come for change.

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### BRaille DAY

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I rise to commemorate Canada's first Braille Day as proclaimed by our Deputy Prime Minister.

Today we honour the memory of Louis Braille. It was Mr. Braille who developed and introduced a system of six raised dots that revolutionized the lives of blind and visually impaired people around the world.

A combination of these six magic dots have made it possible for a person who is blind to read. The ability to read the printed word opens countless doors.

Braille Day is an opportunity to highlight the importance of this invention and the impact it has on literacy.

I ask my colleagues to join in celebrating Canada's first Braille Day. This year's theme is Braille equals equality.

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### YEAR OF THE DRAGON

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, right now we are celebrating the year of the dragon. The dragon symbolizes vitality, prosperity and power.

When the dragon enters into this new century it makes a magnificent year for Chinese communities in Canada and around

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the world. It is a golden chance to celebrate the richness of Chinese culture and the contributions of Chinese Canadians. The celebrations will enhance the understanding and appreciation of Canada's diversity and its multicultural society.

Today the 40 groups of the national capital region Chinese community and I will host a Chinese New Year celebration on the Hill. Many members of parliament will participate in this non-partisan joyful event to exchange good wishes.

May you have good health, prosperity and success in the year of the dragon.

\* \* \*

**YOUTH CRIMINAL JUSTICE**

**Mr. Chuck Cadman (Surrey North, Ref.):** Mr. Speaker, Canadians are tired of the government's promises to bring in effective youth criminal justice legislation.

We are nearing the third anniversary of the appointment of the present justice minister. After months of promises she finally introduced Bill C-68 and then Bill C-3 as her response to the highly criticized Young Offenders Act.

Press releases were long on talk of getting tough on crime. Now Canadians are discovering that the proposals leave far too many opportunities for even more leniency toward violent young offenders.

There is a groundswell of opposition developing across the country. Two individuals, Bruce McGloan from Calgary and Joseph Wambach from Newmarket, Ontario, have joined forces and have been collecting petitions to oppose the government's actions on youth justice. They now have hundreds of thousands of supporters.

These individuals are just two who have been victimized by violent crimes against their children. Bruce lost his son to a young killer. Joseph's son is now paralyzed after a violent assault. Bruce and Joe are to be commended for their efforts, but the government should be ashamed of its record.

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[Translation]

**HUMAN RESOURCES DEVELOPMENT CANADA**

**Ms. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, I would like to point out how great a need there is for Human Resources Development Canada's programs, including the Canada jobs fund.

It must be made clear that the mandate of this fund is to create jobs and provide financial support to private sector industry to enable it to compete with businesses internationally.

[English]

Since our government has been in power, over 1.7 million jobs have been created. In my riding, textile manufacturers such as Christina Canada, Tricot Exclusive and Heritage Decoys have created 239 jobs. In 1998-99 my riding was able to create a total of 291 jobs.

• (1405)

This is just one program in one riding but I can speak about all the HRDC programs which help Canadians find jobs, school help dropouts learn skills and find employment, help the disabled and illiterate become productive members of society. So why are the opposition members attacking a program that does so much good for so many Canadians?

\* \* \*

[Translation]

**GILLES KÈGLE**

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, this afternoon, Gilles Kègle, a remarkable resident of my riding of Québec, will become a member of the Order of Canada.

Affectionately known as the friend of the poor, the street nurse and the knight of the down and out, he has focused all his energies since 1986 on relieving human suffering in the Saint-Roch neighbourhood of Quebec City.

This man works without pay tirelessly 16 hours a day, seven days a week, with the seniors and the disadvantaged in Saint-Roch. Maison Gilles-Kègle, which he has founded, serves as kitchen, laundry, infirmary and meeting place for the team of 77 volunteers that form the Missionnaires de la paix.

Many expressions of gratitude have cited and continue to cite the devotion of this modest man, devotion that knows no bounds and that puts hope and dignity in the hearts of the abandoned people of society for whom he works so hard.

To Gilles Kègle and his missionaries of peace, thanks for making people the focus of your work.

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[English]

**INUUJAQ SCHOOL EXCHANGE STUDENTS**

**Mrs. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, I would like to welcome to Ottawa students from the Inuujaq School in Arctic Bay, Nunavut who are participating in an exchange program with Hillcrest High School.

These Inuujaq School students are excellent role models for Nunavut youth for they are community minded individuals who

have shown great initiative in the various ventures they undertake. As volunteers in the non-profit High School Café, these students have raised money for many worthy causes and have brought great joy to many lives.

I wish the Inuujaq School and the Hillcrest High School exchange students continued success in their endeavours. I know they will treasure the memories of their visit for a lifetime. Thank you. *Mutna.*

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[*Translation*]

### VOLUNTEERS

**Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Mr. Speaker, on Monday, 25 people from the Montreal region were honoured by the governor general. These were all people who had served others in various ways, examples of solidarity reminding us that there is always a place in a society like ours for lending a helping hand to others.

These volunteers earned recognition for what often seem very simple acts, but these are acts perceived almost as a blessing by their recipients.

This opportunity to celebrate unsung heroes should make us realize that it is possible for each and every one of us to be a hero, by extending a helping hand or an act of courtesy when the opportunity presents itself in our daily lives.

I would also like to draw attention to this ability we all have within us to show generosity and human kindness at a time when we are seeking to return to old-fashioned values in order to give a more human face to our society.

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[*English*]

### DOUG HENNING

**Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.):** Mr. Speaker, I rise today to pay tribute to the late Doug Henning who passed away yesterday.

Doug was born in Winnipeg in 1947  
A city that he might say could be a little closer to heaven.

As a child Doug had become fascinated with tricks  
And as a student was well known for his psychedelic hippie shticks.

Doug flew with friends and heroes in high places of sorts  
Houdini, Ivan Reitman, and fellow Canadian Martin Short.

Doug's middle name became known as "Levitation"  
An act that earned him world fame and many standing ovations.

But who would have thought that the creator of spellbound alone  
Had an idea to make the House of Commons his home.

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For in the end it was this entertaining magician  
Who dreamed of turning himself into a natural law politician.

I wish that Doug could have worked his magic in this place  
To elevate government to a new space.

Doug, you blessed us with your lighthearted, free-spirited rise  
If only we could have seen the world through your eyes.

It is with sadness that we say goodbye  
And with new wings may you always fly high.

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### HUMAN RESOURCES DEVELOPMENT

**Mr. Benoît Serré (Timiskaming—Cochrane, Lib.):** Mr. Speaker, in my riding of Timiskaming—Cochrane communities are 100% behind HRDC. Here is what they have to say.

From the town of Cochrane: "I trust the federal government will continue with this program despite the negativity created by opposing parties".

From the town of New Liskeard: "I request your continued support for financial assistance programs to improve the quality of life in Timiskaming—Cochrane".

From the town of McGarry: "We wish to advise you of our support for your government. We trust that your government will continue to provide funding for these very important programs".

• (1410)

From Cochrane Public Utilities Commission: "Without the assistance of HRDC, 76 people would still be unemployed in Cochrane".

From the town of Iroquois Falls: "Please be assured of my community's full support on this issue".

From the town of Kirkland Lake: "I would like to express my support to the HRDC minister".

Finally from the town of Charlton: "We would like to support our MP in fighting the official opposition and extreme right wing media who want to eliminate these"—

**The Speaker:** The hon. member for Sydney—Victoria.

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### HUMAN RESOURCES DEVELOPMENT

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, I am glad to hear many people support the program.

I am prepared to say that this government has seriously jeopardized that program essential to areas of high unemployment in the

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country. The government has tainted the transitional jobs fund through at best, mismanagement, at worst, patronage and old style pork-barrel politics. By bungling and mismanagement the government has hurt the people who need the program most, the unemployed.

My colleagues and I in the NDP stand behind programs to help the unemployed.

The shadow cast over this program by mismanagement has fueled the Reform Party's call for an end to such programs. The Reform Party would gladly abandon those in need in high unemployment areas. The Liberals would help them if it means passing the money around to their friends. Only the NDP stands for job creation free from political interference.

\* \* \*

[Translation]

**BILL C-20**

**Mr. Bernard Bigras (Rosemont, BQ):** Mr. Speaker, the Liberal government seems prepared to do anything to get what it wants. After violating the parliamentary rules last December in making their Bill C-20 public, now we again have the Prime Minister making a mockery of democracy.

Yesterday the Prime Minister said "We do not want to waste too much of the House's time on this. We want to move ahead as quickly as possible".

The Bloc Quebecois would like to remind the government that, in a democracy, there is but one rate of speed, the one which allows the people to have their voices heard and heeded. This is particularly the case because of the vital importance of Bill C-20, since it lays open to question the fundamental rules of democracy and freedom.

The members of the Bloc Quebecois wish to hear what the groups in society have to say, and they call upon the government to organize extensive public hearings on this bill.

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[English]

**FOOD FREEDOM DAY**

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, February 7 was Food Freedom Day in Canada when the average family has earned enough to pay for an entire year's worth of food.

We enjoy the most affordable food system in the world. Only 9.8% of our disposable income goes to food compared to 11% in the United States and 33% in Mexico. Our farmers produce high quality and safe food at competitive prices but the farmer's portion has shrunk.

The question is, how many Canadians know that from a \$1.50 loaf of bread the farmer gets 9 cents, or that if we have a glass of milk today for \$1.50, less than 16 cents is returned to the farmer? A waiter or waitress will earn more from tips on a meal than a farmer earns for growing the food.

Our farmers are the most efficient and competitive in the world but the return on the raw product they produce gets smaller and smaller even though exports continue to rise.

Yes, let us celebrate Food Freedom Day while mindful that farmers must get a fair price to help them stay in business.

\* \* \*

**HEALTH CARE**

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, I rise today to remind the Minister of Finance that he should not forget health care when he brings down his budget.

The budget has been balanced but there have been serious casualties as a result of the process. One of them is our health care system which is now seriously underfunded and not giving Canadians the level of protection they want and deserve.

The minister is no doubt besieged by demands on his new budget but I implore him to first and foremost reinvest in health care. That is what the 10 premiers want. That is what the medical community wants and that is what the Canadian people want. When they show up at emergency on any given Saturday night Canadians want sufficient doctors on duty and they want beds available when they have to be admitted.

After all, if we do not have our health, how will we ever enjoy our tax cuts?

\* \* \*

[Translation]

**MERCHANT NAVY**

**Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.):** Mr. Speaker, my beautiful riding of Verdun—Saint-Henri is home to several veterans of the merchant navy. I have made numerous representations to the Minister of Veterans Affairs so that non taxable compensation be paid to these veterans.

Today, I want to congratulate the Minister of Veterans Affairs, who announced last week that the war effort of merchant navy veterans is now recognized by the Government of Canada.

● (1415)

The minister announced a \$50 million compensation program for these veterans. This concrete action means that we recognize the importance of the sacrifice of merchant mariners and their contribution to Canada's war effort.

We do live in a beautiful country, do we not?

## ORAL QUESTION PERIOD

[English]

### HUMAN RESOURCES DEVELOPMENT

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, the human resources minister has known for more than five months about this billion dollar bungle. She knows that audit represents just a tiny percentage of what is actually out there in terms of files. She knows there are billions more dollars at stake here and she knows that will come out.

She loves to blame her officials, which is unfortunate, but I would like to ask her how many of her top officials has she suspended, moved or fired as a result of this billion dollar bungle.

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, here again the opposition continues on this firing and resignation treadmill. I want to tell the House that while the opposition members are on that treadmill I am making distance.

We are implementing a six point plan so that we will have a quality administration of grants and contributions in my department, so that we can track every working tax dollar and that Canadians can measure us by our results.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, it looks to me like a Damascus road conversion. It was just last week when the minister said they were all in the dark ages.

This minister is responsible for billions of dollars of taxpayers' money. She has proven that this current team can bungle a billion dollars, which is no small task. She talks about her six point plan. Her little six point plan is lovely, but if the same guys who dropped the ball the first time around carry it again, we could lose another billion dollars here. We say enough, stop already.

I ask the minister again how many of her officials has she moved, suspended or fired as a result of this boondoggle.

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I would like to advise the hon. member again that a billion dollars has not disappeared. We know where it is.

I say again that I take my responsibility as minister seriously. That is why we are implementing the plan and we will build a quality administration to ensure this never happens again.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, the minister claims that she takes her responsibility seriously, but we have seen the Prime Minister for days on the news talking about what real ministerial accountability was.

### Oral Questions

He stood here in his place in 1991 and said that when ministers have problems, and we are talking serious problems in the department, they should take the fall.

This minister is the political CEO of the whole organization of HRD. She could come out with a 42 point plan but it is not going to work because she is at the top. When will she start by firing herself and sending that signal?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, not only am I convinced that the plan is going to work but an independent outside official thinks it is going to work, and that would be the auditor general.

I remind the House that the auditor general says of our plan: "In our opinion the proposed approach presents a thorough plan for corrective action to address the immediate control problems that were identified".

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, the Prime Minister has been caught in a glaring credibility gap. To deflect criticism of this top bureaucrat he told Canadians that Mel Cappe had specially ordered the HRDC audit.

This cover-up was flatly contradicted by HRDC officials who disclosed that it was a routine internal audit. When will the Prime Minister stop misleading Canadians, covering up—

**Some hon. members:** Withdraw, withdraw.

**The Speaker:** I would invite my colleagues to please stay away from the word misleading. It incites us a little more.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there was an audit that was asked for. They do that under the authority of the deputy minister, and the deputy minister knows what is going on in his office. He knew there was an audit, so there was absolutely nothing to quarrel with.

I have to be candid with the House and report that I have received the last note about the number of cases, the 37 that have been reviewed. Seven have been reviewed representing \$11,937,000. In five there was absolutely no overpayment and two had overpayment of \$250.

• (1420)

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, let us look at the facts. A random sample of over 60,000 receiving one billion tax dollars showed almost no checking, supervision or tracking. Eight per cent showed even worse wrongdoing. There are 60,000 cases of virtually uncontrolled spending with nearly 5,000 of those so bad we may never get to the bottom of it.

Why is the Prime Minister covering up the massive size of the problems in HRDC?

*Oral Questions*

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the auditors of the department have been reviewing the files. They have done it in a very professional way. They have been in contact with the auditor general who has accepted the work. The auditor general has said in a public letter that what the department and the minister are doing is the right thing to do.

When the opposition talked about a billion dollars I reported that in \$11 million of so-called problems there was an overpayment of a little bit more than \$250.

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[Translation]

**BILL C-20**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday the Prime Minister seemed favourable to the idea of having the legislative committee on Bill C-20 broaden its hearings to include not just experts, but other groups with opinions to offer.

According to the Prime Minister, the bill is at the top of the government's list of priorities. If this bill is as important as the government would have us believe, does the Prime Minister not think that he should let the public express its views, and that the best way for it to do that is to have the committee travel throughout Quebec?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have already answered that question.

This is a bill that affects all provinces in Canada and that will be studied by the House of Commons committee. The committee will decide who may appear before it, but we hope that the bill will be passed as quickly as possible, because it is not a major concern of the public right now.

The public wants us to address other problems, such as job creation, health, tax relief; things of interest to Quebecers and the rest of Canadians.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Prime Minister's remarks are a bit strange, because his parliamentary leader said that it was the government's priority, and now the Prime Minister is telling us it is not important.

However, if the problem is about travelling only to Quebec, and the Prime Minister thinks the committee should travel throughout Canada, no problem; we would go along with that.

So I ask him, because it is well known that the Liberal members on the committee receive their orders from Cabinet—that is no secret; everyone knows that is how it works. I would like the Prime Minister's opinion. Does he agree, yes or no, that the committee should travel throughout Canada, as the Standing Committee on Fisheries and Oceans did. I imagine this is just as important.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is an important bill which is being debated in the House, and which will be considered in committee next week. The committee will do its job; it will hear from a certain number of witnesses, and the House of Commons will be able to make its views clearly known.

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, yesterday, the Prime Minister and the government House leader suggested that individuals and groups would be allowed to testify before the legislative committee, as was the case with the parliamentary committee that reviewed the issue of linguistic school boards, in 1997.

Can the Minister of Intergovernmental Affairs confirm that the Liberal majority of the legislative committee will accept that representative groups from Quebec may be heard by the committee?

• (1425)

**The Speaker:** As all hon. members know, the committees are responsible for their own agenda. In my opinion the question is out of order, but if the government House leader wishes to address it, he may do so.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, less than 24 hours ago, the hon. member's leader in the House sent me a memo asking me to address this issue on behalf of the government. I promised that I would give him an answer by the weekend.

It seems to me that the hon. member should speak to his leader to find out what was agreed on yesterday. We will of course provide a very clear answer.

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, the leader of the Bloc Québécois and I talk to each other, but we would also like to get the opinion of the Minister of Intergovernmental Affairs.

Does the Minister of Intergovernmental Affairs want representative groups from Quebec to be heard by his committee? Does he want, for example, Canadian groups also to be heard, including the Canadian Union of Postal Workers and the National Action Committee on the Status of Women, which are asking the minister to withdraw the bill he introduced in this House?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, the committee will determine its own agenda.

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[English]

**HUMAN RESOURCES DEVELOPMENT**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the government is withholding information that Canadians have a right



*Oral Questions*

to know. What is worse, it is twisting information to conceal the truth for its own purposes.

Why does the government not just come clean with the facts and table the detailed documentation already prepared at public expense on a riding by riding basis of all HRDC grants and contributions?

[*Translation*]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, members have information available then so that they can ask questions. These questions will be answered according to the formula.

I can understand that opposition parties are jealous because the other ministers and I are well prepared for oral question period.

[*English*]

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, it looks like the Prime Minister has already used up all his lifelines.

When a government deliberately conceals information from its own citizens there is a name for it. It is called cover-up. Why does the government not stop concealing the information—

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

**The Speaker:** Order, please. The hon. leader of the New Democratic Party can begin her question again if she wishes.

**Ms. Alexa McDonough:** Mr. Speaker, as we know when the government deliberately conceals information from its own citizens there is a name for it. It is called cover-up. Why is the government refusing to disclose all the information riding by riding on all of the HRDC contributions and grants?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, this information is public information. Quite frankly, I am surprised that the hon. member does not know what tax dollars are being spent in her riding of Halifax. I would suggest that she go to her Human Resources Development Canada office, sit down with the director and go through all the projects.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I have a very straightforward and specific question for the minister. Would the Minister of HRDC please advise the House of the exact date on which she was first advised of the problems that were uncovered by the internal audit of her department?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, this is public knowledge. I received a briefing on the full internal audit on November 17.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, the minister has told us she knows where the money is, but does she know how the money was spent?

In March 1998, HRDC released a list of TJF grants awarded that year. On the second updated list produced in December 1999, mysteriously 20 companies that received \$8.2 million had been deleted.

• (1430)

If there is no cover-up why did these companies disappear from the list and where did the \$8 million go?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, if the member would like to provide me with that information I will review it and provide him with an answer.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the minister just said she knew about the mess in HRDC on November 17, but on December 16 she still denied there were any problems. She told the House and the Canadian people something that was absolutely and completely false. She attempted to cover-up a billion dollar boondoggle. That is something that—

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

**The Speaker:** Order, please. We seem to be escalating the rhetoric, even deliberately misleading. I will not permit that again. He never said the minister was false, but I would like the members to please stay away from these words because they only agitate the House.

**Mr. Monte Solberg:** Mr. Speaker, the public is very agitated too at the fact that a billion dollars has gone missing and this minister is responsible for trying to cover it up.

When is the minister going to admit that she has told the Canadian people and the House of Commons something that is simply not the case and that she has betrayed the public trust?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, it would seem to me that the only party misleading Canadians is the Reform Party.

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

**The Speaker:** Order, please. It is very difficult for me to hear what anyone is saying when there is so much noise. I appeal to you, my colleagues. I did not hear what the minister said. I would ask all hon. members to please stay away from those words today. It simply inflames us and I do not think we will get the quality of questions or answers we want in question period.

The hon. Minister of Human Resources Development.

**Hon. Jane Stewart:** Mr. Speaker, it is the Reform Party that keeps suggesting to Canadians that a billion dollars has gone missing. It knows that is not true. We know where the cheques

*Oral Questions*

have gone. They have gone to organizations in the ridings of those members and all others in the House.

It is that party that is continuing to undermine the important work that the grants and contributions program does for communities across the country.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the minister's evasiveness does not change the hard facts.

The Minister of Human Resources Development claims she was briefed on that billion dollars on November 17. On December 16 she told this place that there were no problems in HRDC. Obviously there is a big contradiction there.

Why did the minister tell the House something that simply was not the case? Why did she tell the Canadian people that? Why is she betraying the public trust?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I stand by my words in the House. If they choose to read *Hansard*, they will see that the questions were about specific projects. I was always forthcoming when there were indications of administrative problems.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, an internal audit report on Human Resources Canada indicates, based on a sampling of 459 out of 30,000 files, or 1.5% of all the department's files, that there are problems relating to applications from promoters, application approvals, and financial monitoring.

Is the Prime Minister going to acknowledge that these 459 cases everyone is referring to are merely a sampling of the 30,000 files and that, applying the auditors' logic to the whole lot, we end up with thousands of irregular files?

• (1435)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is absolutely normal for any professional audit to turn up things that need correcting, in any organization. That is why city governments and the private sector have auditing systems. They have to see whether the documents are present as required, and if shortcomings are found, they are corrected.

Take, for example, specific cases in which the auditors found problems. On a total amount of about \$12 million, they found two problems in seven files, and an overpayment of \$251.50.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Prime Minister does not seem to realize that by applying the auditors' logic to all Human Resources Development files, the amounts involved add up to between \$1 million and \$3 million.

What is the Prime Minister waiting for before he calls for a public and independent audit of the department's management?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, my reply once again is that we have our internal auditors and they have done their jobs. We have the auditor general, who does his job. Yesterday or the day before, he indicated in a letter that he accepted the department's proposal. As well, the auditor general can report to the House four times a year now, rather than once a year as before.

[English]

**Mr. Dale Johnston (Wetaskiwin, Ref.):** Mr. Speaker, the minister's own departmental audit uncovered about \$1 billion in mismanaged HRDC grants and contributions. But this is just the tip of the iceberg.

The Canadian Aerospace Group International Inc. received \$1 million from the transitional jobs fund to establish Panda Aircraft in North Bay, Ontario. When Panda ceased operations, the North Bay development group got its money back.

I would like to know about the Canadian taxpayers. Did they get their money back?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the hon. member speaks of individual projects. There will be projects in the course of these undertakings that are more beneficial than others.

As I have said before, as minister my job is to look at the overall impact that the transitional jobs fund has had. Again I say, 30,000 people, who were not working before, are working as a result of that program.

**Mr. Dale Johnston (Wetaskiwin, Ref.):** Mr. Speaker, that is all very nice, but I submit it is also her duty to get the money back that Canadian taxpayers put in after an industry fails.

I have just given one example of 60,000 HRDC files. Access to information requests reveal that there are many other files under investigation.

Will the minister tell us just how many other files are under investigation? I would like to know how many other Pandas there are out there.

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, if the hon. member would just take the time to read the plan that we are implementing, he would see that we are going to review all our active files.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Prime Minister is trying to anesthetize us in this House by saying, on the

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basis of an audit of a few hundred cases, that they will not do it again, they made mistakes, they apologize and that is the end of it.

It is only a sample of 1.5% of the 30,000 cases. Everyone is agreed that it is serious, very serious.

How can the Prime Minister be trying to anesthetize everyone with his promise not do it again, when there are thousands of unaudited cases, cases that have not been examined and probably reflect the same percentages as the initial cases, that is, having an error rate of 80%.

[*English*]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we do not know from what the hon. member is trying to extrapolate. We are reviewing—

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

**The Speaker:** Order, please.

• (1440)

**Hon. Jane Stewart:** Mr. Speaker, if he would pay attention he would know that we are reviewing the 37 files, as the Prime Minister has said. We will make the results of those reviews public and then we will see what the circumstances are.

I would also add that besides that review, the six point plan ensures that we look at all active files and that will, I am convinced, help us prepare a quality system that will fix this problem.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, what sort of credibility does this minister enjoy as she tries to save her skin and says they are preparing to start from scratch? Everyone knows that in an audit a sample will reveal how well things are going in a department. What they discovered is that things are going very badly in her department.

Why did the President of the Treasury Board say that things were very serious and give directions to all departments if things were not serious and all was well at the Department of Human Resources Development?

**Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, the mark of a good government is its knowing how to deal with a problem.

What do we do? We identify the problem, its nature and its scope. The minister has done that. We also develop a plan of action to remedy the department's problems. The minister has done that.

In addition, we ensure that there is follow up to be sure the procedure underway will remedy the problems discovered. This is exactly what my colleague at Human Resources Development has done.

[*English*]

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, the Minister of Human Resources Development is in denial.

Earlier today she admitted that on November 17 she discovered the reality of the audit that showed the huge waste in her department. However, on December 16 in this place she said "No moneys flowed until the appropriate approvals were in place".

Why the contradiction? Why did the minister stand in her place and misrepresent the facts? Why did she not tell the truth?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, there is no contradiction. If the hon. member would put it in the context of the questions asked, he would see that the questions from his own party were in reference to specific projects.

I stand by my words in the House.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, weasel words will not save this minister from accountability. Speaking of which, in 1991 the Prime Minister said "When we form the government, every minister in the cabinet will have to take full responsibility for what is going on in his department". He said "If there is any bungling in the department, the minister will have to take responsibility".

Why has the Prime Minister broken his word? Why has he not held the human resources minister responsible for the bungling in her department and for misleading the House? Why was the minister—

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

**The Speaker:** Order, please. I ask hon. members to please not use the word misleading. I find the question out of order. If the minister wants to answer it, she may.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, my ministers and I always take responsibility and that is exactly what we are doing at this time. The auditor general is working with senior bureaucrats of the department to make sure that the audit is done professionally. And that is exactly what is happening.

There were 37 cases where, in the mind of the auditors, there were some difficult problems. So far, out of \$12 million, they have identified \$251.50 in overpayments and we will collect it back.

• (1445)

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, I think the Prime Minister's credibility would improve if he were to play a different tape.

*Oral Questions*

Why would we believe that the problem is fixed and that it boils down to \$200,000 and change, when there are at least 30,000 cases to be examined? At least 80% of the 459 cases already looked at were problematic.

The Prime Minister should change tapes and tell us what is really going on in this department.

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, part of the strength of our program is that we will be reporting to Canadians on a quarterly basis on the information that we receive on implementing the program and on the results which that program is going to have.

I am going to be at committee tomorrow. We will be talking about the results to date. I will be before Canadians on a quarterly basis talking about the results as we continue.

This is an open process and we are going to fix the problem.

\* \* \*

[Translation]

**GASOLINE PRICES**

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

For several weeks now, consumers and truckers have been angered by the price of gasoline at the pumps, of diesel and of heating oil in Canada and in Quebec.

Consumers are right and want to know why the price of gasoline is continuing to climb and why governments are doing nothing about it.

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, first of all, I would like to say that the member is right to raise an issue that is very important to him—

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

**The Speaker:** Order, please.

**Hon. John Manley:** This does not seem to be an important issue for Reform Party members, Mr. Speaker.

First, I would say that, if there is a problem at the retail level, it is up to provincial governments to take action. Second, I have read the media reports from his riding, which say that diesel prices have jumped from 42 cents a litre to 78 cents a litre.

I am sure that the Minister of Natural Resources would agree with me that an explanation is in order and I would like—

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

**The Speaker:** Order, please.

[English]

**HUMAN RESOURCES DEVELOPMENT**

**Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.):** Mr. Speaker, the HRD minister has been working on a six point plan. She bungled a billion bucks. She spent five months trying to cover up the audit. She stood in this House and pretended that everything was just hunky-dory. She tried to blame her bureaucrats. Now we find that the TJF is some kind of photo-op.

Clearly the next logical step is for her to resign. Where is she now, at step five and a half?

• (1450)

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the hon. member is wrong, wrong, wrong and wrong. I received the report of the internal audit. It said that we had significant problems in the administration of our grants and contributions. I took that seriously. I demanded that we build a strong management plan for implementation. That is now being implemented and we will be reporting to Canadians on a regular basis until the problem is fixed.

**Mr. John Duncan (Vancouver Island North, Ref.):** Mr. Speaker, the human resources department is the Bre-X of the government. Instead of the ore being salted, the taxpayer has been assaulted.

A small sample audit of one-fifth of the department's activities found 87% of the files unsupervised and 15% with no record of application. If it were a CEO making this announcement the stock would be through the floor and he would be fired.

Why should Canadians tolerate anything less than the minister's resignation?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, forgive me but I do not think anybody on that side of the House has actually read the internal audit.

What it talks about are administrative challenges in the department's paperwork. We are taking it seriously because we have to have the foundation strong to support very important grants and contributions that are invested in ridings in all parts of this country.

We are taking this seriously. Canadians want the problem fixed and we will do that.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, we have all heard of the Book of Kells. The Liberal House leader is the chief scribe of the book of baloney. The Prime Minister knows it is the book of baloney or else he would share it with us, table it and let us have a look at the contents of the book.

I have my own book of facts and my book says that EI cuts took \$20 million out of my riding last year, yet we did not qualify for a single penny of transitional jobs fund money.

I ask the Prime Minister, under what kind of perverse set of rules do rich ridings like Edmonton West and Brant qualify for transitional jobs fund money when my own riding qualifies for not one red cent?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the hon. member realized yesterday that he did not know his riding had received more than anyone else. He should check that. He knows it is available. Some programs apply in some ridings, other programs apply in others. But in fact, the member's riding did pretty well. He was shocked to know that he did not know what was going on in his riding.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, it is absolutely horrifying to me that this man who sells himself as the champion of clarity in this country really is the grandmaster of obfuscation. He is the Prime Minister of misinformation and he is hiding behind—

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

**The Speaker:** Order, please. Go directly to the question.

**Mr. Pat Martin:** Mr. Speaker, my question is simply this: If the transitional jobs fund is not a Liberal slush fund, then why is it that rich Liberal ridings with far lower unemployment rates than my riding qualify for millions of dollars in benefits? My own riding—

**The Speaker:** The Right Hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there are rules that apply to everything. We gave them money. When we look at this fund, more money went to opposition ridings of all the other parties than went into the Liberal ridings, because in Ontario the economy is better than in the maritimes, for example, or in rural Quebec.

• (1455)

[Translation]

**Mr. Jean Dubé (Madawaska—Restigouche, PC):** Mr. Speaker, at press conferences held last week, senior officials from the department told us that the minister had been apprised of the problems at HRDC in August, during the transition period.

I personally received a document dated October 5. That document had been completed before the report. Today, the minister is telling us that she was notified only on November 17. There is a great deal of confusion. Who is telling the truth?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, yesterday, the hon. member referred to money given to businesses and to contributions made to the Liberal Party.

### Oral Questions

I have here a list of projects in his riding that received money from the Canadian government and contributed to his party's campaign.

Perhaps the hon. member should call the police about that.

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

**The Speaker:** Order, please.

[English]

**Mr. Jean Dubé (Madawaska—Restigouche, PC):** Mr. Speaker, according to documents from public accounts there are eight numbered companies that received \$3.9 million, yet these companies do not even appear to exist.

Can the minister please tell us who owns these companies and where the money went?

**The Speaker:** It is not in our rules to answer questions as specific as this. I find the question out of order. I saw the hon. Prime Minister on his feet. If he wishes to address what was said I will permit him to do so.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, a minister cannot be asked to give information about one of the thousands upon thousands of cases that are handled by a department. The order paper is there for these requests. The minister will appear with officials before the committee tomorrow, which is also the place to ask these questions.

Yesterday the member for Pictou—Antigonish—Guysborough talked about contributions and about the RCMP. I would like to tell the House that there is a company, C. F. Dickson Forest Products, which gave \$1,000 to the PC House leader during the campaign, but did not give a cent to the Liberal Party.

\* \* \*

### THE BUDGET

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, \$3.9 million—how could anyone be expected to know about something as insignificant as that?

It is the tradition at this time of year to ask a very specific question of the Minister of Finance. Now, we know that the Prime Minister really tried to upstage the finance minister; a little leadership rivalry perhaps.

Can the finance minister tell us when he will deliver the budget?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I just wanted to get in practice.

It is true that there was a bit of speculation last week from an unknown source as to the date of the budget, and I am pleased to announce that speculation was accurate.

*Routine Proceedings*

● (1500)

[Translation]

It is my pleasure to announce that the budget will be tabled in the House on Monday, February 28, at 4.00 p.m.

\* \* \*

[English]

**HOUSE OF COMMONS**

**The Speaker:** I would like to draw the attention of all hon. members to a very special moment in the history of our Chamber today.

It is my pleasure and indeed my honour to table a new and original reference book entitled *House of Commons Procedure and Practice—La Procédure et les Usages de la Chambre des Communes*.

Most members, and this is why it is important to us, are accustomed to using certain procedural reference books at our disposal here at the table, for example Bourinot's *Parliamentary Procedure and Practice in the Dominion of Canada* which was written in the 1880s, and Beauchesne's *Parliamentary Rules and Forms*, written in the 1920s.

Starting today we, the members of Parliament of Canada, will be able to have at our disposal a multitude of references to the rules, precedents and practices of our own House, explained in a clear and thorough manner.

This new book reflects our current procedures and practices, and has been written by procedural experts working at the House of Commons. They were headed of course by our own Clerk, Mr. Robert Marleau, and our Deputy Clerk, Mr. Camille Montpetit.

[Translation]

This reference book includes 24 chapters, 15 annexes and 5,800 footnotes. It deals with issues such as parliamentary privilege, speakership, rules and conduct of a debate, the legislative process, committees, private members' business items and many more.

The main rulings and statements made by Speakers are reviewed, and the numerous customs, interpretations and precedents that apply to the House of Commons of Canada are clearly explained.

[English]

This is our own book. I am sure it will be used not only in the House but throughout Canada and the Commonwealth. I invite all of you to use it with pride. I do thank our clerks and all those who were involved in the writing of this magnificent new book which will be sent to all of you. I table it in your name.

● (1505)

**POINTS OF ORDER**

## QUESTIONS AND ANSWERS

**Mr. Derrek Konrad (Prince Albert, Ref.):** Mr. Speaker, I rise on a point of order to which I trust you will give serious consideration.

Over the last number of days questions have been asked of the Prime Minister and the Minister of Human Resources Development over the misuse of funds at HRDC. In several instances members of the official opposition, and I believe other parties, have used specific examples of the misuse of funds that they have uncovered. You have ruled their questions out of order because they deal with specific examples of wrongdoing that they cannot be expected to know anything about.

When questions are asked in a general sense, the government shoots back with specific examples of where money has been spent in an effort to discredit and embarrass members of parliament. I find that to be entirely objectionable. I am asking if you would rule those kinds of answers out of order as you have ruled the questions out of order.

**The Speaker:** This has been our practice and our tradition if a question is so specific that a minister or the government cannot be expected to know. Let us say there are 500 of anything. I do not know if the minister can be expected to know the 500. However, when a member asks a question I presume, and I think most members do, that the hon. member wants to get as much information and details that he or she can when the answer is forthcoming.

You may argue that on one side you are getting too much detail, but from what hon. members have been saying to me they are not getting enough details. We have to have that fine balance that the question has to be general enough that you can get a response, but if it is too specific I think we are expecting the impossible from our ministers. That is why we proceed in the way that we do.

**ROUTINE PROCEEDINGS**

[English]

**ORDER IN COUNCIL APPOINTMENTS**

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments recently made by the government.

Pursuant to the provisions of Standing Order 110(1) these are deemed referred to the appropriate standing committees, a list of which is attached.

\* \* \*

● (1510)

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 10 petitions.

\* \* \*

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 16th report of the Standing Committee on Procedure and House Affairs regarding the membership of the legislative committee on Bill C-20, an act to give effect to the requirement for clarity as set out in the opinion the Supreme Court of Canada in the Quebec secession reference. This report is deemed adopted on presentation.

In addition, I have the honour to present the 15th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the liaison committee. If the House gives its consent, I intend to move concurrence in the 15th report later this day.

[Translation]

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, I rise on a point of order. I want to be sure that I heard the hon. member correctly. I think he said he was tabling the committee report dealing with Quebec only.

He referred to Bill C-20 as being for Quebec, while the Prime Minister is telling the House that Bill C-20 concerns all of Canada.

**The Deputy Speaker:** If I am not mistaken, what the hon. parliamentary secretary did is read the title of the bill, which contains the word "Quebec". I believe that is the answer.

\* \* \*

[English]

### EXPORT DEVELOPMENT ACT

**Hon. Charles Caccia (Davenport, Lib.)** moved for leave to introduce Bill C-421, an act to amend the Export Development Act.

### Routine Proceedings

He said: Mr. Speaker, the Export Development Corporation is exempted from the Canadian Environmental Assessment Act, the Access to Information Act, and the provisions of the Auditor General Act requiring all federal departments and some agencies to undertake sustainable development strategies and implement them. As a result, the Export Development Corporation has supported certain projects that are harming the environment and even human rights in nations in which Canadian companies operate.

For example, the EDC has helped fund mining companies responsible for massive mine tailings spills. Do hon. members remember the Kumtor cyanide mine spill in Krygyzstan, the Omai gold mine in Guyana and the OK Tedi copper mine in Papua, New Guinea.

It is not only very desirable but also urgent that the policy of the Export Development Corporation be guided by sound environmental principles, and this bill aims at ensuring such a goal.

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

\* \* \*

### CRIMINAL CODE

**Mr. Maurice Vellacott (Wanuskewin, Ref.)** moved for leave to introduce Bill C-422, an act to amend the Criminal Code to prohibit coercion in medical procedures that offend a person's religion or belief that human life is inviolable.

He said: Mr. Speaker, I am very pleased to introduce today this bill to amend the criminal code to prohibit coercion in medical procedures. The purpose of the bill is to ensure that health care providers working in medical facilities of various kinds will never be forced to participate against their wills in abortion procedures or acts of euthanasia. The bill itself does not prohibit abortion or euthanasia but makes it illegal to force another person to participate in such a procedure or an act of euthanasia.

● (1515)

Incredibly, there are medical personnel in Canada who have been fired because the law is not explicit enough in spelling out those conscience rights. The bill will make those rights explicit.

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

\* \* \*

[Translation]

### COMMITTEES OF THE HOUSE

#### LIBRARY OF PARLIAMENT

**Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.):** Mr. Speaker, if the House gives its consent, I move that the first report of the Standing Joint Committee on the Library of Parliament

*Routine Proceedings*

presented to the House on December 16, 1999, be concurred in. This report establishes the mandate of the committee, its quorum and its entitlement to sit during sittings of the Senate.

**The Deputy Speaker:** Does the hon. member have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

[*English*]

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Derek Lee (Parliamentary Secretary to leader of the Government in the House of Common, Lib.):** Mr. Speaker, if the House gives its consent, I move that the 15th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

**The Deputy Speaker:** Does the hon. parliamentary secretary have the unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

**An hon. member:** No.

## PUBLIC ACCOUNTS

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I move that the first report of the Standing Committee on Public Accounts, presented on Monday, November 15, 1999, be concurred in.

It is my pleasure to rise and address this issue. I would be completely remiss if I did not address the ongoing problems in human resources development.

It is rather obvious that the government today has a huge problem when it comes to how it monitors and controls its spending. I do not think I could find a better example in the six years that I have been here than what we see going on today in the Department of Human Resources Development.

I will begin first by making some reference to the facts and then, second, to draw attention to the response of the minister today in question period to these things.

I will run through some of the audit highlights that have been revealed to us by the internal audit that was made possible when the Reform Party, through an access to information request, forced the minister to reveal the mess and forced her to come clean on what was happening in that department.

I will run through the facts again because I think there was some information today in question period that probably left some people unclear.

Of the 459 project files reviewed, 15% did not have an application on file from the sponsor. This is a random audit. There are thousands and thousands of files. This was only a very tiny

percentage. Seventy-two per cent of the files had no cashflow forecast, 46% had no estimate of the number of participants, 25% had no description of activities to be supported, 25% provided no description of the characteristics of participants, and 11% had no budget proposal. These things are fairly basic.

Eleven per cent of the files had no description of expected results and 97% of all files reviewed showed no evidence that anyone had checked to see if the recipient owed money to the Department of Human Resources Development. Eight out of 10 files reviewed did not show evidence of financial monitoring and 87% of files showed no sign of supervision.

• (1520)

These grant applications represent a billion dollars. A lot of people are rightly referring to this as the billion dollar boondoggle or bungle. It is atrocious. I do not think anybody who is alive today can remember anything so poorly managed by any level of government. It is absolutely outrageous.

I will talk about some of the things we heard in question period today when we posed serious questions to the minister about her handling or mishandling of this case. A moment ago we saw the Minister for International Trade who certainly had a hand to play in this. However, I want to talk about the current minister's role in all of this. Whenever we ask a question about her accountability she instantly tries to draw attention away from that and talk about what she will do in the future.

The concept of accountability includes taking some responsibility for one's role in a past problem. That is an aspect the government has run away from at every opportunity. It simply refuses to talk about what has gone on in the past as though it does not matter. In the private sector, when there is an issue of accountability the very first thing people do is either admit their responsibility and take their punishment or, if they refuse to admit it, they are ultimately punished by the people in charge and in some cases are let go.

Somehow the government thinks we are all going to ignore that, that it does not matter what it has done in the past and that we should just forgive and forget. Well, we are talking about a billion dollars of taxpayers' money at a time when many Canadians are rightly concerned that very important and essential services may not be getting money. People argue, and I think correctly, that taxes in Canada are far too high and yet the government is mismanaging an incredible amount of money, a billion dollars that we know about.

Many of us suspect that there is a culture of neglect that runs right through the government. We can point to other departments where there are all kinds of grants and subsidies handed out and we suspect that in many cases they are handed out for completely the wrong reasons.



*Routine Proceedings*

Did the minister accept any responsibility today? Absolutely not. When it came to something that was such a glaring contradiction, she tried to sweep it under the rug. We pointed out, and she admitted this in the House today, that on November 17 she knew about these problems. She may have known about them earlier, we do not know, but she certainly admitted knowing about these problems on November 17.

However, on December 16, when my colleague questioned her about problems in human resources development, she said “no money flowed without appropriate approval”. That is a direct quote from *Hansard*. She completely covered up what was going on in that department. She is solely responsible for holding back these facts from the public, facts that I think are critical. We are talking about a billion dollars at a time when people are concerned about health care, when taxes are too high, when emergency aid is not forthcoming to the prairies, and on and on we could go.

Although it is true that the mess goes well beyond this minister, that it goes back to the previous minister, the minister before that and the human resources bureaucrats, and there is no doubt about that, there is also no question that the minister today is the one who is responsible for hiding the facts about what was going on. She alone is responsible for that. I would argue that is a firing violation.

I would argue that she should resign because it is the honourable thing to do. However, if she will not do that, then the Prime Minister has an obligation to fire her. We remember his words from 1991. He said in this place that if he should become prime minister and one of his ministers did something like this and there was a problem, that the buck would not get passed, that the buck would stop with that minister and that the minister would accept responsibility.

Now we see the Prime Minister expecting Canadians to just ignore all those promises that his government would somehow be better than the previous government and that it would deal with things directly. However, we cannot do that. It is wrong. It is a billion dollars. Again, it is one of the biggest bungles that I can ever remember in the history of this place and somehow the Liberals want us to ignore that. We will not do that. I can guarantee the House that the official opposition is on the job and we will pursue this until we do get some justice from the government.

● (1525)

I want to talk a little bit about something else the minister said during question period today. She wanted us of course to forget about the past. She wanted us to forget about it and let bygones be bygones, even though it is only a billion dollars. She also said that she has a six point plan, that her department has implemented this new six point plan and that from here on in things will be hunky-dory, things will go great.

What the minister did not mention is that under the Financial Administration Act those procedures that she is talking about should be followed already. Those are already supposed to be

followed by the government. This is nothing new. It is her responsibility to follow those things. I do not know how many times the auditor general has taken the government to task for not following these basic procedures in the Financial Administration Act, but somehow it never gets through.

Now we uncover this huge mess, not because the government wanted it to happen but because it was forced to reveal it. Now the Liberals say that they have this new plan. It is not an old plan, it has simply never been executed.

The auditor general has told us time after time that there should be clear, measurable objectives when the government embarks on an initiative. What do we find when we look at this mess? We find that all kinds of money was sent out which did not create one job in many instances. In fact, lots of times the money went to things that were never approved in the first place, but there was no monitoring, so how would the government know that.

We had the case of the money that was supposed to be used for a child care study. Money for furniture had been requested by a native band in British Columbia but it was used instead to purchase jewels.

I think Canadians are right to be not only concerned but outraged that the government is so sanguine in its response to this, saying “Forget about it. It happened in the past and we will fix it in the future”.

The concept of accountability demands that there be some punishment. I think right-thinking Canadians everywhere believe that someone should take responsibility for this. So far no one has. No one has said “I will take responsibility and I will willingly step down”, or “I will fire officials who made these sorts of decisions”. None of that has happened.

I argue that the government is way off base if it thinks that in the next budget that comes down Canadians will sit idly by and allow the minister to take taxpayers’ dollars to embark on all kinds of new initiatives or increase spending in existing departments when we know that the government is rotten to the core when it comes to mismanagement and lack of accountability. Why would the taxpayers willingly give the government a single penny knowing that this goes on and that the government is so eager to sweep all of this under the carpet?

I would argue that Canadians today have a right to ask that we go through every department, that we go through the Department of Human Resources Development, not just the projects that were audited, but all of the projects and find the waste, the mismanagement and the corruption and root it out.

We could do the same thing in the Department of Canadian Heritage where we know that the government issues hundreds of millions of dollars of grants every year. We should go through every one of those programs.

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We should go to the Department of Industry, where we know that the government spends millions of dollars propping up very profitable businesses, and asking tough questions like "Why are they getting that money? Is there accountability? Should they get that money at all?" Of course, we would argue, no. We would argue that the money is better left in the hands of taxpayers who would be a lot more responsible with it than bureaucrats and politicians.

We think we should go to the Department of Indian Affairs and Northern Development. I do not know how many times we have had the auditor general come forward and say that there is a lack of monitoring going on in the Department of Indian Affairs and Northern Development and that we do not know what happens to money that goes to native bands.

We see cases, even recently in Alberta where people are being brought up on charges because of mismanagement in those bands. Does the government take any of this seriously? No, it tries to sweep it under the carpet.

• (1530)

We could go on and on. It is time to have a serious look at what goes on in CIDA today. A lot of people rightly argue, and we have raised these questions in the past in this place, that some of the money spent by the government through CIDA is done for political reasons, the political allocation of economic resources.

I would argue that not just \$1 billion is mismanaged and improperly accounted for. I would argue that it is billions upon billions of dollars. The government does not have the moral authority to ask for one penny more until the auditor general undertakes a review of every department and roots out the waste and mismanagement that we all know is there.

I remember seeing a finance department poll about a year ago. That poll indicated that the public said at the time that they thought there was still lots of waste in the federal government. Of course at the time the federal government would have denied that. It would have said, "Waste? Well you know, we have embarked on this program review and we have done away with that problem". Again the public would have been way out ahead of the government which has no clue how to spend taxpayers' dollars. It spends money as if it were its own, as if it were free money that grows on trees.

Canadians today bear the highest personal income taxes in the G-7 by a long, long way. They are rightly concerned that the government has no concept of how hard they work to earn that money, that the government sees the taxpayers as geese that need to be plucked once in a while, and it wants to do it while eliciting the least amount of hissing. We see it every year with the bracket creep and other tax measures that bring in ever more money. The government completely wastes it in so many cases.

I urge my colleagues across the way to pay attention not only to the concerns of the official opposition but to the concerns of

Canadians everywhere. They have raised a lot of questions and are very concerned about this. Any time we turn on a talk show we hear about these concerns. We are urging the government across the way to pay serious attention to this.

I do not think that the government really got the message during the recent furor over the \$20 million that was proposed to go to the NHL. That was bad enough but this problem is literally 50 times worse.

Colleagues across the way do not seem to think it is an issue at all. I warn them that unless they take responsibility, this issue will plague them right into the next election campaign. The official opposition will make a point of ensuring that it is an issue in the next election campaign.

It is also time to talk about what is going on in the other departments we have mentioned. We do not believe it is limited to the Department of Human Resources Development. We believe there is a culture of neglect within the government, that the government is rotten to the core when it comes to simple neglect, incompetence and managing taxpayers' money. We already have evidence that that occurs in the department of Indian affairs as I pointed out.

We saw it also fairly recently with the issue of parties on coast guard vessels off the coast of Atlantic Canada. Taxpayers' money was being improperly spent there.

My colleague from St. Albert repeatedly raises these issues. As the chair of the public accounts committee, he produces a waste report that points not to just a few dollars but millions of dollars of waste that occur every year in every department.

I do not think I can emphasize enough why it is important that we have an independent audit of what goes on in the government. Obviously the government simply cannot be trusted to do it. We have seen what happens when it is allowed to go ahead and make all these decisions itself.

In closing I will caution one final thing. The tendency will be for the government to say that it had this problem under control. It will try to limit the debate to the issue of human resources development. I do not think we should allow it to get away with that.

• (1535)

It is fairly clear now. The current Minister of Human Resources Development came from the Department of Indian Affairs and Northern Department where there were problems. The current international trade minister was the human resources minister before that and the current foreign affairs minister was the human resources minister before that.

If those ministers allowed all of this to happen on their watch, I would be very interested in knowing what is going on in their

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present departments. I suspect the same lack of attention to the management of those departments is rampant today in their present portfolios. I would also argue that the Prime Minister, who seems so sanguine and carefree about this whole issue, should ultimately be held accountable for the decisions he has made in putting those people in there in the first place.

To sum up, the government should be ashamed of its lack of response to this billion dollar boondoggle. The concept of accountability decrees that people should be punished for this mismanagement.

Ultimately we believe that a resignation or resignations are in order. Ultimately the way out of this mess is to call into question whether or not all of these grants are necessary and whether they should be done by this level of government. Ultimately we believe there should be transparent financial administration in place, something we have yet to see from this government which whenever it has the chance tries to hide what is going on. That was made abundantly clear by the Minister of Human Resources Development today in question period.

That is a cautionary note to the government across the way. I think it ignores the concerns of the public at its peril.

[Translation]

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, I listened carefully and with interest to the remarks of the Reform Party member, which were very justified, given the scandalous situation in which the federal government has placed us. We are talking about waste. Right now, the thinking is that \$1 billion has been wasted, but it could be more.

A simple calculation shows that, if only 459 of the 30,000 cases were studied and 80% of them were problematic, then 24,000 of the 30,000 cases could be incomplete, fraudulent or otherwise come up short. I would like him to comment on this. How many billions of dollars could be involved overall?

I would also like to hear what he has to say about quotas. We know that this is not a case of mismanagement across the board because, when it came to administering quotas, i.e. cutting off EI benefits—

**An hon. member:** It was good at that.

**Mr. Benoît Sauvageau:** —cutting off essential family income, in the maritimes, Quebec, or wherever, they were over 100% on target.

In my riding of Repentigny, the quota rate for people cut off EI hit 140%.

I would also like to hear what he has to say about another topic that is being discussed in the Standing Committee on Public Accounts, and that is financial information strategy. Wanting to better manage the taxpayers money, which is understandable, this

government proposes new accounting procedures for managing public funds. A new accounting system, known as the Financial Information Strategy, is being introduced in all the departments and agencies.

We learned recently that this system should be in place in every department by April 1, 2001. This may come as a surprise to you but, if you ask Treasury Board Secretariat officials how much the system implementation will cost for all federal departments and agencies, they will tell you that they do not know.

They think it might cost \$400 million, perhaps \$500 million or even \$1 billion. A system is being put in place to better manage money, but they cannot even tell how much its implementation will cost. We are not talking about \$211 or \$200,000, as the Prime minister suggested in the House, trying to hide the real figures.

• (1540)

We are talking about \$400 million, \$500 million, \$1 billion or some indeterminate amount. We are talking about a financial and accounting system. I would like to hear what the Reform member has to say about this new evidence of fiscal profligacy on the part of the government. I would have many more questions for him, but I will first hear what he has to say.

[English]

**Mr. Monte Solberg:** Mr. Speaker, I thank my colleague for his thoughtful questions. I appreciate his interest in this matter. We are all very concerned about the government's lack of response on this very important issue.

I want to address the member's last question first about the financial information strategy. It is more than a little ironic that the government would implement it on April 1, April Fool's Day, because I suspect that could speak volumes about how well this plan will work. It will probably work as well as the last one which the government simply did not follow through on. The government did nothing which is why we are in this situation today. It strikes me as well that it is very ironic the government had no idea how much this plan would cost. This is a plan that is supposed to monitor the spending of the government. That is the problem right there.

I think my friend is correct. When the government wants to be efficient it can be coldly efficient. It is coldly efficient at taxing Canadians below the poverty line. Every year auditors swarm like locusts on people who can hardly afford to put bread on the table and they wring every nickel out of their pockets.

I do not know how many businesses have come to me. Colleagues have raised this with me in the not very distant past. The GST people and income tax people have become so much more aggressive than they ever were before. Again they descend like locusts to wring every cent out of business people, afraid that

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somehow they are going to cheat the government out of a few nickels when they already pay incredibly high taxes.

On the other hand, we know how inefficient the government can be when it suits it. One of the best examples is the AIDA program. Prairie farmers have been sideswiped by low commodity prices due to European and American subsidies. The government's plan is to put in place a 40 page document that would require a Philadelphia lawyer to figure it out. Farmers have to pay \$500 to have it filled out. They send them in and in many cases are rejected. In Saskatchewan 62% are rejected. The government has allocated \$1.5 billion but has only paid out \$400 million. It probably is not going to pay out much more than that. It does not want to pay it out because it does not care about the problem on the prairies. When it suits the government, it can be very inefficient.

The minister across the way who is responsible for the wheat board and sits as a member from the prairies is concerned about what I am saying. He is saying horse feathers. The fact is the minister knows this. As farmers sit in the legislature in Saskatchewan today, I am surprised he is not a bit more concerned about the failure of his government's program to deliver relief on a timely basis. He should be ashamed of his comments. That is all I have to say.

**Mr. Gary Lunn (Saanich—Gulf Islands, Ref.):** Mr. Speaker, we heard the member's very eloquent 20 minute speech regarding the problems in HRDC and the billion dollar boondoggle. I think it is much deeper than that.

In my few years sitting here as a member of parliament I have witnessed exactly the same thing within the fisheries with TAGS. The government paid \$2.4 billion for fishermen to stay at home and again the auditor general had no accountability. We see it in ACOA, the Atlantic Canada Opportunities Agency. There are billions of dollars going out.

I would like the member's comments with respect to other departments. We have just hit the tip of the iceberg. It seems to be a culture within the government.

**Mr. Monte Solberg:** Mr. Speaker, I thank my colleague for his question. There is no doubt that in the six years we have been here we have seen all kinds of examples of unbelievable waste by the government.

Every year, in fact four times a year, the auditor general produces reports that lay out all kinds of mismanagement. We must remember also that he has a limited budget. There are only so many departments he can look into at any one time. Certainly the TAGS program comes to mind as one of the most ludicrous, wasteful programs that has ever come down the pike.

• (1545)

I would argue that not only was it wasteful, it was probably one of the most cruel programs I have ever seen, because the government was setting out to train people for jobs that simply did not exist. Whole towns in Newfoundland were trained to be hairdressers. It is ridiculous to give people false hope and then ultimately take that hope away from them and at the same time insult the taxpayers by spending \$2.5 billion.

Canadians need a small, lean government, an accountable government, a transparent government, with low taxes. That would ultimately benefit all Canadians because the economy would move faster and citizens would get real jobs that would allow people to provide for themselves and their families and to have the dignity that goes along with that. That is what we need, not a bunch of ridiculous programs that come forward, as we have seen in the past from this government, such as TAGS. We need real jobs. They will come when the government finally figures out that it cannot be the big daddy, the sugar daddy, to everybody and understands that it is the private economy which will create real jobs.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the key element is found in the introduction of the report referred to earlier today, which reads as follows:

Recently, an agreement was struck with nine provinces (except Quebec) and two territories (the Yukon and the Northwest Territories) on the main points of new mechanisms as part of the Social Union initiative.

The Bloc Québécois had the words "except Quebec" added.

Does the hon. member think it is normal to have an agreement on social union in Canada that can be implemented without first consulting Quebec and without its consent? It seems to have become a habit of this federal government to do any number of things by denying the reality of Quebec?

It did so in 1982, with the unilateral patriation of the Constitution, and it is doing it again now, with the social union. I would like to hear the hon. the member on this.

[English]

**Mr. Monte Solberg:** Mr. Speaker, I believe that the government has failed completely to address the legitimate aspirations of the province of Quebec, as well as other provinces which have sole jurisdiction in many areas, including training and education. It is

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time for the government not to use just the stick when it comes to dealing with Quebec. We believe that it should use the carrot as well. It is time for a fundamental reform of the federation. If we had that in Canada today we would not have the problem of people agitating to leave the country.

**Mr. Derek Lee:** Mr. Speaker, I move that the House do now proceed to orders of the day.

[Translation]

**Mr. Paul Crête:** Mr. Speaker, I rise on a point of order. I believe I rose to speak in this debate before the government member. I have a speech to make on this motion and I would have appreciated being recognized since I was already on my feet.

**The Deputy Speaker:** I have a lot of sympathy for the hon. member, but, after the beginning of a debate on a motion moved by a member of the opposition, it is customary for a member of the government party to respond. This is why I recognized the parliamentary secretary who, as we know, is a government member.

[English]

**Mr. Derek Lee:** Mr. Speaker, I move that the House do now proceed to orders of the day.

• (1550)

[Translation]

**Mr. Michel Gauthier:** Mr. Speaker, on a point of order. I know you are an expert in procedural matters. As a matter of fact, you just tabled a new book entitled *House of Commons Procedure and Practice*, which was brilliantly put together by the clerks of the House. I am sure you have noticed that, according to our standing orders, when the Speaker recognizes a member who is rising, that member is supposed to speak.

In this case, not only did the member not rise, but even when the Speaker recognized him, he refused to speak. I rose. Therefore, it seems to me that I should be allowed to speak.

**The Deputy Speaker:** The member for Roberval surely noticed that the parliamentary secretary hung on every word the Speaker said.

I know he heard what I said, but he was waiting for the interpretation. So I think the parliamentary secretary wants to have the floor.

[English]

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I move:

That the House do now proceed to orders of the day.

[Translation]

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

• (1635)

[English]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 665)

## YEAS

## Members

Adams	Alcock
Anderson	Assadourian
Augustine	Axworthy
Bakopanos	Beaumier
Bélair	Bélanger
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Chan
Charbonneau	Clouthier
Collenette	Comuzzi
Copps	Cotler
Cullen	DeVillers
Dhaliwal	Dion
Drouin	Duhamel
Easter	Eggleton
Finlay	Fontana
Fry	Gagliano
Galloway	Godfrey
Goodale	Gray (Windsor West)
Guarnieri	Harb
Harvard	Hubbard
Ianno	Jackson
Jennings	Karetak-Lindell
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Lastewka
Lavigne	Lee
Leung	Limoges
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Matthews
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)

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McTeague	McWhinney
Mifflin	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Proud
Provenzano	Redman
Reed	Richardson
Robillard	Rock
Saada	Scott (Fredericton)
Sekora	Sgro
Shepherd	Speller
St-Julien	Steckle
Stewart (Brant)	Szabo
Telegdi	Thibeault
Torsney	Ur
Valeri	Vanclief
Volpe	Wappel
Whelan	Wilfert
Wood—133	

## NAYS

## Members

Anders	Asselin
Bachand (Richmond—Arthabaska)	Bellehumeur
Benoit	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Borotsik
Bigras	Brisson
Brien	Brison
Cadman	Canuel
Cardin	Casey
Chatters	Chrétien (Frontenac—Mégantic)
Crête	de Savoye
Debien	Desjarlais
Desrochers	Dockrill
Doyle	Dubé (Lévis-et-Chutes-de-la-Chaudière)
Dubé (Madawaska—Restigouche)	Duceppe
Dumas	Epp
Fournier	Gauthier
Girard-Bujold	Godin (Acadie—Bathurst)
Godin (Châteauguay)	Goldring
Gouk	Grewal
Grey (Edmonton North)	Gruending
Guay	Hardy
Harvey	Herron
Hilstrom	Hoeppner
Jaffer	Johnston
Jones	Keddy (South Shore)
Konrad	Lalonde
Lebel	Lill
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Marchand	Mark
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
McNally	Ménard
Mercier	Meredith
Morrison	Muise
Nystrom	Obhrai
Pankiw	Perron
Picard (Drummond)	Plamondon
Price	Proctor
Reynolds	Rocheleau
Sauvageau	Scott (Skeena)
Solberg	Solomon
St-Hilaire	Strahl
Tremblay (Lac-Saint-Jean)	Tremblay (Rimouski—Mitis)
Turp	Vellacott
Venne	Wasylcia-Leis
Wayne—90	

## PAIRED MEMBERS

\*Nil/aucun

**The Speaker:** I declare the motion carried.

## MESSAGE FROM THE SENATE

**The Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed a bill to which the concurrence of this House is desired.

\* \* \*

● (1640)

**The Speaker:** It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time adjournment is as follows: the hon. member for Compton—Stansstead, Immigration and Refugee Board.

## GOVERNMENT ORDERS

[Translation]

## CRIMINAL RECORDS ACT

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved the second reading of, and concurrence in, amendments made by the Senate to Bill C-7, an act to amend the Criminal Records Act and to amend another act in consequence.

**Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, it is my pleasure to rise in the House today to speak to Bill C-7, an act to amend the Criminal Records Act.

Hon. members will remember an identical bill received unanimous support from all parties, as Bill C-69, in the previous session of parliament. I am happy to report that Bill C-7 received unanimous support at third reading in the other place.

Moreover, and I feel it is important to stress it, every justice minister and General Solicitor in the federal, provincial and territorial governments have supported the thrust of this document. In the long run, Bill C-7 will help us ensure the security of our children and other vulnerable persons.

Bill C-7 will help us to better protect our children by authorizing the use of a special notation in the Canadian police information centre system, also known as CPIC, to indicate to a police force doing a check that a pardoned person has already been found guilty of a sexual offence. It will then be possible to ask the CPIC management to make the sealed records available.

Thus, organizations responsible for taking care of children that are considering hiring an applicant or using a volunteer will have a

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better way to determine if that person received a pardon for a sexual offence conviction. The special notation will ensure that such records are not overlooked during the criminal records check for screening purposes.

My distinguished colleagues will probably remember that the Senate Standing Committee on Legal and Constitutional Affairs had expressed some reserves about the bill. Consequently, the honourable senators adopted some motions to amend it.

Without prejudice to the thrust of the text adopted by the members in this House, the motions resulted in four amendments that change the structure of the bill to improve its implementation.

The first amendment specifies that the notation system only applies to sexual offences. Indeed, it has always been very clear that this bill was aimed at this type of offences, not others.

The second amendment takes the list of sexual offences out of the regulations and incorporates it in the legislation as a schedule to the act. This being said, the list of offences has not been amended as such since it was reviewed by the Standing Committee on Justice and Human Rights.

The third amendment takes the definitions of “children” and “vulnerable persons” out of the regulations to incorporate them into the act.

Finally, the fourth amendment changes the wording, but not the substance, of the definition of “vulnerable persons” by removing the word “handicap”, but keeping the word “disability”.

I would like to thank the members of the Senate Standing Committee on Legal and Constitutional Affairs for their judicious comments. I am convinced my distinguished colleagues will be pleased with the proposed amendments which, I say it again, have to do with the wording and not the substance of the bill passed by the members of this House.

• (1645)

I want to thank all my colleagues in this House and the other one for their invaluable contribution to and support of Bill C-7.

Passing Bill C-7 will result in significant changes based on efficient measures already put in place by the current government, on the unanimous recommendation of the provincial and territorial justice ministers.

These changes have been endorsed by every party and I believe they are consistent with our common concern and commitment to do everything we can to protect our children and other vulnerable persons against sexual predators who might be out to harm them.

On this side of the House, we encourage the members of the other parties to express interest and support for this essential piece

of legislation. I therefore ask the House to concur in these amendments.

[English]

**Mr. Eric Lowther (Calgary Centre, Ref.):** Mr. Speaker, today we are debating Bill C-7 which would amend the Criminal Records Act to make criminal records of pardoned sex offenders available for background checks. This will ensure that the sealed records of sex offenders seeking positions of trust particularly over children will be available for screening purposes.

I appreciate the comments of the Parliamentary Secretary to the Solicitor General of Canada. His involvement in the entire process from the beginning has been positive. He has been true to his word as an hon. member all the way through. I am glad to see we are at this stage today where hopefully the bill will go on to royal assent.

This bill has a long story behind it. I will not go through all of it but I will highlight it briefly a little later. It is important that we understand what this bill is actually doing. We talk a lot in the House about the importance and the care of children. This bill makes a significant step in the direction of caring for children.

A lot of people do not realize today that when those convicted of a criminal offence finish serving their time of either four or five years, they can apply for a pardon. A pardon does not mean they did not do it; it just means their record is no longer accessible by the public. Just about everybody who applies for a pardon gets a pardon. That means there are many people who have been convicted, who have served their time, who have received their pardon and whose records are not accessible to the public. Maybe that is okay.

Where there is concern and why this bill is before us today is in dealing with children when those applying for positions of care or trust over children have a previous conviction of a sexual offence particularly toward children. This bill would open up those records or allow access to those records so that those who are hiring people or bringing on volunteers or putting people in place to care for children can perform thorough checks. The criminal records check would penetrate right into the pardoned record so there would be no doubt that there is no history of such grievous crimes against children. It would give parents and the people involved the peace of mind that everything possible had been done.

As the parliamentary secretary mentioned earlier, the way we are going about doing this is simply by flagging the records in the existing police information system, CPIC. We have the information so all we are really doing is flagging it to make sure that when necessary this information can be accessed.

A number of controls have been put in place throughout the process and throughout the committee examination of this bill to make sure all the various interests are protected. I am not going to

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go into that. We have done that in previous debates on this bill and I do not think we need to cover that ground again. The House has heard it, the committees have heard it, it has been passed two or three times. We are at the final stage of this whole process.

There is another reason that this is important. The police made it very clear to us in their testimony before the committee that there is a high rate of recidivism, of repeat offences for those who have been convicted of a sexual crime particularly against children. That is why this kind of legislation is needed.

• (1650)

In fact, the police who were before the committee mentioned that they only catch a fraction of those who commit these kinds of offences. This is all the more reason that we need thorough record checks so children are not put in positions of risk, or offenders in a place where they can reoffend.

Bill C-7 has also brought some other improvements to the mix. There are changes on how pardons are processed. This is long overdue. We could do more than what the bill does but one thing it does is once someone has applied for a pardon and has been turned down, they have to wait at least a year before they can reapply. That is a step in the right direction.

I am pleased to say that when it looked at the bill, the other place improved it. I was concerned that the list of sexual offences which this bill applied to was in the regulations before it went to the other place. This meant that they could be changed by bureaucrats without coming back to the House for debate. The Senate incorporated those types of offences into the bill itself so that there is assurance that it is all covered by the legislation. It did a good job.

This debate and the debates on previous bills which have brought us to where we are with Bill C-7 have been interesting. The committees heard testimonies from witnesses. Victims groups mentioned that sexual crimes committed against children were not a one time thing. The victims stated that it was like a life sentence. It was something they would never be free from or be able to forget. This is the reason we do not want to submit any more children to that kind of life sentence and we are doing everything we can to protect them from being in those situations ever again.

The police also pointed out that people who have this sickness, a predisposition to sexual offences, often work their way back into a position of trust with children. There is no way to make sure they are excluded from those positions unless we have access to every possible record we can find. That is another reason Bill C-7 is before us and has broad support in the House.

The police associations had also documented along with Correctional Service Canada that the psychiatric community holds no confidence that there is any kind of reliable treatment for people who have this predisposition. Even though they may have served their time and have had no further convictions and have received a

pardon, there is no confidence that the problem has been addressed or that there has been any reliable treatment applied to the individual who has this illness.

I will touch briefly on another link that ties into a current issue that is also before the House and the supreme court. The Canadian Police Association and two detectives from British Columbia who deal with these kinds of crimes came before the committee. They said that in almost 100% of the cases, people who were involved in sexual crimes, particularly those against children, were consumers of pornography. Often they would find child pornography with the individual.

That issue is before us. That issue has generated the largest petition, by fourfold, that the 36th Parliament has ever seen. There are 350,000 signatures on petitions from coast to coast. The petitioners want to see the laws upheld and strengthened that make sure that the possession and purchase of child pornography is something that Canadians do not have to tolerate.

Our party put forward a supply day motion where the House could have used the notwithstanding clause in the charter. We could have upheld the law in B.C. and we would not have had a delay of a year plus where the gates have been open to the consumption of child pornography in this country. I am sad to say that the government did not take that opportunity and use the charter as it was intended.

• (1655)

In fact the Prime Minister himself had once written that that was the very intention, the very reason the notwithstanding clause was included in the charter, to protect against the legalization of child pornography. Yet his own government did not take advantage of that opportunity which the official opposition presented to the House. The consequence is we have opened the door to the consumption of this grievous material. We are still waiting for a ruling on the issue from the supreme court.

We can see these two issues are linked. If we are going to all this effort to protect children and make sure they are not put in the hands of sexual predators who target children, why would we not also ensure that the child pornography issue is dealt with straight up and firmly, as quickly as we can, to make sure we close that door?

Often the people that are caught up in this cannot tell the difference between fantasy and reality after a while and children end up being the victims.

When the arguments of freedom of speech are used and it makes the most innocent of our society a target for abuse, we have gone too far. We must all be responsible for the health and welfare of our community and take a more balanced approach to these arguments around freedom of speech, because they just do not work.



*Government Orders*

I will give a brief review of how this important bill came to the House. Back in the 35th Parliament, almost five years ago, a petition came to the House from 25,000 people in British Columbia who were concerned about the need to better protect children. It was presented by the hon. member from Fraser Valley, a member of my party. When he presented it, he did not stop there but also went on to submit a private member's bill that would have done fundamentally what Bill C-7 does, which is to give to institutions that are caring for children and parents the access to the pardoned record of anyone they are putting in a position of caring for children.

That was five years ago. That private member's bill was in the mix. It was not drawn but it was waiting. When the election was called it died on the order paper. It never did see debate in the House. In 1997 when I came to the House and I looked for a number of private members' bills to submit, I saw the bill from the member from Fraser Valley and thought it made a lot of sense. I wanted to put it forward. That was Bill C-284.

Most of the members of the House understand this, but for those who are listening, unfortunately there are more private members' bills than we can get to the floor of the House so there has to be a draw. Fortunately Bill C-284 was drawn. The next test it had to go through was whether it was going to be votable or just debated and aired in the House with no vote. Very narrowly it was deemed to be votable. That meant we could debate the issue and vote on it.

Every member of the House debated it. There were mixed feelings at the time. Some supported it but some did not. Some had reservations. When it came to the vote it passed second reading in the House. A private member's bill from the opposition passed second reading in the House. It was a good sign that we had consensus on the need to do all we can to better protect children.

I submit that if we could have had the same vote on the notwithstanding clause on the child pornography issue in B.C., we might have seen the same positive result. Unfortunately it did not happen.

Once the bill passed second reading it went on to committee. I have to commend all the members of the justice committee. They did a good job. They listened to the witnesses. They listened to the police. They listened to the victims groups. They listened to parents who had children who had been victims. They even listened to some of the civil libertarians who thought that once pardoned always pardoned and we should not have access to the record. They questioned hard, saw past the partisan politics and said, "We are talking about children and we want to minimize the risk". Clearly at the end of the day in that justice committee there was consensus for supporting Bill C-284, which is the bill I had been fortunate enough to bring to that point.

• (1700)

About that time, through access to information, we know the government was aware this private member's bill was to come to

the House and it proactively drafted a piece of legislation which was very similar to my Bill C-284. That was fine. I felt there were some weaknesses in the government's bill and decided, together with the Parliamentary Secretary to the Solicitor General of Canada, to bring both bills to committee. I am sharing this information with members of the House who may think private members' bills cannot have an impact. They do and this is a real life story of one that did.

The government bill, which is a copy of the one I submitted more or less in intent, went to committee and we effectively as a committee combined the best parts of both bills into the government bill. The committee agreed to accept four amendments which strengthened the government bill. I felt they were critical amendments that took the discretion out of whether or not we would release these records. At the end of the day the committee supported the four amendments and in turn I withdrew my motion and said that Bill C-69 should be brought back to the House for a vote.

It is important to note that there was some give and take throughout the process. What was good about this process was that for once we saw some partisan politics being put aside and people actually working together.

Bill C-69 was brought back to the House and I must say it was good when the bill was passed at third and final reading and moved on to the Senate. With all this work, all these witnesses, all this cost and all this time, I wondered if we would ever see it come back from the Senate.

I know other bills went to the Senate later than Bill C-69 but came back to the House sooner. I thought maybe we had lost the sense of priority on this bill. I must commend the parliamentary secretary to the solicitor general. He has continued to fulfil his commitment that he would get it back from the Senate. In fact when it came back from the Senate there were a number of improvements. Things that were in the regulations and subject to change by bureaucrats were now incorporated right into the bill in an appendix. They did a good job and strengthened the bill.

I am pleased to have the opportunity to go back to my riding and to thank the many associations across the country that sent in letters of support. I will be sending each one of them a letter when the bill goes for royal assent thanking them for their efforts.

I personally applaud members of the House for passing this bill and the justice committee which put aside partisan politics and worked to improve the bill before us. I also applaud the parliamentary secretary and some good Senate amendments.

The media may never cover this bill because we did not fight on it. There is no arm wrestling or sensationalism around it. They may never hear too much about it. We worked too long to get it here, five years to make it happen, but finally we are here.

*Government Orders*

Some may say it is not a big thing and ask what is the big deal in getting access to pardon records. In the scope of all government legislation out there maybe it is not a big thing. However, if one, two, ten or a hundred children are protected from being in a situation where they are assaulted by a sexual predator because of access to this information, then for each one of those children this is a big thing.

I thank members of the House for supporting the bill. I hope we send it quickly for royal assent and not let things get stalled at this point. It is critical that we do it. It would give us all a refreshing sense of purpose in light of some of the other things we face in this place.

• (1705)

At this point in time I would like to move:

That, pursuant to Standing Order 26(1), the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of considering the Senate amendments to Bill C-7, an act to amend the Criminal Records Act and to amend another act in consequence.

**The Deputy Speaker:** Will those who object to the motion please rise in their places?

*And more than 15 members having risen:*

**The Deputy Speaker:** More than 15 members having risen the motion is deemed withdrawn.

(Motion deemed withdrawn)

\* \* \*

[Translation]

**AN ACT TO GIVE EFFECT TO THE REQUIREMENT FOR CLARITY AS SET OUT IN THE OPINION OF THE SUPREME COURT OF CANADA IN THE QUEBEC SECESSION REFERENCE**

BILL C-20—NOTICE OF MOTION FOR TIME ALLOCATION

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, an agreement could not be reached under the provisions of Standing Orders 78(1) or 78(2) with respect to the second reading stage of Bill C-20, an act to give effect to the requirement for clarity as set out in the opinion of the Supreme Court of Canada in the Quebec Secession Reference.

Under the provisions of Standing Order 78(3), I give notice that a minister of the crown will propose at the next sitting a motion to allot a specific number of days or hours for the consideration and disposal of proceedings at the said stage.

**Some hon. members:** Shame, shame.

**CRIMINAL RECORDS ACT**

The House resumed consideration of the motion pertaining to the amendments made by the Senate to Bill C-7, an act to amend the Criminal Records Act and to amend another Act in consequence.

**Mr. André Bachand:** Mr. Speaker, on a point of order. We have just seen the government act once again with respect to a very important bill.

I would seek the unanimous consent of this House to permit us, after approving an amendment by the Bloc Québécois, whose vision of the country is very different from our own, to move an amendment that, in short, would add a positive element to a very negative bill.

I ask for the unanimous consent of the House to move this amendment. The amendment would be debated after the House has voted on the Bloc Québécois amendment. I ask for unanimous consent to move an amendment.

**The Deputy Speaker:** I do not think I understood correctly what the hon. member is asking. This afternoon, we are debating the Senate amendments to Bill C-7. Is the member moving an amendment to this bill?

**Mr. André Bachand:** Mr. Speaker, what I am saying is that, on a very important bill, a negative but nevertheless important measure, namely Bill C-20, the clarity bill, the government House leader has announced that, tomorrow, a minister of the crown will bring forward a time allocation motion that will limit debate to a certain amount of time.

• (1710)

What I am asking at this stage is to have the unanimous consent of the House so that our party can move an amendment after the amendment moved by the Bloc Québécois has been disposed of.

**The Deputy Speaker:** Is there unanimous consent for the member to move an amendment to the bill at this time?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, it is rather surprising to have such an audience at this late hour, but I am still very happy to speak today to the Senate amendments to Bill C-7, which amends the Criminal Records Act.

Bill C-7 proposes preventive measures against recidivism for sexual offenders who have been granted a pardon and who would be tempted to work with children or other vulnerable groups.

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So that members can fully understand the proposed amendments, I would like to remind them of the circumstances under which the present legislation was enacted and to say a few words about the amendments.

In 1969, the Ouimet report recommended the adoption of a federal act on rehabilitation. At the time, the goal was to rehabilitate offenders who had been of good conduct since having committed their crime.

The Criminal Records Act was passed in 1985. This act allows the offender to apply for a pardon. It sets out the terms and conditions for obtaining what is commonly known as a pardon.

Under the present legislation, an individual is eligible for a pardon if he or she participates in good conduct for a certain length of time after the legal termination of his or her sentence. That period is of five years if the person was convicted of an indictable offence, and three years, for a summary offence conviction.

What are the effects of a pardon for the offender? According to section 5 of the act, the grant of a pardon is evidence of the good behaviour of the applicant. It restores his or her reputation and vacates the conviction in respect of which the pardon is granted. There is controversy over what the expression "vacates the conviction in respect of which it is granted" means. Based on the French version of the text, some claim that the pardon retroactively erases the conviction. Others maintain, based on the English version, that the pardon simply makes the information concerning the conviction confidential.

In fact, this matter was debated by the Quebec appeal court in the Justice Richard Therrien case. The court reached the conclusion that the safest interpretation of the law acknowledges that, while a pardon does not erase the conviction retroactively, it mitigates its effects by extinguishing them as much as possible and by banning discrimination against a person who has benefited from this measure.

The court adds that section 5 of the Criminal Records Act is therefore limited in scope. Essentially it is intended to remove the effects of any disqualification created under an act of Parliament. In addition, the legislation does not contain any provisions preventing the criminal record of an individual from being questioned.

In practice, a pardon eliminates the criminal background from the automated criminal conviction records retrieval system maintained by the RCMP, known as the CPIC, the Canadian police information centre.

• (1715)

This is the official criminal records bank in Canada. When a pardon is granted, the record is removed from the system and is no

longer accessible, unless authorized by the Solicitor General of Canada.

The present law provides for the revocation of a pardon. A pardon may be revoked if a person is convicted of a further criminal offence punishable by summary conviction or is no longer of good conduct, has knowingly made a false or deceptive statement, or concealed some material particular. On the other hand, the pardon granted to an individual convicted of an offence punishable by way of indictment is automatically cancelled.

The Criminal Records Act provides that applications for pardon must be submitted to the National Parole Board. The board then investigates the applicant. If the National Parole Board decides not to grant a pardon, there is no provision in the existing legislation preventing the applicant from immediately submitting a new application after having been denied a pardon.

About 250,000 pardons have been granted since the act came into effect, and the recidivism rate among those who were granted a pardon is approximately 2%. Fewer than 2.4% of the pardons granted have been revoked.

Some 4,000 of these 250,000 pardons were granted to people who had been convicted of sexual assault. It is estimated that 114 of these 4,000 offenders committed another crime of a sexual nature. We have heard sordid stories about children sexually assaulted by individuals who were in a position of trust relative to them. Even if the number of repeat sexual offenders who have been granted a pardon is low, just one sexual assault involving a child is one too many.

The government adopted a series of measures to prevent child sexual abuse. The proposed amendments to the Criminal Records Act are part of that arsenal. The main measure proposed in Bill C-7 is the development of a system to identify child sex offenders who were granted a pardon and who are trying to work with children or vulnerable persons.

Any person who applies for a job that would put him or her in the presence of children or vulnerable persons might be subject to a review of his or her criminal record. That check will allow officials to determine whether the applicant was granted a pardon for an offence of a sexual nature.

Bill C-7 also includes other amendments to the Criminal Records Act. It clarifies the effect of pardon. The controversy regarding the interpretation of section 5 is eliminated. Moreover, amendments are made regarding the time when an individual can re-apply for a pardon following a refusal. Finally, the grounds for the revocation of a pardon are changed.

Let me elaborate on these changes.

First, clause 6 of the bill stipulates that an applicant for a paid or volunteer position of trust or authority with children or other

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vulnerable persons may be subject to a verification for the purpose of determining whether they have been granted a pardon for a sexual offence. This flagging mechanism would work as follows.

An individual submits an application to an organization or person responsible for the well-being of children or other vulnerable persons. Under the proposed legislation, a future employer will be able to verify whether an applicant has been granted a pardon for a sexual offence. The applicant must, however, consent to this verification in writing.

The manner in which consent is to be given is governed by the regulations. Once consent has been obtained, a police force or other authorized organization will conduct the verification.

• (1720)

Detection will be as follows: the RCMP commissioner will be required to include a notation in the automated criminal conviction records retrieval system so that police will know whether someone has been granted a pardon for a sexual offence. The flag in question could take the form of a red warning light. It will not reveal details of the offence in question to the police.

If the red warning light appears during a verification, it will mean that an applicant has been granted a pardon for a sexual offence. The RCMP commissioner will then send the file to the solicitor general, who will disclose the file, in part or in whole, to the authorized police force. Consent will have to be obtained again from the applicant before his or her file can be transmitted to a future employer.

Under this bill, it would be up to the governor in council to prescribe by regulation which offences should be flagged. Also, “children” and “vulnerable persons” would be defined in the regulations. However, the Senate proposes that the list of offences to be flagged be incorporated in the act. I will get into the details of this proposition made by the Senate a bit later.

The government proposes to define the word “children” as “persons who are less than 18 years of age”. The definition of this term would then be based solely on age, as is the case in several other pieces of legislation.

As far as the expression “vulnerable persons” is concerned, the proposed definition is the following: persons who, because of their age, an impairment, a disability or other circumstances, whether temporary or permanent, are in a position of dependence on others, or are otherwise at a greater risk than the general population of being harmed by persons in a position of authority or trust relative to them.

But we will see later that, in its proposed amendment, the Senate has removed the terms “impairment” and “disability”.

The second change brought about by Bill C-7 is the elimination of the controversial section 5, which is replaced by clause 4

designed to further clarify the effects of a pardon. It very simply states that it “requires the judicial record of the conviction to be kept separate and apart from other criminal records”.

Bill C-7 makes a third amendment I should mention. It provides that the pardon will be automatically revoked if a new offence is committed, whether it is an offence punishable on indictment or on summary conviction. Finally, it provides for the imposition of a one year waiting period prior to reapplication for a pardon following a denial by the parole board.

This bill received strong support from members of the House of Commons. The proposed measures respond to a basic concern of all of us, namely the protection of our children against sexual offenders.

The record of a pardoned sexual offender, like the record of any other pardoned offender, does not come up during a search of the CPIC computer files. As I explained earlier, the record of a pardoned offender is sealed and cannot be disclosed.

However, when an individual wants a job that might put our children or vulnerable persons at greater risk, an exception to this rule seems justified to me. This is why I support the proposed amendments. These changes are preventative measures which will prevent tragedies.

Yet it is important to mention that only the police and authorized personnel will have access to the information regarding the offender, and his consent will be needed to have his record checked. This guarantees the protection of the pardoned individual.

• (1725)

Bill C-7 was referred to the Senate on October 18, 1999. After reviewing it, the Senate has proposed four amendments on which we have to vote today.

First, the Senate is suggesting that the definitions of “children” and “vulnerable persons” be included in the act itself, whereas the government was proposing that they be defined in the regulations.

Criminal law is particularly important as it condemns those acts society finds the most reprehensible. It concerns the Canadian population as a whole. For this reason, I believe using regulations in matters of criminal law should be avoided.

Parliament must retain the power to determine the categories of persons affected by these acts, and these must be subject to debate. In its amendments, the Senate confirms the definition of “children” as proposed.

In the definition of “vulnerable persons”, The Senate recommends that the words “handicap” and “infirmity” be replaced by “disability”. The definition of vulnerable persons would be as

follows: persons who, because of their age, a disability or other circumstances, whether temporary or permanent, are in a position of dependence on others; or are otherwise at a greater risk than the general population of being harmed by persons in a position of authority or trust relative to them.

The words “handicap” and “infirmity” are seen as inappropriate or obsolete and the word “disability” seems more appropriate.

Second, the Senate proposes that clause 6.3(1) of the bill be amended in order to describe the type of offence covered by the legislation.

I support these amendments since they specify the scope of the legislation. What this legislation seeks to do is to identify the individuals who were granted a pardon for a sexual offence and who might be likely to reoffend when in a position of trust with children or other vulnerable persons.

The other types of offenders are not affected by this legislation. This sets a balance between the protection of the public and the right of individuals to enjoy the full effect of a pardon.

Third, the Senate proposes that a schedule be added listing the sexual offences provided for in the criminal code and referred to in the legislation.

I repeat the comments I made earlier. Originally, the government wanted to let bureaucrats make a list of offences, through regulations, without having to report to parliament. I believe it is essential, in criminal law, for the freedom of bureaucrats to be limited and for parliament to retain the responsibility of determining which offences must be provided for in the legislation. This is why I support this Senate amendment.

The last amendment relates to the possibility for the governor in council to change the schedule, through an order in council, to add or remove a sexual offence. I am in favour of this amendment, because it gives the latitude required for developing and updating the list of offences provided for by the legislation. If the criminal code provides for new sexual offences, the schedule could be changed accordingly.

A pardon has an important value in our society. People facing criminal justice are, following a conviction, punished for their crime. Often, we see that the stigma of a criminal record remains long after the sentence has ended, even if the individual does not reoffend and leads an exemplary life.

The Criminal Records Act was passed to allow these people to lessen the effects of a criminal record by obtaining a pardon. However, some people who were pardoned for sexual offences have reoffended. Often, they commit their crime while in a position of trust with children or vulnerable people.

### *Private Members' Business*

• (1730)

I have found two very disturbing cases that are good examples of what we want to avoid with this bill. The first one concerns Paul Gervais, who received a suspended sentence in March 1999 for sexual assaults on several teenagers in Ottawa, in 1997 and 1999.

We read in the Ottawa Citizen that it was discovered during submissions on sentencing, that Paul Gervais had been sentenced 20 years earlier for similar crimes. He was granted a pardon for those offences, and it was impossible to retrieve his criminal record.

The second case reported by Shafer Parker Jr. in the British Columbia *Report* concerns Paul Leroux, who was accused of pornographic material possession in April 1997 and indicted on 32 counts of sexual assault on 15 boys.

During the investigation, it was discovered that in 1979 Paul Leroux had been sentenced for molesting a boy when he was a supervisor in the students' residence at Grollier Hall high school in Inuvik. He had been granted a pardon.

It is true that there are very few repeat offenders but there should be zero tolerance when it comes to the protection of our children. Bill C-7 was introduced to prevent abuse and to protect our children from it.

In conclusion, the Bloc Québécois will support this bill and the Senate amendments.

**The Deputy Speaker:** The next time this bill is before the House, the hon. member will have a ten minute period for questions and remarks.

[English]

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.

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## PRIVATE MEMBERS' BUSINESS

[Translation]

### SHIPBUILDING ACT, 1999

The House resumed from November 23, 1999 consideration of the motion that Bill C-213, an act to promote shipbuilding, 1999, be read for the second time and referred to a committee.

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, I would first like to congratulate my colleague, the member for Lévis-et-Chutes-de-la-Chaudière, who has done an extraordinary job for two years on this matter.

*Private Members' Business*

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

**Mr. René Canuel:** Even on his holidays, he took time to visit shipyards. In the area of shipyards this is not always easy.

The purpose of the bill he introduced is to promote shipbuilding in Canada and to make Canadian shipyards more competitive. There is a lot of support for these demands. One hundred sixty thousand people have petitioned the Prime Minister of Canada. They sent postcards saying that something had to be done in this area in Canada.

In addition, the Shipbuilding Association of Canada supports the Marine Workers' Federation of Canada and the Shipyard General Workers' Federation of British Columbia.

All these people support the bill, which may help enormously. Some shipyards are nearly bankrupt, others are doing well. In my riding of Matapédia—Matane, one shipyard is doing very well—the Verreault Navigation shipyard.

I am not going to give the history of this shipyard, which is a family history. But they also need help. They are not asking for subsidies, they want the bill to be passed because it will help them enormously.

Yesterday, Ms. Verreault said the following at a press conference she gave “I do not necessarily want money. What I want is for certain standards to be eliminated and ones comparable to those in the United States to be set. That would be enough for me”.

● (1735)

Verreault Navigation's present project is to equip this shipyard with a second dry dock. Mrs. Verreault herself entered into alliances with the employers in order to reach a common agreement. This would result in a huge increase in employment. If there were a second dry dock, this would immediately create 119 more jobs on top of the existing 225. For a region like the Gaspé, that is really great.

We heard in the House today, and since Monday, that \$1 billion had been squandered or at least not having been properly accounted for. I can say that, if we had standards, not subsidies but standards, government-backed loans as my colleague has called for, 129 jobs could be created immediately, or just about, with this \$1 billion.

When we meet the minister, he tells us there is a moratorium and that it cannot be lifted. How can there be a moratorium when we are calling for job creation? Nowadays competition does not come only from Vancouver, the Maritimes or Quebec, but from all around the world.

The Canadian government has a duty to provide assistance to shipyards, and I cannot therefore see how one could not support this bill. It was introduced by my colleague from Lévis, and I will

be going over certain provisions in a moment. It contains three major demands, and I will tell you more about them if time permits, but the House is already aware of this bill. These are our demands, and it is very important that the bill be passed as quickly as possible.

Mrs. Verreault is an extraordinary woman. My colleague came with me to meet her. We toured her shipyard with her, and it is quite impressive. We often think that something like that can only be found in large cities but, for once, it is in the Gaspé Peninsula. Mrs. Verreault wants to create jobs. She is not asking for money; she would just like to be granted loans like everybody else. I cannot see how such a request could be denied.

The problem is when people dig their heels in. The government implements a policy from coast to coast, but when a request is made that is a little bit too unusual, albeit very legitimate, they say “No. There is a moratorium. Everyone must comply”. I cannot help but think that, if we were a sovereign state, we would not have to beg, and the problem would be solved in no time. This is just one more reason. Even in the Gaspé Peninsula, people want to achieve sovereignty because the government bureaucracy is such that jobs are being lost, with the result that families are getting poorer and young people are leaving.

Moving to one of the demands contained in the bill, I will read our request concerning a loan guarantee program.

(a) through the establishment of a program whereby a maximum of 87.5% of the money borrowed by a company from financial institutions to purchase a commercial ship that will be built in a shipyard located in Canada

(i) is guaranteed by the federal government in the event of default in the repayment of the loan,

(ii) bears a rate of interest comparable to that available for loans from financial institutions to large and financially strong corporations, and

(iii) is repayable on terms comparable to those usually granted by financial institutions to large and financially strong corporations for the repayment of their loans;

● (1740)

This is what we are asking the government for. Mere peanuts. It is only peanuts compared to the \$1 billion boondoggle. I hope that, this time, the government will understand something must be done.

Going back to our shipyard in Les Méchins, I invite anyone who has never been to Les Méchins to come and visit this beautiful shipyard. This small village is an economic hub; a lot of development is taking place in surrounding areas. When people are working, they can help other people, and it snowballs.

I am asking for the co-operation of the House as a whole to pass this bill so that it can be implemented as soon as possible. Otherwise, this would be all the more reason to go the sovereignty way, as far as I am concerned.

*Private Members' Business*

[English]

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I am honoured to stand in the House of Commons in Ottawa, representing the people, the taxpayers from my riding on this issue of great importance.

I appreciate the member who brought this bill forward. He, like many of us, recognize that there is an economic climate in Canada which makes it very difficult for our businesses, both small and large, to compete in the international market. Having this bill brought forward helps to signal to all that we have to do some things better than they are currently being done.

However, right at the beginning I have to indicate that although I am much in favour of promoting industry, business, and especially international trade, at this stage in my analysis of the bill I will be voting against it because of reasons I will express during my speech.

I would like to outline some of the things that are included in Bill C-213. I know that the deputy leader of the Tory party, the member for Saint John, who has major shipbuilding interests in her riding, has expressed interest in this and has said repeatedly that this will not cost the taxpayer a penny. She keeps assuring us that this will not cost the taxpayer any money. However, in my reading of the bill I do not see how that can be avoided since there are several provisions in the bill which I believe will cost the taxpayer money in directly subsidizing and propping up an industry which is not viable under our present rules in the country.

I am not sure that members of the Tory party, the Clark party, are true Conservatives because they are also promoting this type of socialistic propping up of a company. I am sure when their turn comes they will express what they really think about this. I look forward to hearing their arguments. I will put forward my arguments now. When their turn comes they will say what they want to say.

This bill, in its purpose, indicates that it is to promote shipbuilding in Canada and to make Canadian shipyards more competitive. I cannot argue with that. That is a very high and viable goal. I think all members in the House would agree to it. However, it then goes on to say that this will be done through the establishment of a program where a maximum of 87.5% of the money borrowed by a company from a financial institution to purchase a commercial ship built in a Canadian shipyard will be eligible for a couple of benefits from the taxpayer.

● (1745)

This is where the cost to the taxpayer comes in. Canadians may say that they want to do that. They may say that they want to pool all their money and give it to these other businesses whether they can compete globally or not and in that way they will keep them in business and keep people working. That is not a bad goal. When we

come right down to it, it is good to have people employed. It is good to have them working on things, especially when it comes to an export market.

However, the first of the benefits that the taxpayer will have to pick up is the guarantee by the federal government in the event of a default in the repayment of the loan. I do not see how the taxpayer is off the hook on that clause. Very clearly, some of the people who will be entering into a contract with a shipbuilding company for the building of a ship will not be able to pay for whatever reason. That happens in some proportion in all industries. With this guarantee, the taxpayer will end up paying the banks the amount of the default. That is what this says and that is how I understand it.

The other members who are promoting the bill may try to convince me that is not what it says, but those are the words and I can only go by the words.

The bill goes on to say that there are some conditions of bearing a rate of interest comparable to other loans from financial institutions to large and financially strong corporations. This is not a bad idea. This one would cost the taxpayers nothing. To say that a company is maybe not as strong as it could be and guarantee that its interest rates would be lower should actually increase the probability that it will be able to pay back the loan and it would increase the probability that the taxpayers would not be on the hook for it.

Then we go on. The Liberals are saying that they want to improve the tax treatment for lease financing for the purchase of a ship built in a Canadian shipyard. I would venture to say that it is probably a laudable goal for all businesses to have better tax provisions so that business can thrive whether it is a shipbuilding company or any other company in the country.

I would love to hear an explanation from the proponents of this bill about the last item, which I also believe will cost the taxpayers money. It says that this will provide for a refundable tax credit for a portion of the costs relating to the construction or refit of a commercial ship in a shipyard located in Canada or the conversion of a ship in such a shipyard. This is a tax expenditure. It is a refundable tax credit that will go to either the shipyard, if the ship is being built for someone outside the country, or to the owner of the ship if it is a Canadian shipping company. Perhaps this would be a way to provide an incentive for our finance minister's company to bring its ships back to Canada and actually fly a Canadian flag on them and pay Canadian taxes. That would be very interesting. Maybe we can buy the finance minister back. The costs to the taxpayer are included in that.

As I said at the beginning, given my present analysis I will be voting against the bill because of the very broad principle that I do not think the government should have the ability to take money out of the pockets of hard-working Canadians right across the country in order to prop up businesses that are not able to compete on an

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international basis because we have gone international now. It is not a valid use of the taxpayers' money.

I know exactly what they are going to say now, "How about the western farmers?" How about them? I had a farmer in Saskatchewan say to me "If I would have had a reasonable tax rate in the last 30 years, thanks to the Liberal and Conservative governments, I gave so much money in taxes, I would now be out of debt and I wouldn't have to worry as much in hopefully this short time of an agricultural income downturn". We are taxed to death in this country".

• (1750)

We need to have a reasonable tax regime not only for the shipbuilding companies but for all of them.

Whereas rolling stock on the railroad has a depreciation rate of about 10% per year and there is a decreasing balance of up to 40% for rolling stock for trucks, we already have a rule in place that allows them to depreciate on a straight line depreciation of one-third of the cost per year. In four years, because it has only half in the first and the last year, the total cost of the ship is totally written off as a tax write-off. That is a very favourable provision. I think taxpayers are already giving a considerable impetus to this particular industry.

We also need to get really with it in terms of our negotiations with other countries, particularly our large next door neighbour, and insist that we get fair rules. It is generally known, for example, that ships that are built for the American market, both military and domestic, must be built and must be maintained in the United States, whereas in Canada that is not true.

I am so sorry that my time is up. I would like to say that my mind is still open but I have those questions about the bill. I think we have a better way of solving this problem.

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, it is indeed a pleasure to have the opportunity to speak today on behalf of my friend and colleague from Lévis, Quebec who has been a strong advocate for the augmentation of the shipbuilding industry in Canada.

It is a pleasure to have this opportunity because we are starting to build a coalition in the House of Commons on the need to establish and develop a modern shipbuilding policy to ensure that we have a viable and sound industry based exclusively on a reduction in tax and not through subsidies.

I would like to share some of my comments with the hon. member for Elk Island. I agree with some of his comments, but I also disagree with some others.

Right now we have a new coalition of individuals trying to augment the bill: members of the Bloc, the New Democrats, the

Progressive Conservatives and now a chink in the Liberal armour. Members of the Liberal caucus, who tabled a document on September 30, 1999, fundamentally recognize that we need to have a modern shipbuilding policy in Canada so that the men and women, whether they reside in Vancouver, B.C., Port Weller, Ontario, Lévis, Quebec, Marystown, Newfoundland or closer to my home in Saint John, New Brunswick, can work.

With respect to Bill C-213, I will touch on three basic principles that the hon. member is advocating in the bill. First, the member wants to revise the Revenue Canada leasing regulations and combine them with an accelerated depreciation. What that would do is recognize that shipbuilding does not play on a level playing field internationally.

I am not advocating that the taxpayers of Canada should actually shell out cash in order to prop up this particular industry. However, I would argue quite convincingly that it is much better to take in a certain amount of revenue by actually having economic activity going on in the sector than receiving no revenue whatsoever. This actually goes to the whole corporate tax regime that we have in Canada today.

• (1755)

There is only one industrialized nation, which is a principal trading nation of this world, that has a higher tax regime than Canada, and that is the country of Japan. What I am advocating here is that we have a more aggressive tax system with respect to lease financing in Canada. That means no dollar is transferred from the Canadian taxpayer to this particular industry. In fact, by having economic activity in the industry we actually bring revenue in.

The second component which my hon. colleague from Lévis, Quebec is advocating is the need to have a loan guarantee program. Some people might actually advocate that perhaps that is a benign subsidy of some form. What we are advocating they adopt is a loan guarantee program known as Title XI, which the Americans have had in place since 1936. Their criteria has been very prudent.

I say to the member for Elk Island that I would not want to be a Reform candidate running in Fundy Royal given the comments made about this being a dead in the water industry and that shipbuilding is not viable in Canada.

Does anyone how many loan defaults the Americans have had since 1936? I know the member from Lévis knows that answer. They have had absolutely none. It works. Because the Americans have that loan guarantee program to guarantee purchasers who actually reside outside the United States, they are actually building ships for foreign companies now compliments of Title XI.

A company in Atlantic Canada, Secunda Marine Services Limited in Halifax, had a ship built compliments of Title XI. The program has been in place since 1936 and they have not had a



single loan default. The American taxpayers have not shelled out one red nickel in order to implement the program.

If we copy something in university it is called plagiarism. In the real world it is called being resourceful. Why do we not just adopt something that is actually working in the United States and implement it here in Canada?

I will give some credit to members on the government side of the House. They have headed in the right direction with respect to that particular issue. The Export Development Corporation is a loan guarantee program that will guarantee loans for the export of a ship. That is a step in the right direction.

However, what I am advocating we do is we use that program to guarantee the construction for domestic consumption as well.

Canada is a viable and competitive shipbuilding nation. Our labour rates are not only competitive, they are in fact less than the EU. What we are looking for is a competitive tax regime.

I know our finance critic, who is here listening to this speech, understands the Conservatives stand on tax reduction. Perhaps the Reform populace does not, but that is the principle that I am advocating.

[*Translation*]

I am proud to have the opportunity to take part in this debate, and to suggest some improvements.

The member for Lévis-et-Chutes-de-la-Chaudière has worked very hard on this issue, as the member for Chicoutimi.

[*English*]

There are numerous members who are trying to advance this particular debate, including the member for Saint John.

What I am advocating are four basic principles. Let us change our tax regime to make lease financing in Canada more cost competitive. Let us ensure that our shipowners have access to the best financing rates by guaranteeing their loans under prudent criteria like the Americans have with Title XI.

• (1800)

We also need to address the trade issue. Free trade has been wonderful for the growth of this country. Prior to 1988 our trade with the Americans was around \$88 billion each and every year. Compliments of free trade, our current trade with the Americans is around \$260 billion. Free trade was a win for Canada. However, we were not able to leverage the Americans to drop the Jones Act and their protectionist regime.

The Liberal government on countless occasions has said “It was you who negotiated the free trade agreement. It was you who negotiated the NAFTA. It is your fault”. The Liberal government

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has been in office for seven years and never once has it knocked on the door of a congressman or a senator in the United States to ask if we could open up some kind of bilateral trade agreement for certain types of ships, whether they be ocean-going tugs, offshore drilling rigs or any other type of ship. Canada has developed the expertise for the Hibernia site, off the shores of Newfoundland, which includes areas such as Terra Nova, Ben Nevis, White Rose and Sable Island. We have technology that has been developed in Canada that we want to export.

I will support this motion, even though I disagree with one component of it.

The member for Elk Island may be right with respect to the refundable tax credit. In my opinion, it is a direct subsidy. If Reform members had any clue about this industry they would support this.

We stand for tax reduction. We do not mind revising Revenue Canada leasing regulations. Even though it would be precedent setting, there would be no money coming from the pockets of Canadians.

We do not mind supporting the bill. Should we adopt the American style for the loan guarantee program? We could probably do that. However, we do not support the third item. We could modify it and not support that aspect of it.

If we had more parties standing for this particular industry we could advance this, especially given that we have some Liberal members heading in that direction.

The work that the hon. member from Lévis has done in advancing this issue should be commended, as well as the work done by the member for Saint John and the work done for my private member's motion, which we have discussed as well. We are advancing this debate. We need a quarterback to lead this issue. I do not think the Minister of Industry has done a respectable job in this regard. I think we should change the quarterback and involve the Prime Minister.

**Mr. Ken Epp:** Mr. Speaker, I rise on a point of order. I am very eager to ask questions. I wonder if we could have unanimous consent to have two minutes for questions and comments.

**The Deputy Speaker:** Is there unanimous consent for a two-minute period of questions and comments?

**Some hon. members:** Agreed.

**Some hon. members:** No.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I am pleased to rise today in the House to speak to Bill C-213.

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First, I would like to congratulate my colleague from Lévis-et-Chutes-de-la-Chaudière. He has spent a lot of time on this issue. Since I was elected here two and a half years ago he has been fighting for this industry.

I believe this industry belongs just as much to Canada as to any other country in the world. When we look at our shipyards, we can be proud. Given that in Canada we are surrounded by oceans, the Pacific on one side, the Atlantic on the other side, it is important to look at the jobs that can be generated. Shipyards are a good example of that.

In 1993, in the red book, the Liberals promised Canadians a shipbuilding policy.

• (1805)

We are in the year 2000 and we have yet to see a policy. We are still waiting for a policy concerning shipyards; yet it could save the jobs of Canadian men and women. Instead, Canadians are currently forced to move to the United States to put their expertise to use. This is totally unacceptable.

Les Holloway was here on May 11, 1999. He met all the opposition parties and made suggestions, along with the unions, to save our shipbuilding industry. I do not agree often with the Irving company, but for once even Irving agrees with the unions. Irving is not the unions' biggest fan, but in this case, it is asking for the same thing as the unions. They want Canada to put in place concrete policies to save the shipbuilding industry.

I think it is really important that the Liberals keep their 1993 promise to implement such a policy. We are asking for loan guarantees with reimbursement, tax exemptions, anything to save Canadian jobs, because we can no longer accept to see good paying jobs being lost, jobs that we could have in our regions, for example in St. John, New Brunswick. A small shipyard in Caraquet had to close its doors. But we know how important it is to be able to create jobs in the Acadian peninsula.

I wish to congratulate the member for Lévis-et-Chutes-de-la-Chaudière on all the work he has done and the attention he has given to it. I wish to congratulate him on travelling throughout Canada, on coming to see us in Saint John and Caraquet in New Brunswick, on going to Nova Scotia, to Vancouver and to other countries to do the work of the Liberals elected in 1993, who have since cut jobs and who are not even able to save jobs here at home.

The Minister of Finance, who owns a shipping line, and who is not even able to have his ships built in Canada, tells Canadians that they must tighten their belts, that Canada is in trouble, that we must save money and be careful. He is not even able to help our own Canadians. He is not even able to save our jobs. In the Acadian peninsula, unemployment tops 40% in the winter but he has lumped us in with the major regions, which lowers it to 13%.

Our Minister of Finance has ships that he has not been able to have built in Canada. It is a real disgrace. Our Minister of Finance, who wants to run the country, be the leader of the Liberal Party and prime minister of Canada, has an industry that is not even able to support our Canadians. It is a real disgrace.

I strongly urge the Liberals to keep their promise to Canadians and not to take the approach they took with the GST, which they did not scrap even though they said they would in the 1993 red book. This was a promise made by the former leader of the opposition, now the Prime Minister. In 1993 he promised Canadians that he would develop a shipyard policy. He is not able to keep that promise either.

It is important to be able to save our jobs here in Canada because they are needed. They are needed in places like Saint John, New Brunswick, like Caraquet, Halifax and Dartmouth. Good policies such as those presented by our colleague from Lévis-et-Chutes-de-la-Chaudière, for example loan guarantees and tax exemptions, are what will make it possible to save this industry, which is so important.

• (1810)

The Minister of Finance, who owns a shipping company, prefers to go to Vietnam for his ships, instead of having them built here to save Canadian jobs. That is a disgrace. A minister with prime ministerial aspirations who is not even capable of supporting Canadians, that is disgraceful, and I am saying so here in this House.

In the Acadian peninsula and the Acadie—Bathurst region, we are losing over \$65 million in employment insurance benefits because of the cuts made by the Liberal Party over there, which is in power today. That is what we are losing in our area. I can guarantee that the government party did not train the workers and create the jobs in our area. That is not true, and I am prepared to rise in this House at any time to speak out against the damage the Liberals have done in continuing the policies of the Conservatives, the likes of Valcourt, who took employment insurance funds back in 1986 to add to the consolidated revenue fund.

Since then, workers have had to struggle day after day, and there is no money coming in. Today we are calling for a simple policy, one which would make it possible for us to keep our jobs in our area. When you were in the opposition, you were opposed to changes in employment insurance. The Liberals were against that. And yet they have made changes as well. They were in favour of a shipbuilding policy and today they cannot even follow that policy. They should be ashamed of themselves. They should pack their things and leave, because they are not doing what they promised Canadians they would do.

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

**Mr. Yvon Godin:** Mr. Speaker, it is important to look at the industries globally to find solutions. The NDP supports policies

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that promote shipbuilding. The Liberals on the other side of the House have a power that was given to them by Canadians, but not the majority of them, because I believe they got about 33% of the votes in Canada. Ontario is the only province that voted for you. You have basically killed health services with your policies.

I am asking you to think about what you are doing, about what you are thinking, and to be able—

**An hon. member:** Oh, oh.

**Mr. Yvon Godin:** I have nothing to learn from you, dear colleague. I take my cue from the Speaker.

**The Deputy Speaker:** If the hon. member has something to learn from the Speaker, it is that he must address the Chair.

**Mr. Yvon Godin:** Mr. Speaker, I have no problem with that. It is not up to the member to tell me about the rules of this House. It is the Chair's responsibility. I have no problem with that.

I will conclude by once again asking the Liberals, who were elected on the basis of the promises they made in 1993, to fulfil their commitments once and for all and to give us a sound shipyard and shipbuilding policy, so as to promote job creation and to keep our jobs here and not let them go to the United States.

[*English*]

**Mr. John Herron:** Mr. Speaker, I rise on a point of order. I want to bring something to the attention of the House that I think everybody here is concerned about. In a minute we will hear a speaker from the government side. I am very interested to hear those remarks, but I am a little concerned that not one Atlantic Canadian Liberal MP has ever had a chance to speak to this—

**The Deputy Speaker:** I am afraid that is not a point of order.

**Mr. Walt Lastewka (St. Catharines, Lib.):** Mr. Speaker, I would like to respond to private member's Bill C-213, put forward by my hon. colleague, the member for Lévis-et-Chutes-de-la-Chaudière. This is essentially a money bill. We could even call it a subsidy bill. The first time this bill was debated at second reading the hon. member argued that one way to promote the Canadian shipbuilding industry would be to improve the loan guarantee program of the Export Development Corporation.

There is a myth that loan guarantee programs are free of cost. This is not true. In fact, in 1998 in the U.S. the costs to the government were roughly \$3 billion for contingent liabilities and almost \$2 billion on default payments. Based on the experience in the U.S. it would be very costly to set this up. I have talked about this many times before. Taxpayers have told us repeatedly that they do not want more programming. They want tax cuts.

• (1815)

The hon. member also contends that if ships built in Canadian shipyards were exempted from the regulations relating to lease financing, the existing depreciation rates for ships would apply without any restrictions. In consequence, according to him, the tax disadvantage that prevents ownership or lease financing of ships would be eliminated.

The fact is that the shipbuilding industry already has access to the accelerated capital cost allowances, known as CCA. These are more generous than for any other industry and even more generous than tax credits in the U.S.

Furthermore there cannot be both an accelerated CCA and an exemption from leasing regulations. If such a thing were permitted, the cost of a ship could be written off more than once and this would constitute a tax shelter. This is just the kind of situation the current leasing regulations help us to avoid. Moreover, lease financing is contrary to the specified leasing property rules in the Income Tax Act.

The third measure in Bill C-213 is another subsidy, just like the loan guarantees and the exemption from leasing regulations. It would amount to creating on a national basis the same type of program that Quebec set up in 1996-97. Quebec decided to complement the federal shipbuilding policy by creating its own program. I would strongly encourage the other provinces to follow Quebec's example.

These tools are not only subsidies. They are the tools of the past. As we enter the 21st century, the way to take charge of the future is not by returning to the past by way of government subsidies that have proven so disastrous to Canada by nurturing uncompetitive industries. Instead, it is by investing in innovation, by training smart workers and giving them upgraded equipment and production techniques to do the job right, and by forging alliances that will lead industries in the pursuit of excellence.

Canada's shipbuilding and repair industry is quite a small one by world standards accounting for only .04% of the global market share and not the .4% as stated by the hon. member for Fundy—Royal in yesterday's debate. If the industry says it needs to reach only 1% of the world market, this would mean that the industry would have to increase its current share by 25-fold.

The top three shipbuilding and repair nations in the world today are Korea, Japan and China. Together they account for more than 75% of the global market. I think members realize that even the most generous subsidies will not enable the Canadian shipbuilding and repair industry to be competitive in these conditions.

The government's shipbuilding policy does not rely on subsidies. Instead it concentrates on the areas that can make a real difference and that use taxpayers' money wisely.

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The acquisition of ships, their repair and refit in Canada by the federal government is done on a competitive basis but is restricted to Canadian sources.

Tax measures such as the accelerated capital cost allowance on new ships built in Canada allow purchasers to write off 100% of the entire cost of the ship over a mere four years.

We have in place a 25% tariff on all non-NAFTA foreign built ships of more than 100 tonnes that enter Canadian waters with the exception of fishing vessels over 100 feet in length.

In response to the shipbuilding and repair industry's conditions, the government spent \$198 million on an industry led rationalization process between 1986 and 1993. This money was given directly to the industry for upgrading facilities and assisting displaced workers adjustment programs because the industry itself decided it was necessary to reduce its capacity so that the remaining shipyards could survive and continue to be competitive.

● (1820)

At present, shipyards in Canada employ some 4,950 Canadians. Under the federal government's procurement policy, yards have received more than \$8 billion in federal shipbuilding and repair national contracts tendered through the competitive bidding process in the last 10 years.

Canada's research and development tax credit system provides more than \$1.3 billion a year to companies that carry out R and D. This source of financing is available to the shipbuilding and repair sector as it is to any other sector.

The federal Export Development Corporation promotes export sales of Canadian products, including ships. For ships alone, this assistance provided on commercial terms has grown from \$3.5 million in 1996 to more than \$130 million in 1999.

Yes we should be doing all we can in an intelligent way to foster shipbuilding and repair in Canada, but surely this is a shared responsibility. Provinces also have a role to play. Currently only two have set up programs to complement the federal package: Quebec and Nova Scotia. Others may want to follow suit. The members for Fundy—Royal and Saint John if they are serious may want to get their cousins in New Brunswick to follow the Quebec and Nova Scotia lead. Maybe they should put their money up first and complement the Canadian shipbuilding policy.

Just a few minutes ago the member for Fundy—Royal was taking all his credits. He also may want to take credit for when the government was negotiating those agreements and giving everything away, it also allowed the Jones Act to continue in the United States. Now he says it needs to be changed. In other words, after he

has given everything away, he now wants to go and resolve it. He might want to take credit for that in all his future speeches.

Our shipbuilding policy is very clear. We have purchased in Canada. We have an accelerated capital cost allowance write-off. We have a 25% tariff on all non-NAFTA foreign built ships. The Export Development Corporation is working with the industry. The more co-operation we get from the shipbuilding provinces, the sweeter the package might be.

[Translation]

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Mr. Speaker, despite my hoarse voice, I too am very happy to support Bill C-213 introduced by the member for Lévis-et-Chutes-de-la-Chaudière.

I have great respect for the effort my colleague put into preparing this bill. He was tireless. He started from nothing three or four years ago. He has succeeded in rallying all the major players in Quebec and in Canada to unanimously call on the government to do something about the shipyard problem.

He formed parallel committees, here in the House. He visited every shipyard. He met with all the stakeholders, both unions and employers. In my 16 years as a member of the House of Commons, I have never seen anything to equal what the member for Lévis-et-Chutes-de-la-Chaudière has accomplished.

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

**Mr. Louis Plamondon:** The message to Liberal MPs in all the letters, petitions, and meetings was the same "Wake up".

The Progressive Conservative Party's support of the member for Lévis-et-Chutes-de-la-Chaudière was solid and very determined. We heard the NDP member for Acadie—Bathurst speak on behalf of his party, which also supported this initiative. It is not a question of party politics. It is a question of logic. It is a question of getting this industry up and running, or better yet of getting it afloat. It is literally a question of survival.

I have been through a shipyard closing. I remember it well. It was in Tracy. I think of the families, the human tragedy that was played out there, when between 1,500 and 2,000 employees lost their jobs.

● (1825)

This was done in the name of restructuring, so there would be a single shipyard in Quebec and some in the rest of Canada, that would have been able to get repair work, contracts and tax relief to enable them to get off the ground, become competitive and provide a living for many workers.

Instead the government has once again reneged. This is the Liberal Party personified. This is the double talk party, as I call it. During the election campaign in 1993 and in the red book, it clearly promised to give the Canadian shipping industry comparative and competitive advantages and to promote a consolidation of research and development activities in the area of shipping.

It said things during the election campaign that it forgot right after. It did that with the GST. It said it would scrap the GST and cancel the helicopter contract. After the campaign, it forgot all that. This is the double talk party. All the while, the workers are waiting. The industry is waiting for help to become competitive with the rest of the world.

People are not asking for anything special, just a little needed support such as they get in Europe, Asia or the United States. It is as simple as that, and the government keeps blocking its ears. But now there are surpluses. The government could revitalize this industry, but instead it is trying to get into areas of provincial jurisdiction rather than look after its own business, namely shipping, which is under federal jurisdiction.

What were the Liberal members doing throughout this debate led valiantly by the member for Lévis-et-Chutes-de-la-Chaudière? The Liberal members were absent. They were absent from committees, from consultations; they did not meet with workers or with the shipping industry. Some came, like the last speaker, and quoted statistics, trying to convince us that it would be better under provincial jurisdiction.

This is always going on. I appeal to the Liberal members from Quebec who said "We will defend the interests of Quebec". Well, now is the time. The shipping industry has called for help, but they still say nothing. I wonder if a change of name would not be in order. Maybe we should call the Liberal Party the muffler party, since we hear nothing from them. The muffler party; that is it.

Since 1993 they could easily have implemented some measures gradually. But no; they give us statistics. They say that something has to be done. They quote production data from Asia and Japan, like they did earlier. They talk about shipbuilding statistics in the United States. But if the Americans build ships, it is because they get help from their government. It is because some tax measures were implemented to help them. Their shipbuilding industry became competitive because it received some support.

As I speak, for example, they need an extra ferry between Nova Scotia and Newfoundland. Do you know what the coast guard is doing? They stalled for so long that they are now looking all over the world for a second-hand ship instead of seizing that opportunity to help the Canadian shipbuilding industry.

Such situations are unthinkable and they happen year after year. We do not have to look far to find those who destroyed that

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industry. They are right here. Those famous measures were first implemented under the Liberal government in 1983; that government did not know where it was heading then and it was wiped off the political map in 1984. That government, the Liberal government of the day, was instrumental in the demise of the shipbuilding industry and, when it came to power again, it never implemented measures to rectify the situation it had created.

It is unacceptable for the government to promise the help it had promised in the red book, and now to hide behind statistics, saying yes, something should be done, we are going to think about it, a committee of the House might consider it. They say the same thing year in and year out. In the meantime, the hardworking Bloc member in this House, the member for Lévis-et-Chutes-de-la-Chaudière, has been working on it.

• (1830)

He set about this task three or four years ago, bringing all the stakeholders together to conduct extensive studies, which now show that a sound shipbuilding industry in Quebec and Canada would yield major financial benefits within five or six years. In this way, the help given temporarily now would more than be compensated by tax revenues and economic benefits flowing from the building in our shipyards of ships ordered from all over the world.

The aerospace industry got some help. The farmers got some help, and rightly so. Why not support this important industry when we have two countries, Quebec and Canada, with the largest bodies of water in the world? Would it not be normal for us to build ships? No, this is something we do not think about. Yet it would be so logical.

I will conclude by asking the Liberal Party, the one in office, to accept to vote with the Bloc Québécois, the Conservative Party, the New Democratic Party and many members of the Reform Party so we can put aside party politics and say with one voice, "yes, we are going to work together to help the shipbuilding industry".

I am asking them to hear the distress call coming from several regions. I heard this distress call in my riding and I know what it would be to have an industry that would create 1,500 or 2,000 jobs.

Let us stop the hemorrhage. This is something I have been saying in this House for 16 years and I wonder how it is that no Liberal member was ever able to take a leadership role like the Bloc member for Lévis-et-Chutes-de-la-Chaudière has done with the help of many colleagues from our party and from other parties, in a non partisan way.

I salute him again and I hope his call for help, his work and his bill will be favourably received by the governing party, the Liberal Party.

**The Deputy Speaker:** The time provided for the consideration of Private Members' Business has now expired and the order is

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dropped to the bottom of the order of precedence on the order paper.

Standing Order 111 allows for the review of the appointment. Reviews are fine but do not allow the committee members any authority over the hiring in the first place.

Standing committees are intimately familiar with the issues and would be an excellent source of advice for an appointment as chair of the IRB. Even if it were a bad review it would not necessarily lead to the dismissal of an appointee.

**ADJOURNMENT PROCEEDINGS**

• (1835)

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved

I fear the committees, and indeed the House itself, are becoming rubber stamps for policies and motions already approved and formulated by the Privy Council Office and the Prime Minister's Office.

## IMMIGRATION AND REFUGEE BOARD

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, on October 18 I asked the Minister of Citizenship and Immigration about the troubling selection process for the chair of the Immigration and Refugee Board.

The House is consulted less and less by government but I remind the governing party that 38.5% of voting Canadians in the 1997 election supported it. That is far less than the majority. By not consulting with the House of Commons, the voices of a vast majority of Canadians are not being heard. This is not the correct practice in a liberal democracy like Canada's.

So many times well connected Liberals are appointed to positions of power and prominence in this country. I implore the minister to involve parliamentarians, specifically committee members, in this selection process. Parliamentarians have a mandate to represent and work on behalf of their constituents. How can Canadians be adequately represented when appointments are fait accompli by the time MPs are informed?

Committee members are powerless over anything the Prime Minister and cabinet wish to do. It is interesting to note that the Canadian Bar Association and the Canadian Council for Refugees are both on record as disapproving the present selection process. They want a more fair, more transparent hiring process.

I refer specifically to the appointment of Mr. Peter Showler. He was appointed chair of the Immigration and Refugee Board by an order in council dated November 16, 1999. First, I applaud the appointment. Mr. Showler is duly qualified to take on the daunting task of chair of the IRB, a quasi-judicial post.

The next time an order in council appointment is made, will the minister exercise some democracy, take the high road and consult the Standing Committee on Citizenship and Immigration?

**Mr. Andrew Telegdi (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, allow me to point out that under the Immigration Act, immigration and refugee board members including the chairperson are appointed by governor in council.

Despite that, the issue I have is one of principle. Why was the Standing Committee on Citizenship and Immigration not consulted? Allow me to refer to Standing Order 108(2) which mentions additional powers of standing committees. It says that the standing committees will be empowered:

—to study and report on all matters relating to the mandate, management and operation of the department or departments of government which are assigned to them—

As a result of the government's commitment to transparency a notice of vacancy for the position of chairperson was published in *The Canada Gazette* on June 26, 1999. The notice allows the opportunity for any qualified candidate to submit his or her resumé to the Prime Minister's Office.

Standing Order 108(2)(e) widens the powers of the committee to investigate:

—other matters, relating to the mandate, management, organization or operation of the department, as the committee deems fit.

Subsequently a selection process was initiated and the governor in council announced the appointment of Mr. Peter Showler as chairperson on November 29, 1999. I appreciate the vote of confidence of the hon. member in terms of Mr. Showler's qualifications.

Is the appointment of the IRB chair deemed to be not crucial to the administration of the Department of Citizenship and Immigration?

Let me review some of them. Mr. Showler has extensive experience as an immigration and refugee law practitioner. He has initiated numerous public education programs and has developed

*Adjournment Debate*

law reform initiatives. Mr. Showler has taught immigration and refugee law at an Ottawa university. Previous to his appointment as IRB chair, Mr. Showler served five years as a member of the convention refugee determination division.

I can only say that this was a very good appointment and we expect that Mr. Showler will serve the country well.

[*Translation*]

**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 6.37 p.m.)

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