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Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, February 28, 2000

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

CANADA POST CORPORATION ACT

The House resumed from November 5, 1999, consideration of the motion that Bill C-238, an act to amend the Canada Post Corporation Act (mail contractors), be read the second time and referred to a committee.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I am pleased to participate in the debate on this private members' bill put forward by the NDP. In a nutshell, this bill would remove provision 13(5) from the Canada Post Corporation Act which excludes rural route mail couriers from section 3(1) of the Canada Labour Code. I am opposed to this bill and I believe that most of my colleagues are as well.

I want to state from the outset some of the problems. First, I would acknowledge that there are severe problems concerning how rural route mail couriers are treated in Canada. I want to acknowledge the member of the NDP for recognizing this, although I do not agree with his solution.

It is important to identify what is happening with the rural route mail couriers. As independent contractors, rural route mail couriers must submit tenders for their jobs and then negotiate a contract with Canada Post after the fact. That is what is happening right now. That is why they are so frustrated. Of course, we do not see that in the private sector. It would be ludicrous to bid on a job and then enter into negotiations for compensation after the fact.

Canada Post does not have any guidelines for the tendering process or contracting process that would ensure fairness. The mail

couriers believe that they are being asked to do jobs under extremely poor conditions, at very minimum wages, and they are being forced by Canada Post officials to lower their bids to maintain their contracts. There is a very serious problem with the rural route mail couriers and something needs to be done about it. In speaking with some of these couriers in British Columbia, it is absolutely clear that they are not being treated fairly. It is absolutely ludicrous to bid on a contract and then have to negotiate after the fact.

It is the government's responsibility to correct this situation and I would call upon the government to put it on its agenda. Something needs to be done.

• (1110)

At the current time an exemption under the Canada Labour Code prevents rural route couriers from being deemed employees. The NDP member has proposed that they be deemed employees, and therefore CUPE and a number of other unions would be in a struggle to unionize them for collective bargaining purposes. Clearly, I do not believe that is what they want.

There is no question that there are differing opinions, but I believe what they really want is the ability to negotiate and have a very open and fair tendering process with sealed bids. That is what we should be focusing on. Clearly, this bill does not do that.

Another problem is that there are a number of other organizations within our mail delivery system which also bid. I would submit that they are not being treated fairly either. Some of them are urban expedite contractors, suburban contractors, highway regional service contractors and marine contractors.

There are a number of organizations which are also facing similar conditions and are not being treated fairly by Canada Post, yet this private member's bill, an act to amend the Canada Post Corporation Act, only deals with one small aspect, the rural route mail couriers.

Although it has been recognized that there is a problem, I do not see this as a solution. In fact it would probably make it much worse. We would see a number of unions trying to decide who would control these employees, and I am not so sure that is what the employees want.

What the employees really want at the end of the day is an open, transparent tendering process with sealed bids so they can bid

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openly and fairly and receive fair compensation for the contracts they are awarded.

An hon. member: Free enterprise.

Mr. Gary Lunn: Free enterprise. That is it in a nutshell, much as it is done in the private sector. That is what should happen, but that is not what is happening.

What is happening is that contracts are being bid on and then negotiations are being held after the fact. I cannot imagine anything so ridiculous.

Although I cannot speak for all members, the majority of us will be voting against this private member's bill. In my discussions with members they have indicated that they have concerns with the bill. Nevertheless, it identifies a problem that needs to be addressed. The Government of Canada should instruct Canada Post to ensure that independent contractors are treated fairly, that there is an open and transparent tendering process, such as there is in the private sector.

That is it in a nutshell. I cannot add much more. Again, I call upon the government to address the situation to ensure that Canada Post has a tendering process, not only for rural route mail couriers but for all of the people in the other organizations, which is fair, open and transparent.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I am proud to stand on behalf of my colleague from Winnipeg Centre who presented this very important private member's bill, Bill C-238, which would repeal section 13(5) of the Canada Post Act which restricts contractors from being treated as employees.

The reason the hon. member for Winnipeg Centre presented this bill was not only to represent the 5,000 people who do a superb job in delivering Canada Post's mail from coast to coast to coast in the very rural and very far-reaching areas of this country, it was also to correct a historical wrong.

Unfortunately these people have been restricted from obtaining any kind of furtherance in economic value by the restrictions which the Canada Post Act places upon them. They are not, in any way, shape or form, considered under the Canada Labour Code. Rural route couriers form one of the major sectors which is excluded from the Canada Labour Code strictly for economic reasons.

• (1115)

Maybe at one time in our history those economic reasons may appear valid, but they are no longer valid. I will read a subsection which asks why subsection 13(5) denies RRMCs, rural route mail couriers, their basic rights. Andre Ouellet outlined in 1980 when he was postmaster general that there were largely financial reasons for including subsection 13(5) which prohibits collective bargaining. He said that 60% of RRMCs worked fewer than four hours per day

and if unionized would press for full time work. He also said that costs would escalate. That is absolute nonsense.

Today most RRMCs work eight or more hours a day. When they have a contract with Canada Post they are restricted from working anywhere else. Part of the contract is that they can only do that and nothing else. It restricts them in terms of their economic lives.

It is unfortunate that the member for Saanich—Gulf Islands and his party are not supporting this initiative. If he truly cared about the 5,000 RRMCs across the country he would go to the back lobby and instruct his party that this is actually a very good initiative. Perhaps he is afraid that these 5,000 people, heaven forbid, may want to organize themselves into a union.

That is not what we are pressing for. We are saying that if those people desire to organize, if they choose to organize, which they already are doing right now in terms of a quasi-group, an association to press issues forward through all members of parliament, they should have the right to do so.

We live in a democracy. The member for Saanich—Gulf Islands, whom I respect tremendously as a friend, should know that one of the key fundamentals of democracy is that workers have the right to organize. Whether or not he agrees with union principles is not the question. They should have the right to organize, and that is part of what this private member's bill will enable them to do if they so desire. The key point is for them to bargain collectively with the employer, which in this case is Canada Post, a crown corporation of the Government of Canada.

Canada Post in past years has made a tremendous amount of money in profit. A lot of it came from rural route mail couriers across the country. Pretty soon when the contracts come up Canada Post will contact the current holders of contracts, for example in Jeddore and Sheet Harbour in my riding or in areas outside Prince Rupert, in Yukon and in other areas of northern Manitoba or wherever, to say that the contract bidding time has come up and it expects them to lower their bid in the event they wish to be successful in furthering the contract. After working three, four or five years, depending on the length of the contract, they are being asked to work for less when inflationary pressures and everything else have hit them very hard.

I know you understand, Mr. Speaker, being from the great riding of Kingston and the Islands, that a large part of rural Canada is suffering under the weight of the lack of infrastructure, the lack of medical and educational facilities and the lack of business opportunities. These people are out in the dead of winter. Can we imagine delivering mail at 35 degrees below zero in northern Saskatchewan? That is a tremendous task and they are doing it for far less than the minimum wage.

Can we tell these people that for economic reasons they are not allowed to organize? I say no. The easiest thing the government

could do, and perhaps it could sneak it into the budget today, is repeal subsection 13(5) of the Canada Post Act. We would all be happier for it.

Many Liberal members come from rural ridings. They must speak with these people on a daily basis, I am sure. They understand this is a very good initiative and would put the government in a good light with 5,000 people. We may even applaud the Liberals for their effort on this very rare occasion.

The question is whether or not there are fairness and equity in today's government. We have now passed into the new millennium. It is really unfortunate that as we turned the calendar we left 5,000 people and their families behind. It is an important initiative. I encourage all members of the House to look into themselves to see if it is fair to discriminate against 5,000 people who do yeoman's work every day out there.

Many people in rural Canada do not have access to the Internet. They do not have access to the technologies of today. Their major link to government is through Canada Post, through the mail system. The first people they see are those people whose basements have been transformed into a postal outlet. Or, the first person they see is the one at their mailboxes on rural roads who delivers the mail sometimes in very treacherous conditions. To them they represent government and the best part of government, a warm body. They actually get to speak to someone who is working for the government through the Canada Post Corporation. The average person out there thinks of these people as employees of the government when in reality they are not. That is most unfortunate.

• (1120)

The bill should have been presented many years ago. Thank goodness the member for Winnipeg Centre had the foresight and aptitude to understand this was a very serious issue and presented it for debate today.

I mentioned before that their contracts with Canada Post prohibit them from doing work for other companies while performing their post office duties. Canada Post controls the timeframes for sorting and delivering the mail, the order of delivery on routes, the number of returns to the post office, and the manner in which the mail is sorted. Rural route mail couriers have to hire their own replacements, not because they are entrepreneurs who control their own work but because their contracts require they find replacements when they are sick or on vacation.

Canada Post has total administrative control over the day to day work of the RRMCs. Canada Post does not give them the mail and leave to them how they wish to deliver it. Rather there is a whole set of rules that determine how RRMCs do their work and there is direct supervision.

Basically what do RRMCs want? They want subsection 13(5) of the Canada Post Corporation Act repealed so they can bargain collectively. Letter carriers of Canada Post do the same work in other ways and they have collective bargaining rights. Private

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sector workers who deliver parcels in rural areas also have collective bargaining rights as do rural route postal workers in the United States.

In this day and age of free trade, globalization, NAFTA, et cetera, why would the so-called great democracy below us, the United States, allow its rural route mail couriers in its many rural areas to have the ability to bargain collectively for their rights? Why is it that Canada excludes that? The reason is subsection 13(5) of the Canada Post Act, which needs to be repealed.

I could go on at length about this issue but what we need to do is quite clear. It would make the government look good, especially at budget time. The Liberals could even use it as an election ploy. I am sure they would love to use something to help them out after the recent HRDC fiasco, et cetera.

On behalf of my colleague from Winnipeg Centre and all members of the New Democratic Party federally and provincially across the country, we are proud to stand on behalf of over 5,000 rural route mail couriers so that subsection 13(5) of the Canada Post Act is repealed and these people are included in the Canada Labour Code and have collective bargaining rights for themselves and their families.

Ms. Carolyn Parrish (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is with pleasure that I rise today to participate in the debate on Bill C-238, an act to amend the Canada Post Corporation Act.

It is important to remind all members present of the incredible economic progress and turnaround that Canada Post has achieved in the years since its creation as a commercial crown corporation. I will not go into great detail on this point other than to say that since 1981 Canada Post has transformed itself into a profitable enterprise through a combination of innovation marketing, sound planning and good business practices. However, above all, this remarkable performance is a tribute to the men and women of Canada Post who daily provide to Canadians a high quality and cost efficient postal service. I know all members join with me in paying this tribute.

As stated earlier in the debate, Canada Post's primary mandate is to ensure that all Canadians receive reliable and affordable postal service. To some this essential service is taken for granted. It is sometimes easy to forget the challenges the sheer size of the nation presents to Canada Post in maintaining service on a daily basis yet remaining competitive with businesses that do not have to meet such an important and vital requirement.

The key to Canada Post's ability to provide a reliable and cost efficient mail service is its use of contractors. Here is the crux of the matter and why I believe Bill C-238 to be fundamentally flawed. The bill seeks to repeal subsection 13(5) of the Canada Post

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Corporation Act, thereby allowing that contractors who consider themselves to be dependent within the meaning of part I of the Canada Labour Code may be found to be employees for collective bargaining purposes.

• (1125)

This would involve or impact upon all contractors regardless of the nature of their work or contracted activity. Put simply, to allow passage of the bill would significantly affect the corporation's ability to meet its objective and would mean serious increases in costs with no accompanying improvement in service.

Canada Post simply cannot afford to take on thousands of new full time employees. Such an unnecessary and unjustified action would wipe away years of hard work to build a profitable, competitive, world class business. The author of the bill, in a misguided attempt to change the status of one type of contractor, the rural route contractor, has failed to comprehend the dire consequences and far-reaching implications of this proposed legislative change.

Rural route contractors have had a long and proud relationship with Canada Post. For decades now these people have delivered the mail in rural and in some cases remote areas of our country. They play an important part in Canada Post's mandate to deliver mail to all Canadians. They are reliable, hardworking individuals who take pride in the valuable work they perform.

In many cases mail contractors reside on or near their designated routes and are therefore not only performing a vital service on behalf of Canada Post but also ensuring that their own neighbours receive mail in a reliable and efficient manner.

However, what has been overlooked by some is the essential fact that rural route contractors are not employees of Canada Post or a group of workers being denied fundamental rights. They are valued contractors who have fundamentally different work relationships than those employed full time by the corporation. Let us examine very briefly the wording of subsection 13(5) which states:

Notwithstanding any provision of Part I of the Canada Labour Code, for the purposes of the application of that Part to the Corporation and to officers and employees of the Corporation, a mail contractor is deemed not to be a dependent contractor or an employee within the meaning of those terms in subsection 3(1) of that Act.

Rural route mail contractors are awarded their respective contracts through a competitive tender process. This type of work is of a part time nature and individuals seek this work to supplement their income, not to obtain full or part time employee status with Canada Post.

These conditions are spelled out in the contract documentation. Let me make it very clear that rural route couriers agree that these

terms are in full understanding of conditions governing this type of contracted work. It is also not their primary employment or source of income. Nor does it lead to some form of permanent employment status within the corporation.

Let me remind members that the Federal Court of Appeal ruled in 1987 that rural route couriers were indeed contractors as defined in the Canada Post Corporation Act. In addition, the federal court found that subsection 13(5) did not violate any equality rights as defined in our charter of rights and freedoms.

Behind the bill is an attempt to portray rural route contractors as being abused, underpaid and generally exploited by Canada Post. Nothing could be further from the truth. Rural route contractors are treated and compensated fairly.

My hon. colleague has already mentioned the improvements made by Canada Post to its contract tendering process that will increase opportunities for more Canadians to do business with it, particularly in rural areas. In addition, I believe the corporation should also be congratulated on a number of improvements it has made as a result of listening to rural route contractors.

Measures that have been recently implemented are designed to improve their training, support and the early resolution of issues. There is always room for improvement and any business that ignores this basic rule does so at its own peril. I know that Canada Post is an organization that constantly strives for improvement in everything it does.

In closing, I will not support the bill and I would encourage my fellow members to seriously consider the factors that have made Canada Post the world class organization it is. It has proven its ability to meet its primary mandate and to successfully compete in a demanding and rapidly changing market. Let us not place unnecessary hurdles such as Bill C-238 in front of those at Canada Post. They have earned our support and it is our duty to give it by voting against the proposed legislation.

Strangely enough I find myself agreeing with Reformers in that many of the changes implemented over the last two years have been implemented as a result of their regular communication with the department. I think that is the avenue they need to pursue to improve conditions as we have done in the last year.

• (1130)

Mr. Jim Jones (Markham, PC): Mr. Speaker, I am pleased to speak to Bill C-238 put forward by the member for Winnipeg Centre. This bill would delete section 13(5) from the Canada Post Corporation Act and require the Post Office to hire on as full time salaried employees all of the mail contractors whom it now does business with.

Let me first congratulate the NDP member for bringing attention to this issue. As I understand it he is primarily concerned with the rural mail contractors and the treatment they receive in their relationships with Canada Post, although the measure he has proposed would have effect going far beyond just the rural mail couriers. Even though we differ in our prescription for the problems faced by rural mail contractors, we can certainly agree that rural couriers have been subject to some of the most unprofessional business practices at the hands of the government owned monopoly. This needs to stop.

We have been dealing with this issue as a party since before the last election. My colleague the member for Tobique—Mactaquac has discussed this issue with representatives of the Canadian Union of Postal Workers, the Organization of Rural Route Mail Couriers and Canada Post Corporation. Many of my colleagues have also met with the rural route mail couriers in the past year.

As we know, Canada Post became a crown corporation in 1981 by means of the Canada Post Corporation Act. As such its labour practices were no longer governed by the Public Service Staff Relations Act but by the Canada Labour Code, which allows dependent contractors to unionize, something not provided for by the Public Service Staff Relations Act.

Section 13(5) of the Canada Post Corporation Act provided an exemption to section 3(1) of the Canada Labour Code which deems all of the Canada Post mail contractors, including rural route mail couriers, not to be dependent contractors. In 1981 under the guidance of our former postmaster and at that time Progressive Conservative postal critic John Fraser, our caucus voted to support section 13(5) for a number of reasons.

First of all, this provision continued the historical relationship that Canada Post has always had with its mail contractors. Our national mail service has contracted for rural route delivery since before confederation.

Second, it was felt that changing that relationship could potentially increase the operating costs of the corporation substantially with no corresponding improvement in service levels to the public.

According to the Organization of Rural Route Mail Couriers, there are presently 7,000 rural mail contractors in Canada. If we compare the value of the average contract with the cost of a salaried unionized Canada Post letter carrier, there is a difference of between \$15,000 to \$20,000. That means to convert all 7,000 mail contractors to full time unionized post office employees would cost up to \$140 million. Where would the money come from to make this change?

The Post Office could raise stamp prices and the prices for other postal services and the customers would have to pay. But Canada Post is limited to increasing stamp prices at less than the rate of

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inflation so most of the money would have to come from elsewhere. That elsewhere of course would be the taxpayer. Canada Post would be pushed back into a deficit position and the difference would have to be made up by taxpayers.

What would Canadians get in exchange for shelling out more money for their postal service? Better service? Better or more frequent delivery? No. In exchange for the \$140 million, Canadians would see no improvement in postal service. This is not a change my party is prepared to support.

Third, the nature of this change would have removed some of the flexibility for both parties to negotiate an arrangement particularly suited for each individual contractor. For example, under the current arrangement contractors have the ability to subcontract while employees do not.

Finally, this arrangement kept Canada Post on a level footing with many private sector companies which also use private contractors for deliveries.

For all of these reasons our party continues to support section 13(5) of the Canada Post Corporation Act. That is why we cannot support this bill.

Let me however set our opposition to the specific measure proposed by the hon. member. Anyone who has ever done business can tell us that more often than not, Canada Post is big, bureaucratic and bullying. Its guiding principle seems to be squeezing out as much as it can from customers, suppliers and partners.

• (1135)

Two examples come to mind: postal rental retail franchisees and the ad mail program for large volume customers. In both instances, Canada Post arbitrarily introduced large changes that were poorly communicated and very costly to the people with whom it did business. In both cases business partners were not consulted on changes but were instructed that they had to purchase new, expensive and confusing systems if they wanted to continue to do business with Canada Post. In the former case commissions were simultaneously slashed, while in the latter case costs were unilaterally raised.

This sounds a lot like how Canada Post treated rural mail contractors. In many conversations with individual contractors, with representatives from the Organization of Rural Route Mail Couriers, CUPE and some Canada Post employees, we have heard many horror stories about the contracting practices of the post office.

For example, at one point it was common practice that when a delivery contract was up for renewal, a Canada Post employee would phone up a contractor saying that it had received a bid from another source which was thousands of dollars less than what the contractor was currently being paid. Because Canada Post operates

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a closed bidding system, there was no way for the contractor to verify the claim of the postal representative. The contractor would be faced with the difficult decision to undercut his or her own price by several thousands of dollars or lose the contract. These and other bad faith practices by the post office have led my party into discussions with Canada Post.

As a result of complaints from contractors and others acting on their behalf, the post office has introduced a series of new measures that I hope will alleviate a great number of the difficulties contractors have had in the past. These include the following. Rural routes will be contracted individually. Contractors that in turn subcontract out their routes at a reduced price will be ineligible for renewal. Rural contracts will be issued for five years with a five year renewal option based on satisfactory performance and tendering after 10 years. A negotiated adjustment will be included for the five year renewal option to ensure that market conditions such as inflation are considered. A performance component will be included in the contract renewal and awarding process to recognize the past performance of incumbent contractors. The evaluation of tenders will be based on criteria such as experience, performance, reliability, image and cost.

In addition, when contracts are up for bid, Canada Post will make contractors aware of the specifications of the routes they will be performing, such as the number of points of call, daily kilometres, number of stops for personal contact items and the amount of ad mail they can expect to deliver. These numbers will be updated annually or more frequently if a significant change occurs. Contractors will be compensated for these changes.

The post office has also prepared a handbook to provide assistance and guidance with a reference and a phone directory of key individuals at Canada Post to call when a problem arises. In addition, local supervisors and postmasters will be provided with an operator's handbook and supporting training material to assist them in working with contractors.

Canada Post is currently in discussion with representatives of rural route mail couriers in order to finalize this new package. I am hopeful that both sides will be able to improve on the relationship they have had in the past and will be able to agree on a set of business practices they both can live with. In the meantime we will continue to work with and listen to rural mail couriers to ensure that they are treated fairly and that Canada Post deals with problems that arise in a timely and equitable fashion.

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, it is a pleasure to speak in favour of Bill C-238 which has been presented to the House by the member for Winnipeg Centre. In many ways it is a telling piece of legislation.

When I first came to the House, I talked about the new two solitudes in Canada. Those solitudes are urban and rural Canada.

Increasingly the government tends to cater toward urban Canada. People from the regions of the country, whether they are in my region in the east, Saskatchewan or the north, see that there are different standards and different rights for people in different parts of the country.

This legislation deals directly with a vital service to rural Canada, the delivery of mail to people in rural parts of the country.

• (1140)

I was shocked and did not know until I read this legislation that rural route mail carriers are denied fundamental rights that are guaranteed to many other Canadians particularly in urban centres. We have to ask why. We know why the Liberal government justified it almost 20 years ago when they were exempted. But we have to ask why today are 5,000 people denied the right to collective bargaining?

We are in a new millennium. We heard and lived with the hype leading up to new year's eve about how this is a new century. Surely we do not have to repeat the same mistakes of the last century. Surely there should be the right to collective bargaining, the right for workers to come together and say that they collectively want to ensure that they have a better standard of living. Surely we do not have to go back to 1920 or 1930.

Those workers, as has already been stated, do some of the most difficult work. I know because I represent an area that has rural route mail service. I can talk about the northern part of Cape Breton, Inverness and Victoria counties. The rural route mail carriers are vital especially to seniors. Seniors are the ones who wait for parcels from many of their children who have been called to the urban centres because that is where the work is. For those people the rural route mail carriers represent a vital link.

Why is it that these 5,000 employees across the country are denied the same basic rights as their urban counterparts? They do the same kind of work so it cannot be justified on that ground. What do they face because they do not have the same rights?

Their employment can be terminated on 90 days notice. Surely in this day and age 5,000 Canadian workers who are told that they have to submit bids in a lower tendering process, have the right to come together and say "We would like to organize so we can bargain with the employer and we will not be constantly under the gun or constantly having to downgrade our standard of living". Today if they were to say they do not like the conditions, they could be terminated on 90 days notice. If I were one of those carriers that is one aspect I would seek to change.

There are no benefits. Imagine that workers, who everyone assumes work for Canada Post but who are in fact independent contractors, are denied the same benefits that their urban counterparts have. They are denied bereavement leave. There was one postal worker whose parents were both rural carriers. She had to

use her bereavement leave to deliver her mother's route when her father died so that her mother could attend the funeral. In the year 2000 in this country.

And we are going to deny these people the right to come together collectively, to organize, to change these kinds of things to get the kinds of benefits that most Canadians take for granted.

There is the tendering process. They have to bid on their routes. They also have to do all kinds of other work. They are the ones who have to shovel out and clear away the area around the mail boxes. There is no compensation for that. They do all kinds of extra work and they get no benefit for it. If they complain, the employer can say, "If you do not like it, here is your three months notice. We will find somebody else in the rural community to deliver the mail".

• (1145)

Some might say that is the free market economy and that we should let it dominate. I say that it is unfair to the rural people and to the rural economy. Even if one person gets better pay in a rural economy there are spinoff factors. It comes down to why rural communities are treated differently. Why are rural workers not treated in the same way as urban workers?

It is not just the NDP arguing this. Perhaps most telling is the Canada Labour Relations Board decision regarding this. For those who do not know, the labour board is like a court. The clarity bill, which will be coming before the House, was based on a ruling of the Supreme Court of Canada on the Quebec succession agreement. The government has often taken rulings of the courts and incorporated them into legislation. It says that the matter has been articulated and argued before the courts which have given some guidelines, so it will enact legislation.

The Canada Labour Relations Board is no different. It is not partisan, at least we hope it is not. It gives us some rational guidelines to go by. These rural route mail couriers brought their case to the Canada Labour Relations Board and it decided that there was a similar content in the two kinds of jobs.

What the hon. member for Winnipeg Centre is seeking in his bill is to guarantee those 5,000 workers the same basic rights as other workers have in the country. I cannot believe that members of the Liberal Party would oppose giving collective bargaining rights to people in the country. I cannot imagine the Minister of Labour being able to look her colleagues in the face. I know the Minister of Labour supports collective bargaining. The test, I suppose, for the other members of her caucus is to see if they support the collective bargaining rights that have been fought for and are hard won by the workers in the country.

This is a private member's bill and I do not know whether the Liberals will have to vote as a block. It will be interesting to see whether they grant one of the things that makes this country so

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different from perhaps other countries and that is the right of workers to collectively organize.

As my colleague said, I cannot believe we would deny rural route mail couriers a right that American rural route mail couriers have. I have never thought of the United States as a bastion of labour legislation and to allow America to be a guiding light is a shameful statement for this country. For us to be in the shadows of America when it comes to granting rights to our workers is something I think the people in my riding are ashamed of.

This is a private member's bill that will give members of parliament an opportunity to do the right thing. I would ask them to do so and support the legislation.

The Deputy Speaker: Before resuming debate, the Chair has a confession to make, having made a mistake. The Chair recognized the Parliamentary Secretary to the Minister of Public Works and Government Services for the second time in this debate, which of course is not allowed, and did not realize his blunder until after the parliamentary secretary had spoken. I apologize to the House.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, it is a great honour to rise today and speak to Bill C-238.

I listened with great interest to my colleague from the New Democratic Party on the opposite side speak about things American. My mind flipped back to the last election when the NDP found it necessary to go the United States to get some of its work done in terms of the election. I always find it interesting when members opposite, such as the hon. member, say one thing and yet the party, at least during the last election, does quite another.

Having said that, it is with great interest that I speak today about this very important bill. At the outset, I want to express my great respect for the hardworking Canadian men and women who deliver our mail.

• (1150)

I have a substantial background in this subject as my father was a rural route mail courier for 35 years. He did that with honour and in terms of doing the right thing for my family and for the community. I am happy to contribute to the debate to improve the working conditions of these entrepreneurs who are rural route mail couriers.

As I understand it, the member for Winnipeg Centre has received representation from the Organization of Rural Route Mail Couriers, as most of us have over the past little while. He has decided now to support them by tabling this legislation.

We know that Bill C-238 would allow contractors to be considered as employees of Canada Post. Ironically, I do not think the bill

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would benefit the very group it is trying to help. I agree with the hon. member for Kelowna on this point, and I think there are others in the House who would agree with us as well, that it would in fact harm them.

Rural route contractors continue to do this work, primarily because it gives them flexibility. They do not have to punch a clock and they do not have to do exactly what people tell them to do. More importantly, they can exercise their own initiatives and resourcefulness in this important area.

As the member for Winnipeg Centre knows, much of this work is of a part time nature. During the last hour of debate the member himself stated that rural route couriers do this work to earn supplementary income for their families. Repealing subsection 13(5) of the Canada Post Corporation Act, as Bill C-238 suggests, would eliminate all this. I would think this is not at all what we want to do here.

I echo the comments from the member for Kelowna who said that Bill C-238 would take away the flexibility these people enjoy today, both on the rural route courier side and on the Canada Post side. Clearly it would do away with that and do away with a way of life. I do not think that is what parliament and Canadians ultimately want.

We know that the small and medium size business sector in Canada is growing very rapidly. More and more Canadians are choosing this way of life because it offers them flexibility and opportunity. The hon. member for Winnipeg Centre said that rural route contractors do not want these freedoms and would prefer to become employees of Canada Post instead, paying union dues.

Bill C-238 would not only jeopardize the entrepreneurialism of the rural route contractors, it would also have a significant financial impact on Canada Post.

As the hon. member for Tobique—Mactaquac previously stated, changing Canada Post's contracting relationship with rural route contractors would potentially increase the operating costs of the corporation substantially with no corresponding improvement in service levels to the public. That is important to note.

I will not stand here today and pretend that I have not heard the concerns of rural route contractors. I have and I think they are important to listen to. It is important to understand and, as I said before, my father was one.

The good news is that Canada Post is listening. The corporation has taken concrete steps and measures to resolve their concerns. For example, during the first hour of debate on this bill, and again today, the common message that has been heard is that rural route

contractors want a tendering process that is fair, open and transparent. Canada Post has said that this is exactly what they can expect.

At a recent appearance before the Standing Committee on Natural Resources and Government Operations, the president of Canada Post, the Hon. André Ouellet, said that the rural route contractors will be treated with respect and their work will be valued and remunerated according to the contract they have signed with Canada Post.

Mr. Ouellet also confirmed that he has had several meetings over the past few months with representatives of the contractors and the couriers. As a result, Canada Post has introduced a number of initiatives to improve its relationship with this very important partner, especially in communities in rural Canada.

These initiatives will provide rural route contractors with more information and greater support which they require to meet the needs and expectations of customers across this great country of ours.

• (1155)

This is clearly the best solution for rural route contractors, Canada Post and all Canadians. The rural route contractors maintain the entrepreneurial freedom that they have traditionally enjoyed over time and Canadians in turn maintain a high quality, cost efficient and effective postal service.

As a member of parliament, I am concerned that Canadians get the best service possible from their post office no matter where they live, and especially in rural Canada. I am very happy that we have now put in place a moratorium on the closing of post offices because there were some in my area that were in jeopardy.

Canada Post has now introduced a number of changes to improve postal service in rural Canada. Canada Post has implemented 96 local areas to help improve the speed and reliability of mail outside of core urban areas. Delivery standards in rural Canada are now the same as those in the urban communities. That is good news for all Canadians. As well, local staff in rural offices now have the flexibility to adopt community based hours to suit local needs.

The Canadian government and Canada Post are collaborating to make government information on programs and services more available to rural Canada and all Canadians. In this regard, 12 Service Canada access centres have been established in rural post offices across Canada. These are but a few examples of Canada Post's continuing efforts to improve the postal service for all Canadians.

Although I do not support Bill C-238, I agree with all hon. members who firmly believe that rural route mail contractors and carriers deserve to be treated fairly and with respect. I hope that Canada Post continues to listen and to act on the concerns expressed by these very important entrepreneurs.

Private Members' Business

I urge all members not to support the bill. I do not think it is in the best interest of Canadians. We should proceed on that basis knowing that we will ultimately, as the government, do the right thing for not only rural Canadians but for all Canadians no matter where they live in this great country of ours.

Mr. Greg Thompson (New Brunswick Southwest, PC): Madam Speaker, I know there is not a lot of time left to debate this private member's bill but clearly Canada Post has to take a serious look at improving conditions for rural mail couriers.

There are two different sets of rules in Canada Post: carriers who deliver mail in the city and the rural mail deliverers. Most of them are working at minimum wage to deliver mail in rural Canada. Whether it is through the mechanism that the member is talking about or something else, we have to redefine the relationship with Canada Post in terms of how it negotiates with these people who have a very important job in our society. I feel they have been mistreated for a number of years by Canada Post.

Why do people in rural Canada have to deliver mail at minimum wage, use their own automobiles and compete neighbour against neighbour on a contract which they have had for years when the city mail carriers, those in the union, do not and do not work by the same set of rules?

Something has to change. We, as parliamentarians, have to make it very clear to Canada Post that it has to negotiate with these rural couriers in good faith. Everyone of these people, no matter whether it is in my home province of New Brunswick or British Columbia, are working under the same set of rules. Basically there are no rules. Canada Post makes them up as it goes along, much to the detriment of the very people who are delivering the mail in rural Canada.

To make matters worse, they now have to take on two or three mail routes by themselves in one particular area simply to make ends meet and make it profitable. It means that many Canadians are having their mail delivered later or not at all simply because we are forcing rural mail couriers to do more with less.

• (1200)

It is time that we took a serious look at how Canada Post negotiates with these people, because it is patently unfair. There is no other group in society that we would allow to be treated in such a fashion, given the importance of the job they do. I commend the member for Winnipeg Centre for bringing forward this bill.

Many of us would disagree as to whether it should be a union or something else, but I think that most of us would agree that something definitely has to happen.

Alice Boudreau represents the Organization of Rural Route Mail Couriers. She has visited just about every rural member of parliament on both sides of the House. She represents drivers from all across Canada. When she appeared before us and laid out the situation which she and other drivers are faced with, we could not help but feel sorry for these people.

I am not saying this in a derogatory or demeaning way, but if we look at the rural couriers, most of them are not driving new cars. They are not living in million dollar houses. The fact is that most of them, after all of their expenses, are working at minimum wage. I have to explain the term minimum wage because obviously they bid for a contract. They bid for the right to deliver mail. They bid against other people in society. In the real world there is nothing wrong with that. Each one of us bids for a position in the House. We put our reputations and our careers on the line. At the end of the day the constituents determine whether it will be me or someone else representing them in the House of Commons. That is true for every member of parliament.

However, it is unfair for rural postal drivers because Canada Post, as I have mentioned before, does not negotiate in good faith. It will take a look at the bids that come in and then go back to the rural drivers carrying the mail and tell them that someone has submitted a lower bid. Canada Post says "We want to let you know that there is a bid which is lower than yours". Individuals who have been carrying the mail for years are forced to underbid themselves simply to get their jobs back.

Can hon. members name one organization in the free world that negotiates in that fashion? That is what Canada Post does. That is what is driving rural mail contractors to say they need some kind of protection.

The member who presented the bill says that we will have to take a look at a union of sorts. I do not think a union is the key to solving the problem.

Mr. Yvon Godin: Yes, we know it is.

Mr. Greg Thompson: We can disagree. I know that the member who interjected is a union representative. That is fair. There is nothing wrong with that. However, in greater society, no matter what corporation we are dealing with, not every person in the world is unionized. None of us here is unionized. Most of the companies in my home province of New Brunswick are non-unionized. It is one of the most non-unionized provinces in the country.

I would say that unions are not the key to immediate success, clarification or resolving the problem. The real key is for Canada Post to negotiate in good faith, recognizing that these people have a very important job to do. It is a job on which all of us in the House depend. We would not allow this to happen in the city of Ottawa. We would not allow it to happen in downtown Vancouver. It is

Government Orders

basically the city mouse versus the country mouse. In this case the country mouse is losing out simply because it has no protection under the rules which have been set for it by Canada Post.

• (1205)

Let us re-engineer this arrangement between our rural drivers and Canada Post. All we want to see at the end of the day is fairness in the negotiations.

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

GOVERNMENT ORDERS

[Translation]

CANADIAN INSTITUTES OF HEALTH RESEARCH ACT

The House resumed, from February 24, consideration of Bill C-13, an act to establish the Canadian Institutes of Health Research, to repeal the Medical Research Council Act and to make consequential amendments to other acts, as reported (with amendments) from the committee, and of the motions in Group No.1.

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, this bill to establish a body, the Canadian Institutes of Health Research, has the virtue of bringing some very greatly desired investment into health research.

Unfortunately, after making drastic cuts in health research and transfers to the provinces, the federal government has chosen to reinject funds by creating these virtual institutes.

As we saw last week, the objective set out in the preamble for these institutes is not solely to co-ordinate research, but also to centralize and integrate it.

We know that the research centres in Quebec, which have often been supported by the Centre de recherche biomédicale, are losing their desired autonomy. There is nothing in this bill that is the least bit reassuring.

I therefore move:

That the debate be now adjourned.

The Acting Speaker (Ms. Thibeault): This motion is in order.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Thibeault): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

• (1250)

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

(Division No. 752)

YEAS

Members

Alarie	Bachand (Saint-Jean)
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bigras
Canuel	Chrétien (Frontenac—Mégantic)
de Savoye	Debien
Dubé (Lévis-et-Chutes-de-la-Chaudière)	Duceppe
Dumas	Fournier
Gagnon	Girard-Bujold
Godin (Châteauguay)	Guay
Guimond	Lalonde
Laurin	Lebel
Marchand	Ménard
Mercier	Perron
Picard (Drummond)	Sauvageau
St-Hilaire	Tremblay (Rimouski—Mitis)
Venne—30	

NAYS

Members

Abbott	Ablonczy
Adams	Alcock
Assad	Assadourian
Augustine	Axworthy
Baker	Bélair
Bélanger	Bellemare
Bennett	Bertrand
Blondin-Andrew	Bonin
Boudria	Bradshaw
Breitkreuz (Yorkton—Melville)	Bryden
Bulte	Calder
Caplan	Casson
Catterall	Cauchon
Chan	Charbonneau

Government Orders

Clouthier
Collenette
Cullen
DeVillers
Dion
Dromisky
Easter
Elley
Finlay
Forseth
Gagliano
Godfrey
Goodale
Gray (Windsor West)
Grey (Edmonton North)
Hanger
Hardy
Hart
Harvey
Hill (Prince George—Peace River)
Jackson
Jones
Karetak-Lindell
Keyes
Knutson
Laliberte
Lee
Limoges
Lunn
MacKay (Pictou—Antigonish—Guysborough)
Mancini
Mark
McGuire
McWhinney
Mitchell
Murray
Nystrom
Obhrai
Paradis
Penson
Peterson
Phinney
Pratt
Proctor
Proulx
Reed
Richardson
Robinson
Saada
Sekora
Shepherd
St. Denis
St-Julien
Stewart (Brant)
Strahl
Thompson (New Brunswick Southwest)
Ur
Vanclief
Volpe
Whelan—147

Coderre
Cotler
Cummins
Dhaliwal
Doyle
Duhamel
Eggleton
Epp
Fontana
Fry
Gilmour
Godin (Acadie—Bathurst)
Graham
Grewal
Guarnieri
Harb
Harris
Harvard
Hill (Macleod)
Hubbard
Jennings
Jordan
Keddy (South Shore)
Kilgour (Edmonton Southeast)
Kraft Sloan
Lavigne
Leung
Lowther
MacAulay
Mahoney
Manley
Martin (Winnipeg Centre)
McLellan (Edmonton West)
Mifflin
Morrison
Myers
O'Reilly
Pankiw
Parrish
Peric
Pettigrew
Pickard (Chatham—Kent Essex)
Price
Proud
Redman
Reynolds
Robillard
Rock
Scott (Fredericton)
Serré
Solomon
St-Jacques
Steckle
Stoffer
Thibeault
Torsney
Valeri
Vautour
Wappel

I will remind the House that the Bloc Québécois supported the principle of the bill and voted in favour of it at second reading stage. First of all, I want to congratulate my colleague, the member for Hochelaga—Maisonneuve and health critic for the Bloc Québécois, for working so hard on the health committee to try to convince the government majority that this bill needed amendments to make it acceptable to Quebecers.

● (1255)

I also heard my colleague from the New Democratic Party, the member for Winnipeg North Centre, talk to us about all the amendments she proposed to the government because she wanted to see some changes made to the bill. In many respects, she finds it just as unacceptable to Canadians. However, members of the government majority have shown no openness with regard to the amendments proposed by the opposition parties and no co-operation whatsoever. Therefore, my colleague from Hochelaga—Maisonneuve had no choice but to bring forward his amendments here, in the House, at report stage, to give us at least an opportunity to talk about what is unacceptable in this bill.

Bill C-13 is important to us. However, as it is worded, it concerns us. In fact in its 52 clauses, it refers over 15 times to research into the health care system and health issues, which are without a shadow of a doubt provincial matters.

Thus, the amendments moved by the Bloc Québécois make it clear that the bill focuses on health research and not on the potential expansion of mandates beyond the field of research.

The Bloc Québécois wants to make sure that it is the provinces making the decisions on the choices and principles underlying the health care networks and services to the public as is provided in the Constitution, which the Liberals claim they are defending and which they are blithely flouting with ever more obvious encroachment on provincial jurisdictions.

When the federal government was not at war with Quebec, when it respected its partners in the Canadian federation, when it was not led by individuals with complexes who need to go behind Quebec's back to reassure themselves that they are powerful, when it was guided by the values of public good and community welfare rather than political visibility, it passed laws in this House creating federal agencies such as the Medical Research Council or the Social Sciences and Humanities Research Council that respected provincial jurisdictions.

It is therefore possible for the federal government to introduce bills without disregarding provincial jurisdictions, which also means that Bill C-13 could quite easily have been amended to reflect the distribution of jurisdictions at each level of government without watering content down. The government's bill ignores the distribution of jurisdictions. This negates the very principle of what a federal government should be.

PAIRED MEMBERS

*Nil/aucun

The Deputy Speaker: I declare the motion lost.

Resuming debate, the hon. member for Rimouski—Mitis.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, I am pleased to rise today to speak to Bill C-13, which establishes the Canadian Institutes of Health Research. This bill is now at report stage, following the hearing of witnesses and clause by clause consideration by the Standing Committee on Health.

Government Orders

This is why the Bloc Québécois introduced amendments to allow the establishment of these institutes while also respecting the distribution of jurisdictions. These amendments also seek to ensure that what is being promoted is indeed the communication of information among researchers, so as to improve health networks, rather than the implementation of rules defined without the provinces' input.

Through Bill C-13, the government once again decided to invade a provincial jurisdiction and to legislate without having had the courtesy of inviting its partners in the federation to help develop this legislation.

Again, this government claims to know better than all the other governments what needs to be done regarding biomedical research. Once again, as was the case with the millennium scholarships or the transitional job fund, the federal government is finding ways to spend our billions, which are not its money, as it pleases, primarily to gain more visibility and buy votes in the process.

Sure, some will argue that the interim governing council that developed this bill included Quebecers, competent people, and I have no doubt that this was indeed the case. Through their experience and expertise, these people undoubtedly made a remarkable contribution while sitting on the interim governing council. However, they had no mandate to represent Quebec and, more importantly, these people's primary concern was not to be a watchdog for the Constitution and for the respective jurisdictions of the various levels of government.

Could it be that this government, which claims to be a champion of clarity, which wants to give lessons in democracy to the whole world and which boasts that Canada is the most decentralized federation in the world, is afraid of giving real autonomy to these research institutes? Is this government that afraid of true decentralization?

• (1300)

Once again, this arrogant, conceited, know-it-all government is refusing to listen to the opposition's call to reason.

It is not so much the creation of the institutes of health research that should put us on our guard but the fact that once the institutes come into being, even virtually, there will still be a serious risk that, with their federal mandate, they will conduct research into public health services without first consulting with the provinces, thus interfering directly in areas of provincial jurisdiction.

The Bloc Québécois is therefore proposing a series of amendments whose primary purpose is to emphasize the importance of respecting respective jurisdictions and to reaffirm that provincial jurisdiction takes precedence over federal jurisdiction when it comes to health.

Investment in research and development is necessary and very much desired in hospital and university research circles. In addition, it is important that Quebec receive its fair share of federal research and development grants.

In recent years, Quebec has been seriously neglected when it comes to research and development grants and it is high time that the federal government restored the balance by ensuring that additional funds are made available to researchers and universities so that they can pursue their work.

Historically, it is known that Quebec receives only 14% of federal government research and development spending with respect to infrastructures. However, it is well known that research grants are awarded on the basis of merit. It is also important to note that, under the peer assessment system, approximately 30% of grants go to researchers in Quebec. It must therefore be recognized that Quebec's researchers are good at what they do and that they excel, particularly in the fields of mental health, cancer, and genome and biotechnology research.

It should therefore come as no surprise that the Bloc Québécois is in favour of increasing research and development budgets by creating virtual institutes and that it has supported this principle at second reading.

The federal government must respect the specific characteristics and strengths of researchers in the regions of Quebec in order to focus on their successes and their skills in the areas in which they excel.

The Bloc Québécois says yes to the creation of a flexible and multidisciplinary structure to facilitate the organization of health research. The Bloc Québécois says yes to increased R and D funding in the health field. The Bloc Québécois says yes to all measures of such a nature as to provide more security to our researchers and to slow down the brain drain. The Bloc Québécois does not, however, say yes no matter what the price.

We set two preconditions: the government must put an end to its diversionary tactics and re-establish the transfer payments, and it must respect the jurisdiction of Quebec and of all the provinces with Bill C-13.

We all accept, and understand, the urgency. But care must be taken to ensure that democracy does not suffer once again. We have had our fill of government urgency creating great upheaval in the entire process of this House and of the standing committees. Our duty as parliamentarians forces me to remind hon. members that the Bloc Québécois is not prepared to vote in favour of just any bill, even one that acknowledges that the researchers of Quebec need funds.

In closing, I wish to state that the Bloc Québécois is offering its co-operation to the federal government in getting this bill amended so that it will really serve the development of health research,

while respecting federal-provincial divisions in jurisdiction and impacting on the health of the people of Canada and of Quebec.

If, however, our amendments should be rejected, then unfortunately the Bloc Québécois will have to vote against this bill on third reading.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very pleased to take part in this important debate on Bill C-13.

I want to start by saying how very proud we are of our health care critic, the member for Winnipeg North Centre. She has done a great job in representing our concerns and interests in the various stages of debate on the bill. I notice that she moved some amendments.

• (1305)

I read with interest the speech she made on February 24. She cited the fact that while we are in favour of Bill C-13 and the whole concept of the proposed medical health research institutes, we have some real reservations not only about the process and how this bill came about but about the government's lack of willingness to entertain a number of the issues we raised. We thought they would augment the bill and add to the whole concept of promoting Canada as a centre of excellence for medical research which surely must be the ultimate goal in any bill of this nature.

Many groups made representations on the bill when it was before the committee not the least of which was the Canada Labour Congress. The Canada Labour Congress brought forward a very good point which we are disappointed the government did not automatically welcome and embrace. The issue it wanted addressed was that the one thing really lacking from a worker's point of view is that there is no medical institute specializing in occupational health and safety. One would think that in this day and age that would be automatic, an absolute given.

If we are concerned about occupational safety and health, which surely the government purports to be, it is a very timely recommendation. Part II of the Canada Labour Code is currently being debated and amended. That part of the labour code deals with occupational safety and health. Why would the government not have welcomed the recommendation that an institute be created that is dedicated solely to eliminating workplace accidents and lost time, injuries et cetera? Other countries have such a thing. The United States is way in front of us in terms of its research capabilities on occupational safety and health.

The government failed to respond to what we thought was a very creative and a very worthwhile recommendation.

An hon. member: That is too bad.

Government Orders

Mr. Pat Martin: Mr. Speaker, I agree with the member next to me, it is too bad. We consider it a lost opportunity if the government were really soliciting input from the general public on this issue.

Other groups have welcomed the idea of dismantling the Medical Research Council of Canada and replacing it with the Canadian institutes of health research, the CIHR. The Canadians for Health Research wrote a letter recently to inform us, and I will repeat this publicly for the House, of a meeting that they will be holding here on March 22 to celebrate the creation of the new Canadian institutes of health research and the dismantling of the Medical Research Council of Canada. The letter from this organization reminds us that much of the country has been eagerly anticipating this development. It also reminds us that this will further Canada's ability to be seen as a world leader in terms of medical research.

It is not any secret that Canada's health system is the envy of the world and arguably the best not for profit and publicly funded health system in all of the world. The rest of the world watches Canada for examples of how to expand or improve their health care systems. This is another reason that what we are doing today with this bill is very timely.

This initiative expands the role of the public health care system. It is not just the delivery of medical services to people in need but the whole concept of medical research as a holistic approach to the well-being of all Canadians. Obviously this is the direction in which we should be going in the Canadian medical system.

I should repeat here some of the amendments to the bill that the member for Winnipeg North Centre thought it necessary to introduce. The government should welcome these amendments. They were made in good faith. We believe they help bring clarity to the bill and to improve some of its shortcomings.

The first amendment was Motion No. 48 in which the member for Winnipeg North Centre recommended that Bill C-13 be amended to add the words "the members of the advisory boards shall not, directly or indirectly, as owner, shareholder, director, officer"—et cetera—"have any pecuniary or proprietary interest in any business which operates in the pharmaceutical or medical devices industries".

That is a point which really needed to be made. I am very glad the member for Winnipeg North Centre made that point. Clearly it is a conflict of interest situation. She saw that the bill was seriously flawed. It did not say anything to preclude the idea that a lobbyist for a pharmaceutical firm could end up sitting on the advisory board of one of the research organizations funded by the government. We can see how this could be a disaster.

• (1310)

An hon. member: Pretty cozy relationship.

Government Orders

Mr. Pat Martin: Certainly it would be a disaster. The publicly funded organization could be doing research that the pharmaceutical company wanted to have done. Let us face it. That is a glaring oversight.

An hon. member: It is Bill C-91 all over again.

Mr. Pat Martin: I would certainly hope that the government would see fit to at least put in a basic safeguard so that none of the advisory boards shall have appointed to them anyone who has a financial interest in a pharmaceutical company or a medical devices company. It is common sense.

One of my colleagues mentioned Bill C-91. That nightmare surfaces again. We all know how powerful the pharmaceutical lobby is already. We certainly do not need it infiltrating the boards of our medical research institutes.

An hon. member: Like it does with the Liberal caucus.

Mr. Pat Martin: When the Liberals failed to deliver on Bill C-91, when they collapsed and succumbed to the powerful pharmaceutical lobby, it was the largest single cost to our health care system. The costs of pharmaceutical drugs exploded and the generic drug companies were unable to make a substitute at maybe one-tenth of the cost. Giving 20 years of patent protection to the pharmaceutical companies was hardly in the best interests of Canadians. It is certainly coming back to haunt us now.

I am very proud that the member for Winnipeg North Centre saw fit to add this safeguard for all Canadians. We will not see that kind of conflict of interest on the boards of directors of any newly established medical research centres.

In Motion No. 49 the member for Winnipeg North Centre also points out that the conflict of interest and post-employment code for public office holders should apply, with such modifications as circumstances require, to all the members of the advisory boards. It is a conflict of interest reference to make sure that the current post-employment code that exists for all public office holders shall also apply to these boards. In other words, not only should they not have a financial interest in the pharmaceutical company or some such thing, but there has to be a reasonable length of time to put them at arm's length distance from their former occupation.

The member for Winnipeg North Centre is standing up for the interests of ordinary Canadians by ensuring that this kind of conflict will not take place in the newly established institutes of medical research.

Mr. John Solomon: Where do the Liberals stand on this? Where does the Reform Party stand on this?

Mr. Pat Martin: Mr. Speaker, we certainly hope that all the parties in the House can see the common sense in making sure that Canadians' interests are safeguarded in this respect.

Motion No. 50 that the member for Winnipeg North Centre moved says that within three months after this act coming into force, the governing council shall make a bylaw to establish and put in place a code of ethics for the members of the advisory boards. In the newly struck advisory boards and the newly established institutes of medical research, we want a certain code of ethics put in place. These are reasonable, basic measures we would expect all public figures to uphold.

We do not expect any objections to any of these motions because they are obviously put in place in good faith, in good will, to look after and safeguard the interests of ordinary Canadians.

In closing I will repeat what the member for Winnipeg North Centre said in her remarks on February 24. We support this bill. We support the idea of the Canadian institutes for medical research. We had some reservations concerning the structure of the advisory boards. We are satisfied that those will be remedied with the adoption of the amendments put forward by the member for Winnipeg North Centre.

We want Canada to be a centre of excellence for medical research. The academics, universities and scientists in this country are poised, willing and ready to take their place at the forefront of this burgeoning new industry and the commercial possibilities of medical research. We welcome the opportunity.

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, we have heard from most members regarding Bill C-13, a bill to establish the Canadian institutes of health research and to repeal the Medical Research Council Act.

• (1315)

We have heard from member after member on this side the frustration at the committee level concerning the bill. Many of us, myself included, have put forward amendments. I have put forward two dozen amendments. The frustration comes from the fact that the government does not want to listen to the opposition to make this a better piece of legislation.

The member who just spoke, the health critic for that party, alluded to the frustration. It is legislation which we could all embrace. We could support it. What we are attempting to do as opposition members is to improve the legislation, but we get the sense from government members that they want the legislation now. They will not entertain amendments, unless they happen to be put forward by government members, over which they have absolute control. The government's position is not to listen to the opposition, that the opposition should not tell the government what should be in the bill.

Government Orders

That is where this whole exercise falls flat. None of us in the House wants to be seen as running in the face of the legislation because it is long overdue.

We are simply modelling what has been done in the United States and most European countries for the last 25 years. We are about 25 years behind the times in setting up these institutes for research. We do not have a whole lot to be proud of. We have a whole lot of ground that we have to gain if we want to be competitive in terms of medical research with the rest of the world, so let us get on with it.

Again, it goes back to the frustration of the Liberals not listening to what we are saying in terms of how we can strengthen the legislation. Let me give the House an example. This is the way we have always done things in this place, especially the Prime Minister. We will go through the makeup of the institutes, how the board is created, who picks the people to sit on the board and who will determine what institutes we will have, because as we speak we do not know. The president of the Canadian institutes of health research shall be appointed by the governor in council to hold office during pleasure for a term of not more than five years.

When we hear the term governor in council it simply means that the Prime Minister of Canada will appoint the president of the council as he appoints senators. We have heard just about everyone in the House from time to time rail on about the appointments of senators, how they happen and how they might be improved. Here we go again. The Prime Minister will determine who the president of the council will be. Not only that, each of the 20 members on the governing council will again be appointed by the Prime Minister of Canada.

Why would the government not consider rejigging that formula? It is very obvious the government wants absolute control as to how this will be set up, how it will run and who will be the boss. At the end of the day it will be the Prime Minister of Canada determining the agenda for this council. In my opinion and in the opinion of many members on this side of the House it will be he who will have absolute control. That is why the government will not entertain any sense of change in how these councils will be set up, how the president is appointed or how they will conduct business.

Unfortunately, the government has the opposition in a corner on this one, because just about every think tank, every university, every research institution in this country wants us to move on and get this thing on the road, as do we. The frustration, of course, comes from the fact that the government will not listen to anything which might slightly rejig the formula.

• (1320)

The Prime Minister has been around this place longer than any other member of parliament. When he was in opposition he would rail on about these types of appointments taking place in this country, whether he was talking about a board, a council or the Senate of Canada. Only when he takes office does the tune change.

I do not think he is going to change in terms of how these institutes will work and how these appointments will be made.

Talk about arrogance. The Minister of Health is criss-crossing the country under the old health research council, giving away money, grants, as if this bill had already passed, knowing full well that it has not. It is an insult to this Chamber, to this institution called parliament. The Liberals are assuming this bill is going to be passed and they are assuming it is going to be passed post-haste.

I would suggest that something is wrong with the formula, and this is the place where it has to change.

This bill is good news for Canada, with the exception of who is calling the shots. Unfortunately there is a political overtone to this bill which I do not like. I think it is incumbent upon the Prime Minister and those who sit on his side of the House to say a word or two on this issue of appointments and how these institutes will be guided in the work they will do over the next number of years.

There are over 50 amendments to the bill. The government has simply decided to railroad us, forget about the opposition, forget about anything that might improve this bill. It simply wants to get the bill passed. We are suggesting that we could pass a better bill.

The government has the opportunity to listen to the opposition in the Chamber. Many of the amendments were discussed at committee, but were voted down by members of the government. However, now we are in a bigger, wider forum where Canadians will have a chance to hear us debate the bill.

I would suggest that the government take us seriously, take a look at the makeup of these institutes and consider some of the amendments that we have put forward in terms of the selection process.

This is reminiscent of the Liberal way of doing things. The Liberals, with this legislation, have stolen page for page, clause by clause, from the very platform which this party ran on in 1997. If we look at what Mr. Charest was talking about in his platform in 1997 we would find that the Liberals have basically modelled these institutes on what we were suggesting. That is not new for the Liberals, is it? They adopt the ideas of other parties, claim them for their own and back off only when they have to.

Let us get on with it and continue to engage in debate. I would like the government to take seriously a number of our amendments before we give our approval to pass this legislation through the House.

• (1325)

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, Bill C-13, which we are debating this afternoon is important and significant. It should be approved by all parties, but, the government being what it is, there are concealed flaws.

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Bill C-13 concerns the creation of institutes of health research in Canada. These institutes are to replace the existing medical research centres.

One reason it might be tempting to support this bill is the fact that the Department of Finance must substantially increase the amounts allocated to research. However, the problem lies in the intrusion this government is preparing to make once more into an area of provincial jurisdiction.

I can clearly recall, in 1978 when the current Prime Minister was the Minister of Finance, that he attempted an unprecedented intrusion into the provincial jurisdiction of municipal affairs. We in Quebec had just elected René Lévesque, and the federal government was trying to deal directly and by mutual agreement with the municipalities in Quebec and the rest of Canada.

The Quebec municipal affairs minister at the time, Guy Tardif, had systematically blocked the federal government's attempt to deal directly with the municipalities.

You can see how tricky the Prime Minister was at the time, in 1978. To get around that, he sent a cheque for \$85 directly to all Quebec taxpayers. To annoy and ridicule the government of René Lévesque, he took another tack and gave each taxpayer \$85.

At the time, I was a member of the Parti Québécois. In our funding drive we collected not all of federal government cheques for \$85 but a few of them. People said to us "What the government is doing at the moment is so stupid, we will give the same amount, or \$85, to the Parti Québécois".

The Bloc Québécois cannot endorse Bill C-13 as it stands. My colleague from Hochelaga—Maisonneuve has prepared a series of amendments in this regard, which we tabled in the House together on Thursday. We will try to talk members opposite into accepting them. We hope to see the majority of these amendments passed, because the bill would then reflect the spirit and the letter of the charter that is a part of the Constitution the Prime Minister himself patriated when he was Minister of Justice, without Quebec's agreement, following the "night of the long knives".

When we watch the little guy from Shawinigan, the member for Saint-Maurice, in action, we get suspicious. We are also suspicious about the amount that Quebec will receive out of the budget allocated to health research, to discover new treatment techniques. We are concerned because we wonder whether Quebec will get its fair share.

Traditionally, Quebec has only been receiving 14% of the moneys allocated to research and development. The federal government's track record is not good. This is why we have serious concerns. We would like to see a framework where Quebec receives at least 24.2% or 24.3% of the budget earmarked for research and research centres located in Quebec benefit from these amounts.

All this is very nice, but members are well aware that, unfortunately, Quebec has not been getting its fair share of federal investments.

• (1330)

Today, all opposition members are proudly wearing a red heart on the left side. This is because today is budget day.

The Minister of Finance has made deep cuts to provincial transfers. I remind this House that the Minister of Finance who, in a few hours, will be tabling his seventh straight budget, cut \$1.7 billion in social transfers to Quebec for fiscal year 1999-2000.

If the minister wants to create duplication and a structure that will interfere with provincial jurisdictions, he should be reminded that, this year, in Quebec alone, he made cuts totalling \$850 million. That is close to \$1 billion in the health sector alone. Since 1993, he has cut health transfer payments by \$3.4 billion in Quebec alone.

Earlier I was listening to a conversation. He seemed a bit disappointed that we are not giving our support for Bill C-13 so that it can be passed quickly. We in the Bloc Québécois are only too familiar with the Liberal Party and the agenda of the Prime Minister and there is no danger that we are going to give him our blessing and make it easy for him.

I was reading the newspapers on the weekend. What is going on at HRDC is scandalous. The Prime Minister said that only \$2.59 was unaccounted for. The RCMP is investigating two cases right now and, in one alone, \$100,000 is involved. It is no longer \$2.50. In another case, close to \$166,000 is unaccounted for. It has literally been lost track of.

The \$166,000 was supposed to go to a relatively poor riding in East Montreal, Rosemont to be precise, the riding next door to Hochelaga—Maisonneuve, and the hon. member for Rosemont had signed the agreement with HRDC for a grant to create 45 jobs in Rosemont. I was going to say "transfer this money" but that is not quite it. It has disappeared. The RCMP should conduct an investigation.

In any event, Saint-Maurice won out, supposedly because it was closer to the border with the United States. But it is not—it is further away. If the Eastern Townships had been considered, that would have been smart, because the Eastern Townships are very close to the U.S. border.

Right now we are looking at a government that is rotten at the core and the rot is starting to spread outwards.

Last week, I read the speech given in the House by the Parliamentary Secretary to the Minister of Health in support of Bill C-13. In the not-so-distant past, I was a teacher and the president of our union was the man who is now the hon. member for Anjou—Rivière-des-Prairies.

It is terrible to see how someone can change in a dozen years. I do not know if it was the year he spent with Marcel P  pin and Ti-Louis Laberge in his cell in Orsainville that so altered him that he is now defending the very policies he once so vehemently opposed. He even took his orders from Colonel Khadafi.

• (1335)

Today, this man rises in the House to speak about the virtues of Bill C-13. This just does not make any sense, and the mere fact that he is defending this bill today should make us suspicious.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, I add my voice to those of the hon. member for Frontenac—Meganic and our health critic, the member for Hochelaga—Maison-neuve, to say that after having supported the principle of Bill C-13 at second reading, the Bloc Quebecois now prefers to reserve judgment because of what the government intends to do about the amendments which were moved by the Bloc Quebecois to ensure that the Constitution is respected.

Since this debate is about health, and even health care, which is a provincial jurisdiction, and since Quebec is particularly concerned about federal encroachments in this area, encroachments which this Liberal government has sought to multiply since 1993, the Bloc Quebecois will feel an obligation to express its dissent about this bill establishing the Canadian Institutes of Health Research, if the amendments it moved are not carried.

The Bloc decided to take this position after a thorough examination of the bill, after having consulted the members of the community and having reached the conclusion that, again, this bill was a manifestation of this government's bad habit, a habit it could never get rid of, to use its spending power in areas of provincial jurisdiction.

Besides, this government might want to do the same today, when the Finance Minister tables his budget, since it has accumulated billions of dollars on the back of the poorest in our society and on the back of the provinces by drastically reducing social transfer payments.

So this government could well be tempted again today, in the area of health but also in education or social programs, to spend money it has accumulated that should be given back to provinces, and among them Quebec, which wants, with the means it should have at its disposal, to fulfil its responsibilities in areas which are under its jurisdiction.

This does not mean that the Bloc Quebecois does not support this budget increase for research and development. It does support this budget increase. It also salutes the efforts of researchers—and there are many researchers in Quebec who want to see an increase in research budgets.

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In fact, health researchers in Quebec are among the most effective in Canada. They are the ones who succeed in obtaining the largest financial support, which proves that health research in Quebec is very dynamic and can rely on the support and the exceptional work of researchers in the major institutes that already exist in Quebec, in our major laboratories and also in our universities.

These researchers, who have helped in the drafting of this bill to obtain innovative tools to improve the sharing of health information and to support the development of advanced health technologies, must understand the Bill C-13 in its current form—and that is what the member for Hochelaga—Maison-neuve tried to explain to be very transparent with regard to the position the Bloc Quebecois is putting forward in the House today—could seriously encroach on provincial jurisdictions in the area of health.

• (1340)

Beyond health research per se, the bill often refers to health related issues without ever recognizing the provinces' responsibility with regard to delivering health services to the public, which I think is worth mentioning in the House.

In fact, the provinces' role is reduced to that of any other player. As in the case of any person or organization involved in the area of health, national mandates are given. In fact, the word national is being used more and more in the House. Everything the federal government does now is no longer federal but national. They want it to be national because they consider Canada a nation, whereas Quebec has always considered itself a nation and continues its efforts to make Quebec an open and pluralistic nation, one in which all citizens are equal and can play their part in building the Quebec nation.

There is another competing project, however, that of a Canadian nation, a nation that of course calls upon a national government, one which has a tendency to consider the provinces as municipalities—one of the first Prime Ministers of this country, John A. Macdonald, considered provinces to be big municipalities. This is unacceptable to the Bloc Quebecois, and our opposition is just one more instance in a long history of opposition by all the governments of Quebec, one after the other, which have constantly raised the importance of respecting the division of powers in the health field as in all areas that fall exclusively under provincial jurisdiction.

It will come as no surprise that this is, once again, a reason for the Bloc Quebecois members to defend the interests of Quebec in this House, but it is also an opportunity to remind people of something: the alternative to an endlessly centralizing federalism, of which Bill C-13 is just one more example, is a project to make Quebec sovereign and able to be its own master over health and other areas, able to freely control its future, to create research institutes in the way that it wishes, and able to ensure that Quebec

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researchers can have access to what is required in order to carry out the innovative research they plan to do.

The Bloc Québécois cannot, therefore, endorse this bill as presently worded, and it insists on stating in this House that the problem does not lie with the creation of institutes per se. Research and development might fall within the category of residual powers and thus, theoretically, under federal jurisdiction. In the end, after careful analysis and reading, the bill provides for a real possibility of direct infringement of provincial jurisdiction in public health services, infringement that will, as happens all too often, not involve proper consultation with the provinces.

I may be permitted to remind this House that a few weeks ago, the start of this month, marked the first anniversary of the agreement, the framework agreement on social union, an anniversary that was not celebrated in Quebec, because the formula in this case too will permit the federal government—as the Minister of Health himself has said—to unjustly claim jurisdiction over health care and to impose its views on Quebec, even though Quebec opposes this bill's application to Quebecers and the agreement's application to it.

• (1345)

The Bloc Québécois is therefore proposing a series of amendments aimed primarily at underscoring the importance of respect for the division of powers and at reaffirming the primacy of provincial jurisdiction in the field of health.

In closing, I would point out once again that in this House, despite claims of concern over health care, the government has unilaterally—it has the habit of doing things unilaterally—and irresponsibly stopped funding the health networks put in place in 1993 by its famous Canada health and social transfer program.

It is commendable that it is investing more in research, but it must not lose sight of the need to re-establish the transfer payments to the provinces. The research institutes must not be a means for the federal government to meddle in areas of Quebec jurisdiction.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, before addressing Bill C-13, I would like to first make a short digression. I know that you are very tolerant and that you will give me a few seconds to do that. You also probably know that if it were the hon. member sitting next to me who was rising, it might take a long time.

On behalf of my myself and my colleagues, I want to congratulate the hon. member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans for his very long and most interesting speech delivered on Thursday, from 5.15 p.m. to 10.15 p.m., to members, to Canadians who were watching on television, and to the legislative committee on Bill C-20. Our colleague deserves a good round of applause from all the members of this House.

Some hon. members: Hear, hear.

Mr. Benoît Sauvageau: I will not repeat what the hon. member for Hochelaga—Maisonneuve said jokingly, but he too must be commended for his exceptional work to improve a bill which could be a good piece of legislation for Canadians and Quebecers, for researchers in health and bioethics, etc. However, given the narrow-minded obstruction tactics used by members opposite, these efforts will unfortunately be useless if Liberal members do not show some openness.

Earlier, the hon. member for Frontenac—Mégantic said that the Parliamentary Secretary to the Minister of Health should be able to inform his minister, since he is from Quebec and has a clear understanding of Quebec's concerns and freedoms, which he defended for a long time, even going to jail for a few months in the process. The Bloc Québécois' message is aimed primarily at him. I have also listened to the speeches of the opposition parties. Not just the Bloc Québécois' message but the opposition speeches in general are aimed at him.

Regardless of party, Reform, Conservative, or New Democratic, we are all agreed that the bill is fine in principle. It is only normal that more money be invested in research and development. However, for reasons that differ for each party, the bill as it now stands is not acceptable.

As the member for Rimouski—Mitis said earlier, the Bloc Québécois agrees with the principle of creating institutes of health research. The Bloc Québécois also agrees that research and development budgets should be increased. But the Bloc Québécois does not agree with the bill in its present form for the reasons stated over and over again by all parties, more specifically by the Bloc Québécois, because, among other things, of the blatant intrusion into provincial jurisdiction.

• (1350)

We are proposing a number of amendments, as are all the opposition parties, designed primarily to ensure that jurisdictions are respected, not to change the core purpose of the bill, which is to provide assistance to research and development and to increase research and development grants, but to respect the Canadian Constitution and the division of powers between the federal and provincial governments.

I will quote from the bill. As it now stands, it refers to an interest in health. "Health" is vague, and we know that the wording of a bill absolutely must be very clear.

This is why the main thrust of our amendments is to change the expression "an interest in health" to "an interest in research", because the purpose of the bill is to establish research institutes. When someone knocks at the door and says "trust me"—my colleagues have already been very eloquent on this—it is hard to

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trust someone who does not just put a foot in the door but pushes in all the way, both feet, both hands and so on, into areas of jurisdiction reserved for the provinces.

We have an absolute duty to delineate a clear definition of what a research institute is and what its objective is. Its objective, as set out in Bill C-13 introduced by the Liberals and analyzed by all the parties, is too vague. We want this research institute to really deal with research.

If the government wants to invest money in this research institute, it might need reminding of our major concerns about finances. Before reinjecting money into research, which is, as I said, something with which we are totally in agreement, the government needs to be reminded of its poor financial record.

For the fiscal year 1999-2000, which is about to end, it is estimated that Quebec alone had a shortfall of close to \$1.7 billion under the Canadian social transfer. This shortfall for the year 1999-2000—and I am not talking about all of Canada, only Quebec—amounts to \$850 million per year in the health sector alone.

One can imagine how much easier negotiating with Quebec nurses would have been if this \$850 million had been available to the Quebec government, if the provincial government had not been deprived of that money by the federal government.

Similarly, imagine how helpful it would have been to have an additional \$850 million for health when so many people had the flu and emergency rooms were overcrowded in Quebec, and also elsewhere in Canada. It is important to remember that.

Looking back not just to the last year, but since this government took office in 1993, we see that Quebec's health sector has not suffered a shortfall of \$850 million, but of \$3.4 billion.

This is what enabled Jean Charest, the Quebec Liberal Party leader, to say "Who is responsible for the problems in the health sector? It is not Lucien Bouchard, it is not Mike Harris, it is the current Prime Minister, the Minister of Health and the Minister of Finance".

This statement was not made by a mean separatist. It was made by Jean Charest during the leaders' debate, adding, in reference to this \$3.4 billion in cuts to health over a seven year period, that, as far as he was concerned, the main responsibility lies with the people across the Ottawa River.

As concerns the first group of amendments presented here, I believe the bill must refer especially, as I said, to health research and not to the health care system and services to the public.

The current minister, in an open letter today to *La Presse*, expresses his considerable concern about becoming directly

involved in home care and in public health care. However, throughout the bill, reference is made not only simply to health research but more generally to health.

• (1355)

So the amendments introduced by the Bloc Québécois serve to make it clear that the bill applies to health research and not to the potential expansion of mandates beyond such research.

They are intended to make sure that the decisions related to the choice and principle underlying the health networks and services to the public are exclusively under the aegis of the provinces and within appropriate jurisdictions.

Given that there was the bill establishing the medical research council, which the research institutes will replace, or, in the field of education, the bill establishing the Canadian council on social sciences and the humanities, we can see that the distribution of jurisdictions may be respected without watering down Bill C-13.

No one wants the wheel to be reinvented. What we are saying is that there are two councils with jurisdiction in this area. Therefore, we are asking the government to honour and implement what has already been done. The government's bill is ignoring the distribution of powers. It negates the federal principle.

When the federal government wants to administer everything and we see how badly it administers money allocated to Human Resources Development Canada, we can see that the Bloc Québécois' amendments must be accepted so that the provinces, in their individual jurisdictions, may administer until the moment we have full jurisdiction over all our powers in Quebec.

The Speaker: It being nearly 2 o'clock, we could now proceed to Statements by Members and thus hear more of them.

STATEMENTS BY MEMBERS

[English]

CLIMATE CHANGE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, in a debate in the House, Reform Party members came out against climate change. They produced a lot of hot air while failing to prove their case.

Human induced global change is a self-evident fact. Just look out the window today. Every sane person knows that increasing

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population combined with technology is transforming the planet. This has been the warmest decade on record and 1998 was the warmest year on record.

Glaciers around the globe are becoming smaller. At the same time, more people are finding it difficult to breathe. Our atmosphere has changed and is still changing at a frightening rate.

The Kyoto protocol to control greenhouse emissions is a small step in the right direction. Canada should take the lead in showing that we can have a healthy economy and a healthy atmosphere. Let us meet our Kyoto commitments.

* * *

JUSTICE

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, Canadians deserve a fair and just legal system. Yet this week marks the 17th anniversary of Patrick Kelly's incarceration for the murder of his wife.

Six years have passed since the key witness admitted she lied during the trial bringing the entire investigation and conviction into question. Since then Patrick Kelly has been fighting for a new trial.

In a split 2:1 decision of the Ontario Court of Appeal, Judge Goudge felt Kelly had been denied justice because of the false testimony of the key witness and called for a new trial.

Last December I asked the justice minister to use her power to order a new trial or, at the very least, refer this case to the Supreme Court of Canada. We are still waiting for the minister's response.

This issue is not about guilt or innocence; it is about a fair and open justice system. Canadians, including Patrick Kelly, expect nothing less.

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[*Translation*]

MÉLANIE TURGEON

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, a Canadian downhill skier, Mélanie Turgeon, delivered two outstanding performances at the Women's World Cup on the weekend.

After winning the gold on Saturday, Mélanie pulled off an amazing second-place finish in the Super-G, taking the silver medal in that event. She is the first Canadian to win a World Cup event in seven years.

Mélanie worked hard to reach these heights. We offer our heartiest congratulations and encourage her to keep up the great work.

Canada is proud of the achievements of this young Quebecer. Brome—Missisquoi and all of Canada celebrate her victory.

Mélanie is an example of tenacity and perseverance for young people. Bravo, Mélanie.

* * *

FIGHT AGAINST RACISM

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, yesterday, the Canadian government launched a Canada-wide tour as part of the Action Canada 2000 "Racism. Stop It!" initiative.

● (1400)

This special millennium event will build on the growing success of the International Day for the Elimination of Racial Discrimination held annually on March 21 by inviting young people in Canada and throughout the world to fight against racism.

Canada is recognized world wide as a model of non-violent and respectful cultural integration.

Young Canadians have an important role to play in Canada's future. As part of this year's campaign, young Canadians will get together with other young people from Australia, Austria, Brazil, the Caribbean, the Philippines, the U.K. and the United States.

We wish them good luck and reiterate our support for this movement, which is to the credit of all Canadians.

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COMMUNITY ACCESS PROGRAM

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, on February 17, the Government of Canada announced the results of the most recent Community Access Program competition, which will help establish public Internet access sites in 71 rural Quebec communities.

The Government of Canada is committed to equipping Canadians with the tools to gain the skills they need for today's knowledge-based economy.

This announcement is an important one for Quebec. The CAP sites will give the selected rural areas residents affordable convenient access to the Internet and thus to communication.

The Government of Canada aims to help establish up to 10,000 access sites in remote, rural and urban settings nationwide by March 31, 2001.

What is involved is, of course, economic development and communication, but primarily the quality of life of all Canadians.

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[English]

SCOTT TOURNAMENT OF HEARTS

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, Sunday saw the conclusion of a hugely successful year 2000 Scott Tournament of Hearts held in my city of Prince George, British Columbia.

The crowds that attended throughout the week were the fourth largest ever in the history of the tournament. It was a success because of the hundreds of volunteers, the organizers and the rinks that participated from all over Canada, the best of the best women curlers in the country.

While there can only be one tournament winner, that just happened to be the Kelly Law Rink of British Columbia. We want to congratulate both that rink and such a wonderful, wonderful curling tournament.

I also congratulate all the organizers, the volunteers, Scott Paper and, most of all, the best of the best of women curlers who came to the beautiful, friendly, wonderful city of Prince George, British Columbia, in my riding; spent a week with us; had a lot of fun; and took home some prizes.

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[Translation]

MÉLANIE TURGEON

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the Bloc Québécois wishes to offer its warmest congratulations to skier Mélanie Turgeon for her remarkable performance last Saturday.

Mélanie Turgeon won the Super-G at Innsbruck, Austria, on the World Cup Circuit. This 23-year old champion is the first Quebec woman to win a downhill World Cup event in 30 years, and the first non-Austrian woman to win on that hill since 1964. This is also her first victory in all of her World Circuit career.

What is more, Mélanie Turgeon was again on the podium yesterday in Innsbruck, with a second place in another Super-G event, which has raised her to 12th overall in World Cup standing.

Clearly, her patience, perseverance and hard work have received their just reward. We in the Bloc Québécois are immensely proud to share in this great Quebec athlete's huge success. What a great inspiration she is to others.

[English]

CANADIAN NATIONAL SOCCER TEAM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, with a two-nil victory yesterday over Colombia in the final of the Gold Cup International Soccer Tournament, Canada secured a place on the world soccer stage. Seated only 11th in the field of 12 teams from North, South and Central America, Canada surprised many with its plays throughout the two week tournament.

We note in particular the performances of Vancouver born goalkeeper, Craig Forrest, who was named the tournament's most valuable player and New Westminster's striker, Carlo Corazzin, who led all scorers in the tournament. We salute the team's performance and its brilliant promise for the future.

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CANADIAN NATIONAL SOCCER TEAM

Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.): Mr. Speaker, it is our pleasure today to congratulate the Canadian National Soccer Team for its thrilling two-nil win over Colombia yesterday to capture the Gold Cup for the championship of North and Central America. This is Canada's biggest win since qualifying for the World Cup in 1986 and a sign of a great future for soccer in Canada.

● (1405)

Team Canada's combination of offensive creativity and solid defence allowed it to control the flow of the entire game. Keeper Craig Forrest, who was named MVP of the tournament, made a brilliant save on a penalty shot in the last five minutes that may have saved the game.

It is no secret why soccer is becoming the fastest growing sport among young Canadian men and women. With the win yesterday, Team Canada has inspired thousands of young soccer players along with their coaches and parents.

We salute our national soccer team who has not lost a game since new coach Holger Osieck took control last year and wish it continued success as it builds toward the next World Cup.

* * *

CANADIAN NATIONAL SOCCER TEAM

Mr. Rick Limoges (Windsor—St. Clair, Lib.): Mr. Speaker, I congratulate the Canadian National Soccer Team on its outstanding performance at the Gold Cup tournament held in Los Angeles over the past two weeks.

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The players' determination led to their dramatic Gold Cup win with a 2-0 shutout of Colombia's national team. Ranked 85th going into this tournament, the Canadians also beat the 10th ranked Mexican team in the first playoff round. Its key victory in Los Angeles guarantees it a place in the prestigious Confederations Cup Tournament to be held in Japan and South Korea in 2001. This success also makes Canada's World Cup qualifying match, to be played this June, a lot more important.

All the players and coaches deserve a round of applause for their notable effort and win.

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WORLD SPRINT SPEED SKATING CHAMPIONSHIPS

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, Canada retained its position as a speed skating force this past weekend when Jeremy Wotherspoon of Red Deer, Alberta, and Mike Ireland of Winnipeg, Manitoba, placed first and second overall in the World Sprint Speed Skating Championships.

Mr. Wotherspoon, silver medalist in the 1998 Nagano Olympic Games, is the dominant sprinter in the world having won two consecutive world titles. He leads a very strong Canadian team that in long track speed skating won five medals at the 1998 Winter Olympic Games and will once again be the team to beat at the 2002 Winter Olympic Games in Salt Lake City, Utah. Congratulations to these exceptional Canadians who make us all proud.

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CANADIAN NATIONAL SOCCER TEAM

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am thrilled to join with all Canadians in congratulating the Canadian National Soccer Team, captained by Jason DeVos in its stunning 2-nil Gold Cup victory yesterday over 24th ranked Colombia. Ranked 85th in the world prior to this tournament, Canada's team played brilliantly in the final game.

As a former soccer coach and father of an aspiring soccer player, I congratulate the coaches, the volunteers, the organizers and fans whose hard work and commitment have helped to bring this great honour to Canada. This victory will give a huge lift to the whole soccer movement in the country. In FIFA President Sepp Blatter's own words, "They got to this Gold Cup on merit".

I especially recognize the contribution of coach Holger Osieck, top tournament scorer Carlo Corazzin, and most valuable player Craig Forrest on this marvellous victory. It was excellent coaching

and superb playing by the entire team. We are all very proud of this great accomplishment.

* * *

[Translation]

DEVELOPING YOUNG CANADIAN TALENT

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, on Wednesday last, under the chairmanship of Ted Johnson, the board of directors of the National Theatre School of Canada located in Montreal met in Ottawa, and the members of the board met MPs on Parliament Hill.

Mr. Johnson paid particular tribute to the Minister of Canadian Heritage for her leadership in the establishment of a national program to foster the develop of young Canadian talent.

[English]

He also expressed high praise for both the current and former Ministers of Human Resources Development Canada for their role in supporting the opportunity for the next generation of talented young Canadians to train and work in their field to make valuable contributions to the development of the performing arts in Canada.

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[Translation]

EMPLOYABILITY PROGRAMS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, in 1996 the federal government undertook its most comprehensive reform of unemployment insurance since its inception in 1940, rechristening it, ironically, "employment insurance".

This reform denied benefits to six unemployed men in ten and seven women in ten and more than eight young people in ten under this plan and caused misery in the lives of hundreds of thousands of families.

The Liberal Party massacred this public security plan, claiming that it was important to develop the employability aspect.

While the Liberal government has been boasting for the past three years that the employment programs have been on target, the Minister of Human Resources Development has just revealed that of a mere 459 projects, representing spending worth \$1 billion, 82% were unsupervised.

• (1410)

This sort of mismanagement of public funds reveals the urgency of establishing a poverty commissioner, who would, among other things, evaluate programs to avoid such an administrative and a political mess.

S. O. 31

[*English*]

SANDY GELDART

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, today I rise in the House to salute a great individual, Mr. Sandy Geldart of Quispamsis in my riding of Fundy—Royal. At 81 years of age, Mr. Geldart has been nominated for the lieutenant governor's Caring Canadian Award. In the last decade Mr. Geldart has single handedly raised over \$77,000 from his bottle exchange program to help high school graduates pursue post-secondary education.

These are students who would otherwise not be able to attend university or college due to financial reasons. So far his efforts have resulted in the awarding of twenty-six \$1,000 scholarships with an amazing \$51,000 still in the pot to keep the program going.

I salute the council of the town of Quispamsis for putting Mr. Geldart's name forward. Whether or not Mr. Geldart gets the award, in the eyes of the students and the community Mr. Geldart will be indeed one of Canada's greatest caring Canadians.

* * *

[*Translation*]

BILL C-20

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, the arrogance of this Liberal government came to light once again on Friday when the government House leader described as "folly" the remarks by the Bloc Québécois during committee hearings on Bill C-20.

This "folly" is simply the broad and clear consensus in Quebec opposing the bill on clarity. It is a well known fact: the truth hurts.

Was the folly in this committee not rather the push by the Liberal majority to limit debate? Was it not the expedited work of the committee arising out of the Liberal majority's fear of going to hear witnesses on their home ground?

In the name of the Quebec consensus opposing the bill on clarity, I repeat loud and long that the quintessential folly in this matter is Bill C-20 itself.

* * *

[*English*]

THE ECONOMY

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, one of the many benefits to Canadians from the current fiscal management of the government is low inflation. Between January

1999 and January 2000 the consumer price index grew by only 2.3%. This was even lower than the 2.6% seen in December and comparable to the low inflation seen throughout the government's mandate.

The policies of the government continue to achieve and maintain price stability with the objective of holding inflation in the range of 1% to 3%. Keeping inflation low has been just one of the many successes of the government. How appropriate to talk about such good economic news on the day of the budget. Canadians can expect great—

The Speaker: The hon. member for Kootenay—Columbia.

* * *

APEC INQUIRY

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, on Friday at the APEC hearing in Vancouver, Commissioner Hughes invited the Prime Minister to appear to give testimony. Without the Prime Minister's testimony there will be a cloud of suspicion in the mind of the public that will taint the findings of the commission.

To this point the commission has spent between \$3 million and \$4 million. Canadians understandably are asking why. The answer is the public complaints commission was chosen by the PM's office as a vehicle to bury the Prime Minister's complicity in denying Canadians freedom of expression.

The Prime Minister does not understand the difference between a dictatorship and a democracy. In a dictatorship the executive directs the enforcers. In a democracy there is a firewall separating the executive from the enforcers.

This issue is about the freedoms that we cherish in this great nation of Canada. The Prime Minister fails to understand this fundamental concept. Will the Prime Minister attend the public complaints commission and be answerable to Canadians?

* * *

BROADCASTING

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, last week's bid by BCE to take over CTV is just the latest corporate merger focusing on the Internet as a broadcast medium. Why is our government abandoning us to the private broadcasters in the new media?

The CRTC has said it is stepping back from any kind of regulation of the Internet. What about Canadian content? The CBC continues to bleed from a thousand cuts.

Oral Questions

• (1415)

It is time to get with it. Britain has been proactive by allowing the BBC to become an Internet service provider and creator of high quality national content for both the Internet and their own public network.

It is time our government called an inquiry into how to take back our public broadcasting system in the face of national and international corporate concentration. It is time to keep Canadian spaces on the net, make access to the net affordable to Canadians, enforce our copyright laws on the Internet to protect creators, use the new media to promote culture and act to ensure future control over our broadcasting content on the new media or we will all be losers.

Who wants to be multi-billionaires? BCE and CTV. Who will pay down the road? Canadians.

ORAL QUESTION PERIOD

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, if the Prime Minister was talking to taxpayers he would know how angry they are about the bungling at human resources development.

Their concerns can be addressed in three ways: by removing the questionable files from the hands of those who can tamper with them; by suspending all questionable programs pending an official investigation; and by suspending the human resources minister and other responsible officials while that investigation is pending.

Why does the Prime Minister refuse to take any of those actions?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, these programs exist to help people in Canada in every riding and in every city.

When we look at the work, we are helping all sorts of groups to either create jobs or to help people in society. All members of all parties are aware of these programs. They are very good for the quality of life of those Canadians at the bottom of society.

We do not intend to stop that. Once the audit has been completed, we have a program to ensure that if there are some mistakes they will be corrected. We want to make sure that the work is done properly, but we want to—

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, let us see how these programs help people.

The public accounts from 1995 to 1998 now show the following: while the finance minister was busy slashing funds for hospital beds, he was increasing funding for hotel beds in the Prime Minister's riding; while health care spending was going down, spending on grants and contributions was going up. However, the budget speeches of the finance minister never revealed that. The real spending priorities were very different than what he talked about in the budget.

Why did the Prime Minister allow the finance minister to say one thing and do another? Will that—

The Speaker: The Right Hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when we went through a difficult period, it was to reduce the deficit from \$42 billion to, what it hopefully will be this afternoon, the fourth year in a row that we will have a surplus.

During that period of time unemployment was at 11.5%. We had to keep programs operational in order to reduce unemployment. We have been successful because unemployment went from 11.5% down to 6.8%, the lowest in 25 years.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, every budget the government has produced has increased spending. No doubt today it will be the same.

The human resources minister is responsible for wasting millions of the increased spending given to that department. If that minister is going to remain in charge of even a dollar from this budget, it would be one dollar too many.

Why should Canadians give the government more money when it wastes the money they give it in the first place?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Canadian people are aware of what the government has managed to do.

When we started, I talked about the unemployment level. I talked about the deficit that we had to cure. We had an 11% interest rate. It went down to 6%. Since we formed government, 1.9 million jobs have been created. Those are the reasons the Canadian people are still confident in this government.

• (1420)

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, it would have been great if the Prime Minister had talked about the question.

We have seen problems for years now with documents regarding the APEC file, the Somalia file and now the disaster in Shawinigan. There are billions of dollars at stake here. Many people stand to be tainted by this scandal but they still have full access to this evidence.

Oral Questions

How can Canadians be sure that there will even be any documents left to audit?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, last week we needed a truck to deliver the documents to them. There were 10,000 documents given from the files of HRDC. We have been completely open.

Some auditing is being done in every department. In the past the auditor general only made only one report a year to make sure everything was audited properly. Now we have four reports a year plus auditing in every department.

All hon. members know that government is not a small operation and there will always be something to correct. That is why my ministers and I will do everything we can.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, it was a truckload to be sure.

The HRDC minister has bungled a billion dollars. She has sat on the audit for months and she has proven that manipulating these truckloads of lists is really not beneath her. It is hardly a stretch to think that documents could be changed, deleted or fabricated.

Could it be that the next HRDC—

The Speaker: I would ask hon. members to stay away from words like fabricated. They just incite the House. I would ask the hon. member to please put her question.

Miss Deborah Grey: Mr. Speaker, could it be that the next HRDC grant will fund a brand new company called Shawinigan Shredding Inc.?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, members opposite are all the same. They get up and make accusations which we have to tell them are not factual and we give them the facts.

The people of Canada are very well aware that on this side of the House we are a political party that has kept the same name since 1863. We did not have to change the name of our party three times in the last year like the opposition has done.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, three weeks ago, the Prime Minister said the problems at the Department of Human Resources Development only involved an amount of \$251.54. Two days later, in Quebec City, that amount had increased to \$5,960. It is obvious that the Prime Minister had made a mistake.

At this point, in North Bay, they are talking about \$1.3 million. In Rosemont, it is \$165,984. In Shawinigan, the mounted police, as the Prime Minister says, is investigating CITEC regarding an amount of \$100,000.

Does the Prime Minister realize that we are now talking about \$1,572,000.54?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what I said was that out of the \$200 million, there are \$33 million, or 37 files, that pose a problem. Out of these 37 files—I believe four have yet to be reviewed—payments totalling \$6,000 were found not to have been justified. That is what I said.

As for the investigations, if there are other cases, if there are people who violated the law and committed criminal acts, the police—

The Speaker: The hon. leader of the Bloc Québécois.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, what is of concern is the fact that the three cases that I submitted are not included in the 37 cases referred to by the Prime Minister. Two of these are being investigated by the mounted police, as the Prime Minister says. I find this worrisome. I am concerned that the scope of the problem is being discovered bit by bit.

Is it not time to hold a public inquiry into what is going on in Saint-Maurice, the Prime Minister's riding, because we learn new things every day and it appears the end is not in sight?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, people can make insinuations. It is like the request approved by the member for Rosemont. That request was never approved by my office. No one in my office was informed of that request.

• (1425)

Perhaps something is not normal, but I know that, as regards the riding of Saint-Maurice, no one in my office was informed of the request made previously and approved by the member for Rosemont.

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, in a press release issued 9 p.m. Friday, the department announced that it was engaging a Toronto firm to investigate the Rosemont case and giving it one week to submit its report. What this boils down to is the government having itself investigated by a firm of its choosing. A sham investigation.

If this not a good old Liberal method of burying embarrassing affairs?

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is totally incorrect. What we have done is look at the files. The officials have identified this particular undertaking as being very complex and as such have asked for the services of an outside forensic audit team to go through all aspects of this file.

[*Translation*]

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, last week, the Minister of Human Resources Development said that the

Oral Questions

company had moved to Shawinigan because there were no sites available in Rosemont. But there are charges filed against 3393062 Canada Inc. showing that there were indeed sites.

What is the truth of the matter? Was the minister in the dark or did she once again not tell the House the whole story?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we have multiple representations from the individuals involved in this file. As I say again, it is extremely complex. The right thing to do was to call in an outside forensic audit team to do an investigation of all the aspects of this file. That is being done and we will take action on its findings.

* * *

APEC INQUIRY

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Prime Minister.

In September 1998 the Prime Minister bragged in the House that nobody had asked him to appear before the APEC inquiry. In November he said "I want the commission to ask all the questions of anybody whom it wants to interview".

Now that Commissioner Hughes has invited him to appear, will the Prime Minister let the inquiry do its work? Will the Prime Minister stop stonewalling and finally come clean with Canadians about his role at the APEC summit and accept the commissioner's invitation to appear before the commission?

Right Hon. Jean Chrétien (Prime Minister, Lib.): First, Mr. Speaker, the judge said "I simply cannot see that the voluminous evidence to date points to or suggests that the Prime Minister may have given improper orders or direction to RCMP members respecting security at the APEC conference".

As he does not need me and as he has all the facts, he asked if I wanted to go there. I looked at that possibility. Only two prime ministers have been before an inquiry: Sir John A. Macdonald more than 100 years ago and Prime Minister Trudeau in camera on national security. The precedents are very clear and I do not want to create a precedent that might cause problems for my successors.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, the Prime Minister is showing absolute contempt for the Hughes commission. The same Prime Minister said in November that the government was willing to help the commission as much as it wants because it had nothing to hide.

If the Prime Minister really has nothing to hide, and if he refuses to appear before the Hughes commission, will he at least agree to appear before the foreign affairs committee of the House to answer

questions about his role in the violent assault on the basic charter rights of the students who were protesting peacefully at the APEC summit?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am in the House of Commons every week. You can ask me any question and I will reply to these questions. I have never run away and never been afraid of any question from this member of parliament.

The Speaker: Please address all questions and responses through the Speaker.

* * *

HUMAN RESOURCES DEVELOPMENT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, of the small sample of grants examined by the HRDC audit, the Prime Minister's low ball figures of mismanagement have inflated from \$243 to a whopping \$4.5 million. We know of at least three RCMP investigations in the jobs grants scandal.

Could the Prime Minister tell the House when these investigations began and if he is aware of any investigations pending or any more investigations coming up?

● (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I know the RCMP has been advised that there was an accusation of some wrongdoing with one file. As soon as my office was informed of that, the RCMP was informed within minutes. The RCMP will do its job well, as is well known in Canada.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the Prime Minister has tried to minimize this scandal from the beginning, but the evidence of mismanagement is mounting.

The government would have Canadians believe that it blew the whistle on itself by calling the RCMP to investigate HRDC. The minister herself would also have us believe that she was first made aware of the audit in November.

What new evidence came to the minister's attention that led her to call in the RCMP?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us be clear. The audit talked about seven large programs in my department and said that we could improve our administrative practices. We have made that information public to Canadians. We are now implementing a program that will fix the problem.

That is what Canadians are asking us to do. They have quite clearly been able to separate politics from substance and are saying "Would you please fix the problem". We will.

Oral Questions

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I hate to have to be in a position of instructing the Prime Minister on the history of his own party, but the name of the Liberal Party prior to 1867 was the Reform Party of Upper Canada.

According to reports, on February 2 the PMO contacted the RCMP because over \$100,000 may have been misappropriated. We have to wonder why the Prime Minister has spent the last three weeks in the House telling Canadians that the problem involved a mere \$256.50.

Why does the Liberal government insult Canadians with attempts to downplay a billion dollar boondoggle while taxpayers are continuing to be ripped off?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, what is an insult to Canadians is what was said by the leader of that party in his opening question when he talked about wasting money. What he is saying is that it is a waste of money to support Canadians with disabilities. What he is saying is that it is waste of money to help Canadian youth who have not been able to find that very important first job. What he is saying is that it is a waste of money to help Canadians who do not have the opportunity to work while our economy is improving. That is the insult.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, shame on this minister for trying to bluster her way out of her incompetence.

It is becoming painfully obvious that it is open season for waste, fraud and abuse of tax dollars from Ottawa. An audit says that at least \$1 billion was shockingly mismanaged by the minister. A grant approved for one riding mysteriously turned up in the Prime Minister's riding. The minister's explanation is completely contradicted by the grant recipient. Now \$100,000 may have been skimmed from yet another grant in the Prime Minister's riding.

Are Canadians to believe that the red flags flying over public moneys going into Shawinigan are just pure coincidence?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, there is no bluster on this side. Clearly we are taking action on this problem. If they had looked at the undertakings they would see that we are already making progress on implementing the new plan.

• (1435)

We are engaging an independent body of this House, the auditor general, to review our grants and contributions.

One thing we know for sure is that the member and the Reform Party will never speak out in support of Frontier College students for literacy and will never speak out in support of the Beddington Heights Community Association or the Alberta Centre on Entre-

preneurship and Disabilities because the member has not even been to visit those community interests in her riding, and that is where this money is going.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, the case of the Canadian Institute of Tourism is troubling to say the least.

According to the *Ottawa Citizen*, a member of the PMO asked Mr. Vallerand to stay quiet while the RCMP conducted its investigation.

Can the Prime Minister tell us why Mr. Vallerand should stay quiet?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, minutes or hours after my office was informed, we asked the police to investigate.

When an investigation is under way, we are not in a position to make any comment. That is the position that all members of the House would adopt. We let the police do their work. It is as simple as that.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, in October 1993, the Prime Minister said "I think that when something involving Saint-Maurice ends up in a minister's office—I need not say more".

The Prime Minister may not need to say more to his ministers, but does he not owe the House a bit more of an explanation of what comes after "office"?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if I am not mistaken, it is called an ellipsis.

[English]

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the Prime Minister is up to his ears in alligators over the HRDC issue. There are investigations going on in North Bay and in Shawinigan as a result of the HRDC grant handouts. An associate is being investigated for illegal lobbying of grants. Now, of course, he is invited to the APEC commission for an interview.

The Prime Minister creates a shroud of suspicion on every file he touches. Is that why he does not hold the HRDC minister accountable, or is she simply following the leader?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I would really like to know what could possibly be more accountable than making public an internal audit which said we could do a better job in a particular aspect of our business. What could be more accountable than making that information available to the Canadian public and promising them that we will fix the problem?

Oral Questions

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, she could resign, I suppose, because when she follows the Prime Minister's lead the HRDC minister is on a very slippery slope.

There was the Somalia shutdown, the stonewalling at APEC and now the handouts in Shawinigan. How can Canadians have any confidence in this minister, this government or this Prime Minister when all they see is a slithery shroud of suspicion over all of these issues?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, accountability does not mean running away from problems. Perhaps we should ask the hon. Leader of the Opposition if he is being accountable when he seems to be running away from the party he started.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the case of the Canadian tourism institute established in Shawinigan, the Prime Minister's riding, was revealed by a former Quebec Liberal minister, whom one cannot suspect of being a separatist. He had to make the facts public because the investigation was taking too much time.

Is this not a source of concern to the minister?

• (1440)

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I can confirm that this has been an active file for my department. It has been referred to the RCMP and, as such, it would be inappropriate for me to comment on it.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, every time there is an investigation in that department, it is because either the opposition or someone else has blown the whistle.

In other words, are we to understand that the Liberal money management policy is basically: not seen, not caught, not guilty?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is incorrect in her assertion. I would say to her again that we are taking this issue very seriously. We are now making progress on the implementation of our plan. We are reviewing our active files.

We will do what Canadians want. We will fix this problem, as we have fixed so many others.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, membership certainly does have its privileges. In Kenora—Rainy River

donations and hard work for the Liberal Party result in Club L points, redeemable for grants and contributions from HRD Canada.

Rick Smit is president of the Indian Affairs minister's riding association, a good worker and a campaign donor. He received federal loans for \$150,000, which exceeded the limits by \$25,000.

Can the minister explain why Mr. Smit got \$25,000 more than the rules allowed?

Hon. Andy Mitchell (Secretary of State (Rural Development)(Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, as I explained in the House on Friday, Treasury Board guidelines and the agreement with the local organization allow for loans in excess of \$125,000.

If the hon. member would do his work and not just read the newspapers he would know that, or if he had bothered to listen to question period on Friday he would have known that as well.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I do know this. Don Barnard is another loyal Liberal in that same riding and he received tax dollars. In fact, he told a business associate that he would use his Liberal Party connections to secure an HRD grant.

What do we learn? When Liberal Pierre Corbeil tied government grants to Liberal Party donations he was convicted of influence peddling. When the Prime Minister's personal representative, Rene Fugere, secured grants for some unregistered lobbyists he found himself in hot water with the RCMP.

When will the HRD minister learn that allowing Liberal members to use their Liberal Party connections to get their hands on taxpayers' dollars is wrong, wrong, wrong every time?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member should be very careful in the kinds of allegations he makes. If he has proof of things in this regard he should say them outside.

It is absolutely appropriate and part of our democratic process for individuals to make contributions to political parties, to this one and even that one. He should be very careful in the kinds of allegations he makes.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, although the Minister of Human Resources Development acknowledges her responsibility for the errors of her department, she must realize that most of the questionable cases brought to light to date happened in the time of her predecessor.

Will the minister finally acknowledge that she ought to share her heavy burden with her colleague, the Minister for International Trade, who appears not to have been any more efficient than she is in administering the department?

*Oral Questions**[English]*

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me try this again, for the umpteenth time.

I am the Minister of Human Resources Development Canada. I am the minister who received the results of an internal audit which said that we could make improvements on the administrative side of our grants and contributions. I am the minister who made that public and I am the minister who will work with my department to ensure that we fix this problem.

* * *

*[Translation]***INTERNATIONAL COOPERATION**

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, three weeks after the start of the torrential rains and four days after the passage of cyclone Éline, Mozambique appears on the verge of a humanitarian disaster, with 300 people having lost their lives.

Could the Minister for International Cooperation tell the House how Canada will help these victims?

[English]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, my department has announced \$1 million in aid for the tragedy in Mozambique, which is also affecting some nearby countries. As of yesterday I had announced \$458,000. I added \$550,000 today because the situation is getting worse, and we are monitoring the situation daily.

* * *

● (1445)

HUMAN RESOURCES DEVELOPMENT

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, aside from creating work for the RCMP, the HRD department is certainly creating a lot of work for former Liberal staffers.

In the Indian affairs minister's riding, his former senior aide Victoria Scherban, has made a business out of acquiring grants and loans for herself and other local businesses. The same with René Fugère, the Prime Minister's former aide who has charged hefty commissions for having his name attached to numerous successful applications.

My question is for the HRD minister. If there is no political interference for grant approvals in her department, why is it so lucrative for former Liberal staffers?

The Speaker: My colleagues, we are starting to border on questions about political parties. I will permit the minister to respond to the question if she so wants as it deals with that particular department.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to remind the hon. member that we are talking about investments in communities where the unemployment level has been high. Significant numbers, more than half of the grants and contributions have gone to opposition ridings. In talking about transitional jobs fund numbers, in areas of less than 12%, over half of the money went to opposition ridings. How can the member make such incredible assertions?

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, a lot more money went to the minister's riding than it did to British Columbia.

Mike Clancy, a former HRD employee from Kenora, stated that he and his coworkers were under intense pressure to become a cheque writing machine for the Indian affairs minister. Clearly the pressure got to Mr. Clancy. He ran for the NDP in the last election.

If there is no political interference in HRD affairs, how does the minister explain the pressure felt by her employees in Kenora?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member made a statement that there was no money going to the province of British Columbia. I would like to inform the House of Commons that in the case of the riding of Vancouver Island North the riding of the member has received \$52 million in HRDC grants. Among them is the North Island Fisheries Initiative, Tourism Comox Valley, Beaufort Association for the Mentally Handicapped, Community Adult Literacy and Learning Society, Crossroads Crisis Centre. These are good programs that we have put in his riding despite perhaps his opposition because those people do not want us to help the poor and the needy.

An hon. member: Wrong riding.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Acadie—Bathurst.

* * *

*[Translation]***TRAINING**

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Ottawa *Citizen* announced today that, according to the government, learning is an "individual responsibility".

On the heels of student debt and the enrichment of the banks with Liberal cuts to education, we have the Liberal government wanting to divest itself of its responsibilities for training.

Oral Questions

Will the Minister of Human Resources Development reaffirm the federal government's commitment to training?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, in the hon. member's own province we clearly have a new relationship with the provincial authorities focused on training. They are partners with the federal government in terms of taking employment insurance part II dollars, and providing training opportunities for those men and women who need additional support to find renewed employment.

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, my question is for the same minister. How can the government ask Canadians to save and pay for job training when the primary responsibility for limited income families is food and shelter?

Will the minister pop the policy balloon today and invest strategically in high unemployment regions by direct capital investment to public institutions such as community colleges and university access colleges, an investment that Canadians can rely on for sustainable human and regional development?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I draw the hon. member's attention to our past budgets where indeed we have focused on these important undertakings. I would also ask the member to wait until 4 o'clock and see other undertakings of the government.

* * *

[Translation]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, Ontario Hydro International and Hydro-Québec International both received money from CIDA. Indeed, these two companies received a total of \$2.4 million.

• (1450)

My question is for the Minister for International Cooperation. Why did CIDA deem necessary to use taxpayers' money to make contributions to these large corporations?

[English]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, first of all, these are not grants. These are contracts that are given with specific requirements for projects in developing countries. Companies only get paid when they prove that the requirements have been met. Also, the same companies and organizations that we use are world renowned for the work they do

in developing countries and they were used by the same party that is asking the question today.

[Translation]

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, how does the minister explain that 37% of businesses did not file any report to get contributions?

With a consolidated net income of \$50 million for 1998-99, the Canada Post Corporation is one of Canada's largest crown corporations.

Could the Minister for International Cooperation explain why it was necessary to make a \$785,000 contribution to that corporation?

[English]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, this is work that we do in developing countries. By far the majority of companies that do work in developing countries are small and medium size. There are also very large ones.

In this case these companies are world renowned for the quality of their work. We are doing projects in developing countries to assist them. As I said before, the party to which the member belongs used these very same companies when it was in power.

* * *

CITIZENSHIP AND IMMIGRATION

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

It has come to my attention that many school age children in Ontario are being denied entry to public schools because of their immigration status, notwithstanding the fact that Ontario's education act mandates compulsory education for all children.

What is the minister doing to ensure that all children have access to Ontario schools regardless of their immigration status in Canada?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, this issue is very dear to my heart. I firmly believe that no child should be denied an education.

I have reviewed the regulations which require school authorization for post-secondary and vocational schools. I am convinced that there is no barrier there to any child in Canada whether they have been here for 10 minutes, 10 months or 10 years.

If that is not clear enough, I want to say again that I do not think any kid should be denied an education. I intend to continue to clarify that at every opportunity.

* * *

HUMAN RESOURCES DEVELOPMENT

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, in the ridings of Kenora—Rainy River and Saint-Maurice there is a

strange correlation between campaign donations and the allocation of grants and contributions.

The HRD minister has stood up in the House time and again and stated that there is no interference in the approval process. Yet 33% of the people who contributed to the Prime Minister's political campaign got money from the government in the form of grants and contributions.

How can the HRD minister explain this sleight of hand, or should I say coincidence, to the Canadian taxpayer who finances her spending schemes?

The Speaker: As I understand the question, it has to do with donations to a political party. That is what I am hearing. As such, that question is out of order.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Minister of Human Resources Development will not mind us helping her to shed light on management in her department.

Let us now turn to the case of Canadian Aerospace Group International in North Bay, which, after spending most of its \$1.3 million grant, shut down operations and laid off its employees. The RCMP has been investigating since June 1999.

Can the minister tell us why she told the House that everything was fine, when this particular case had been under investigation by police for months?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the investigation is ongoing and I will not make any further comments on that.

* * *

PLUTONIUM SHIPMENTS

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, the government has repeatedly promised Canadians that there would be no plutonium flown into Canada but in January this promise was broken when American plutonium was flown into Chalk River. Our head offices go south and American plutonium comes north.

• (1455)

This was an act of stealth which occurred without warning or consultation with the people whose health was put in jeopardy. Canadian and American environmental groups say it was illegal and they may go to court.

Will the Minister of Transport commit to an immediate moratorium prohibiting any future shipments of plutonium by air?

Oral Questions

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, let me reiterate once again that this movement of MOX fuel was fully consistent with all the requirements of the Atomic Energy Control Board. It was fully consistent with all the requirements of the International Civil Aviation Organization and fully consistent with all the requirements of the International Atomic Energy Agency. It was completely in line with the transport and packaging of radioactive materials regulations of the Department of Transport.

* * *

[Translation]

IMMIGRATION

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, we all know that today's budget will abolish the head tax on immigrants.

During the last parliament, the Minister of Fisheries and Oceans introduced a bill that would have completely abolished this tax.

Is the Minister of Citizenship and Immigration in agreement with her colleague?

[English]

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I listened very carefully to the question. I would invite the member to be here at 4 o'clock when the budget is read. He and I both know that is the time when his question will be answered.

* * *

AMATEUR SPORTS

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I was asked a very pointed question that I would like to ask the Minister of Canadian Heritage. What is the state of amateur sports in Canada?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, the state of amateur sports today is so good with the gold medals that we won on the weekend in downhill skiing, speed skating and Canadian football, commonly known as soccer. We are hoping that the state is even going to be better after 4 o'clock.

* * *

DRUGS

Mr. Jake E. Hoepfner (Portage—Lisgar, Ind. Ref.): Mr. Speaker, my question is for the Secretary of State for Latin America and Africa.

Recently at a summit meeting in Washington, D.C. on the topic of war against illegal drugs, it was noted that in Canada we lose two people every three days to drug overdoses. What is the government

Points of Order

doing with its international counterparts to address this serious situation which threatens the health of many young Canadians?

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the losses are far too great as my colleague knows. However, we are highly regarded in the world for having a balanced approach, namely, enforcement and education, and then reduction. In this hemisphere we have the lead in the development of the multilateral evaluation mechanism, an initiative by 34 OAS countries which is reducing the pressure in the drug control area.

Our Prime Minister and foreign minister initiated the foreign ministers drug dialogue, which has had enormous success during the past year in dealing with our neighbours in this hemisphere.

* * *

APEC INQUIRY

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, when it is convenient for the Prime Minister when he talks about the APEC public complaints commission, he says that he has great confidence in the commissioner. Well, the commissioner has told the Prime Minister unequivocally in his judgment on Friday that there will be a cloud of public suspicion if the Prime Minister does not testify.

Why does he answer the question as to whether he is going to testify by running behind a smokescreen and saying he does not want to set a precedent? What does the Prime Minister have to hide?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member should read all of the report. I gave a very good explanation.

The judge clearly said that there is no doubt at all in his mind that I was needed for the inquiry and he said it would be nice if I could be there. It might be nice, but for me the problem is that the Prime Minister of Canada is responsible in the House of Commons for everything he does, and I do it on a regular—

The Speaker: The hon. member for Drummond.

* * *

[Translation]

HUMAN RESOURCES DEVELOPMENT

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, in the February 9 Ottawa *Citizen* we read that two years ago the Liberal member for Renfrew—Nipissing—Pembroke asked Human Resources Development Canada to stop giving grants to the Ottawa Valley Adjustment Committee and to launch an investigation into its operations.

• (1500)

We also read that approximately \$100,000 was apparently used to pay the rent, rather than create jobs.

Was the minister aware of this case when she said that there was no problem with her department's management of funds?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, this file is being reviewed with the member of parliament. I can confirm that there has been a review of the particular grant and to this point things are in order.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Dr. Jan Carnogursky, Minister of Justice of the Slovak Republic.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I rise on a point of order. During question period you ruled out of order a question put forward by the member for Calgary Northeast.

The question was in two parts. The first was about the correlation between the grants given in certain ridings and political donations and the correlation between the amount of grants given in the HRD department. I had asked a similar question earlier in question period which was not ruled out of order.

I ask, Mr. Speaker, if you would review the blues. I know you have to rule in the middle of question period, but it does seem to me that the question really is about grants and the inappropriate use of grants in a minister's department, which is within her departmental responsibility.

The Speaker: I always seek advice from the House and I will review the blues if the hon. member wants me to do so. If it is necessary, I will get back to the House.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, when we are trying to get ready for question period every day we go by Beauséjour's as to what is parliamentary language and what is not and by the new M and M standards.

I can appreciate that you try to referee this whole thing while it is going on, but at the same time, Mr. Speaker, if that kind of spending and giving of government grants does not fall under the

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administration of government then we do not have a clue what does. We need to know that before—

The Speaker: Order, please. As I said, I will review the blues. I am sure hon. members do put a lot of time, thought and energy both into the questions and into preparation for the answer. I have to make a call up here, as the hon. opposition House leader has said. I will review the blues and if it is necessary I will get back to the House.

ROUTINE PROCEEDINGS

• (1505)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 50 petitions.

* * *

[*English*]

COMMITTEES OF THE HOUSE

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on National Defence and Veterans Affairs.

The report deals with correspondence between me as chair and the auditor general involving questioning at the national defence committee by my colleague, the hon. member for Haliburton—Victoria—Brock. The committee dealt with this issue recently and is expressing some concern about the auditor general's letter and the possibility that there could have been a breach of the rights and privileges of my colleague from Haliburton—Victoria—Brock.

I present the report on behalf of the House and ask that the Chair deal with it accordingly.

* * *

[*Translation*]

EMPLOYMENT INSURANCE ACT

Mr. Benoît Sauvageau (Repentigny, BQ) moved for leave to introduce Bill C-442, an act to amend the Employment Insurance Act (section 15).

He said: Mr. Speaker, I hope the bill I am introducing today at first reading will go through second and third reading faster than

some of the bills, just as relevant, that were introduced by my colleagues.

It is aimed at correcting what are known as short weeks, which penalize seasonal or casual workers when they apply for EI benefits with respect to a given period of time during the year.

As we know, about six out of ten unemployed workers do not qualify for EI even though they have paid into the plan. If passed, my bill would amend the Employment Insurance Act and remedy the situation of thousands of low income workers who, because they unfortunately work on a seasonal or casual basis, have to show proof of the number of hours they worked or be penalized in their income.

On behalf of these workers and their families, I would appreciate prompt passage of this bill.

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

* * *

CRIMINAL CODE

Mr. Benoît Sauvageau (Repentigny, BQ) moved for leave to introduce Bill C-443, an act to amend the Criminal Code (reimbursement of costs following a free pardon).

He said: Mr. Speaker, this bill deals with a totally different topic. Unfortunately sometimes, luckily not too often, Canadian citizens are victims of judicial errors.

One of my constituents, Michel Dumas—I can name him because he allowed me to do so—was the victim of a judicial error. He spent many years in jail and today he is probably going to be granted a pardon under section 690.

• (1510)

In introducing this bill to amend the Criminal Code, we are only asking that, in the very rare occasions—is it necessary to emphasize how seldom it happens—where an individual is convicted and then pardoned pursuant to section 690 of the Criminal Code, 100% of the compensation goes to the victim of the judicial error.

Unfortunately, it happens much too often that part of the compensation money serves to pay legal fees. We believe, as do the victims of judicial errors, that this is unfair.

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

* * *

[*English*]

CRIMINAL CODE

Mr. John Nunziata (York South—Weston, Ind.) moved for leave to introduce Bill C-444, an act to amend the Criminal Code (judicial review).

He said: Mr. Speaker, in the last parliament I introduced a similar bill which had the effect of repealing section 745 of the criminal code. As hon. members know, that section allows

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convicted killers, in particular those convicted of first and second degree murder, to have their parole ineligibility dates reduced.

The bill received the consent of parliament at second reading in the last parliament. In light of the fact that parliament has already adopted the bill at second reading, I ask that you seek unanimous consent of the House to have this bill sent directly to the justice committee.

The Deputy Speaker: We will deal with that later.

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

Mr. John Nunziata: Mr. Speaker, I rise on a point of order. I would ask that you seek unanimous consent of the House to have the bill I just introduced referred directly to committee and deemed to have been passed at second reading.

The Deputy Speaker: Is their unanimous consent to treat the bill in the fashion outlined?

Some hon. members: Agreed.

Some hon. members: No.

* * *

[Translation]

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ) moved for leave to introduce Bill C-445, an act to change the name of the electoral district of Rimouski—Mitis.

She said: Mr. Speaker, I must introduce this bill because last year the government introduced another bill that permitted the members who wanted to change the name of their riding to do so.

Further to public consultation, two town hall meetings, a resolution from my executive and from the members' general assembly, plus a public meeting of a few mayors and aldermen of the Mitis, Mr. Fiola, mayor of Mont-Joli and Mr. Tremblay, mayor of Rimouski, two Liberal supporters, contacted the great democrat who serves as Leader of the Government in the House of Commons to ask him to block the bill supported by all the Canadian members of parliament who wanted to change the name of their electoral district. What they requested was agreed to. It was done on behalf of two Liberals who acted on their own.

At the public's request, I would like my constituency to be called La Mitis-et-Rimouski-Neigette. It is easy to understand why those two mayors would rather call it Rimouski et Mont-Joli, after their own municipalities.

Some democracy.

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

EMPLOYMENT INSURANCE ACT

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ) moved for leave to introduce Bill C-446, an act to amend the Employment Insurance Act (insurable employment).

• (1515)

He said: Mr. Speaker, I am pleased to introduce a bill whose objective is to correct a serious injustice affecting a great majority of students.

This bill aims at allowing full time students at secondary, college and university levels to decide whether or not they want to pay employment insurance premiums.

Many of these students do not work enough hours to qualify for the program. Thus, they pay premiums for nothing because they cannot get the benefits they would normally be entitled to if the system were based the number of weeks, instead of the number of hours of work.

Through this bill, students would be able to pay premiums if they considered it necessary to do so, or not to pay them if they thought they would not work enough hours to qualify. In this way, we would not deprive students who are able to get enough hours of work from being entitled to the benefits of the system.

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

* * *

CRIMINAL CODE

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ) moved for leave to introduce Bill C-447, an act to amend the Criminal Code (false documents, etc. respecting a franchise).

He said: Mr. Speaker, I also introduce a bill whose purpose is to amend the Criminal Code in order to protect persons from purchasing a franchise about which material facts have been falsified or not divulged.

To that end, this bill makes it a criminal offence to induce a person to purchase a franchise by circulating false material information about the franchise or by deliberately omitting to give the person material information about the franchise.

This bill is aimed at striking a balance in the relations between the franchisees and the franchisers.

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

Mr. Stéphane Bergeron: Mr. Speaker, on a point of order. First of all, I would like to draw your attention to the fact that my colleague, the hon. member for Québec, had informed the table that she would be introducing a motion today. Perhaps you did not see

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her, but she was rising when you called for motions, and then you immediately moved on to petitions.

I ask you to recognize her, as is her right as a member of parliament.

The Deputy Speaker: I did not see anyone rise when I called for motions. I am sorry, I looked, but I did not see anyone.

If the hon. member for Québec has a motion, I will hear her.

Mrs. Christiane Gagnon: Mr. Speaker, I think the moral of the story is that one must rise before the Speaker—

The Deputy Speaker: Does the hon. member wish to move a motion on the notice paper?

Mrs. Christiane Gagnon: Yes, Mr. Speaker.

The Deputy Speaker: I will put the motion to the House.

* * *

● (1520)

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT AND STATUS OF PERSONS WITH DISABILITIES

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I move that the First Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, presented on Wednesday, December 15, 1999, be concurred in.

Today it is important to debate this motion because it deals with children and with all the measures that should be taken by the government on their behalf. It also deals with child poverty in society.

The committee was mandated to deal with child poverty and youth at risk and reviewed the issue of children in Canada. During the last decade, the Liberal government neglected its responsibilities in this regard. The past 10 years can be summed up as a missed opportunity. The report of this committee is a perfect example, because it never mentions any of the various changes that should have been included in the government strategy.

This committee submitted three reports. Members of the opposition, including the members of the Bloc, tabled a minority report, because those three reports do not fully explore the issue and do not explain all the elements that cause poverty and the lack of nurturing of children.

On December 14, 1999, the Bloc Québécois presented a minority report on the government's policies on children. Throughout the report proposed by the Liberal Party, it was clear that the federal

government wanted to take the lead in a area not under its jurisdiction, according to the constitution. It should avoid a repetition of past mistakes and it should work with the provinces and provide fair financial support to them, as they really need it. This is the first conclusion that the Bloc reached.

Several personalities from Quebec and Canada want the social transfer reinstated at \$18 billion and want to see an end to the cuts made since 1993. As of today, cuts to the social transfer stand at \$21 billion. Last week, the Association des médecins requested that the social transfer be given back to provinces.

The provinces have less money. They must meet some urgent needs but do not have the money required to respond to people and to parents. When we speak about the problems of children, we must say that it is the parents' responsibility to guide their children on to adult life.

In the first report, it was obvious that the Liberals wanted to invade some provincial jurisdictions. We also see that there is a tendency towards program homogenisation. Homogenisation means no flexibility to adapt the programs to different realities in different provinces and to the willingness of different provinces to help the children.

I am now on a tour to look at poverty, and community groups, which are very close to the children and to families with urgent needs, often tell us that there is not one solution but several solutions and there should not be only one measure but several measures. The across the board programs of the Canadian government are seldom applicable to our communities. Every federal approach was harmful in terms of synergy and logical integration of government action.

● (1525)

Another thing we noted was that the report tabled in December 1999 put the emphasis on a national action plan or an integrated federal policy, with no room for flexibility for the provinces. An integrated social policy must come from the provinces, not from Ottawa, in my opinion.

Ottawa is there to financially support certain policies, not to implement programs that often interfere with provincial programs. The integration of a federal program with those of the provinces is a complex accounting operation.

The report on children and youth at risk said that existing financing channels were deficient. We wanted to use other financing channels. We could also see that, often, the federal government announces policies for children that will be applicable only in two or three years, or just before an election, or according to some part of the Liberal government's political strategy.

In order to fight effectively against poverty and help our children better, I believe we must have a long term strategy instead of a fragmented one that is dependant upon the good will of the government. We have seen this in the past and we are seeing it

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again with the scandal at HRDC, which shows how poor the government's performance is. It is a performance characterized by a lack of transparency, where the taxpayers' money is being used for completely partisan projects and not to help communities, parents and children have access to a better quality of life.

I want to come back to the Canada health and social transfer because I think it is of the utmost importance for provinces, to help them meet children's needs adequately. What does the Canada health and social transfer do? It helps provinces better meet the needs of families in education, health services and income security.

In Quebec in particular, we know that a march will be organized in October 2000, where the people will ask the Government of Quebec to take social and political measures that will be more humane, better focused on the problem of poverty. To help those families, those parents, the federal government must first fulfil its responsibilities under the Canada social transfer.

The present situation does not make sense. Since 1993, there has been \$21 billion in cuts. This is a lot of money. I will give an idea of what could be done with \$21 billion. It could be used to hire 3,000 physicians, 5,000 teachers, 5,800 nurses. It would also allow to increase each and every income security cheque by \$500. This is how it would affect the everyday life of each citizen. They would get better support.

Last week, I read a newspaper article about the shortage of assistants, counsellors and psychologists in schools. The only way to access those resources is to provide better and more stable support from the Canada social transfer, which finances education, health and income security.

In the committee dealing with the issue of children and youth at risk, it did not seem to bother them in the least. There was no call for the government to restore the Canada social transfer, to provide better support and help to children and families.

● (1530)

Another aspect that was completely ignored as a means of better supporting children was the issue of the restrictions applying to unemployment insurance. The access issue was not raised in committee, despite the fact that a huge number of families are subject to such restrictions and that six out of every ten persons are currently ineligible for employment insurance benefits.

If I understand correctly, employment insurance should allow fathers and mothers to obtain money that is owed to them, money that could help them to feed their children and help them to have a better life.

All this was ignored by the committee. The Standing Committee on Human Resources Development rejected out of hand any study of this new reform on the quality of life in our society.

The committee never raised the issue of social housing either. We know that a child living in poverty is also a member of a family that has to spend between 30 and 50% of its meagre income on housing. It is clear then that the committee on children and youth at risk does not really deal with the various measures the government should put forward to really help children and youth at risk.

I am concerned about the advice the Liberal government will receive from the committee. I know that the government often brags about the new national child benefit, which, by the way, is a good measure. However, I believe that the government will have to implement a whole series of measures to support children and not just one single measure.

Since 1993, we have been in a major social deficit. What is going on now is totally absurd; society as a whole has been crippled by the federal government cuts. Families, especially poor families, are the ones who are suffering.

What I can say, following the tour I did on the issue of poverty—I had brought with me a working paper on the federal investment, or disinvestment, in social policies in terms of financing in conjunction with the provinces—is how much that had a negative impact in the communities. They told me that now they understand the impact the federal government is having on the increase in child poverty. That impact can be seen every day. Therefore it is totally unacceptable that, in the committee, no figure has been put on measures so that we can have a real strategy.

In 1989, maybe the intentions were good. Every member of the House had signed a resolution saying that child poverty would have decreased within ten years. What happened? We had a sad anniversary on November 24, 1999. That is not very long ago, just before the Christmas season. It was a sad anniversary because it was announced that there were 1.5 million children living in poverty in Canada, an increase of 500,000. This is the result of ten years of social disinvestment. Ten years that, under the Liberal administration, have been catastrophic.

In the committee on children and youth at risk, there might be a concern, which is to have and create new programs and duplicate what is already being done in the provinces. There is no vision of what some provinces have already put in place. There is no figure put on that strategy, and that is dangerous. Ten years from now, will we find ourselves with a problem that we will deplore as members of parliament?

● (1535)

I find it unacceptable that a committee given the mandate to study children at risk did not show a willingness to remedy the cuts in social programs or put an end to this vicious centralization. In fact, we heard in committee how centralizing the government party was. According to some federalists, this is not what federalism is all about.

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Instead of being of assistance to the provinces, helping them with their initiatives, what is being done with regard to \$5-a-day day care? Not a word, but the government is pocketing \$70 million.

I believe it is time the government understood that Ottawa's action hampers Quebec's initiatives. It hampers local communities' initiatives. Sometimes we hear in the corridors that it is unconscionable that one might even think about establishing new programs. Do you know what some ministers tell us? They say "Communities are asking us to get involved. We want to get involved".

I tell them there is a difference between involvement and investment. To invest is to give back to the provinces the money they are entitled to. To invest is to respect the provinces' areas of jurisdiction. To invest is to decentralize and allow the provinces to better help communities and understand what they are doing.

I know the federal government would like to go over the heads of the provinces, it is obvious. I understand why the Quebec government wants to lump several initiatives into one family policy, namely to better help children. It needs room to manoeuvre in its budget.

If the federal government really wants to, the Quebec government will be better able to help children and their families.

In conclusion, I move that the debate be now adjourned.

The Deputy Speaker: Unfortunately, I must inform the hon. member that her second motion is out of order, because she cannot adjourn her own debate. Having moved the main motion, she cannot move that the debate be adjourned.

[*English*]

Mr. Jim Pankiw: Mr. Speaker, I rise on a point of order.

On Friday, I put in an application for an emergency debate regarding three Canadian children who are being held by the state of California. They are facing a possible hearing for adoption which is illegal and a violation of international protocol. They ought to be returned to Canadian authorities.

As I was not able to make my application on Friday because of procedural obstacles, I am seeking the unanimous consent of the House to have that application heard today.

The Deputy Speaker: Is there unanimous consent for the hon. member to present his application for an emergency debate?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Jim Pankiw: Mr. Speaker, in that case, I would seek a ruling from you.

• (1540)

Standing Order 52 states that I must bring the matter up after Routine Proceedings but I was not allowed to do that on Friday. Since I was not allowed to do that, it stands to reason that my application would carry over to the next sitting day. This is common sense because all our rules in the House follow that logic. When votes are deferred they are held over to the next sitting day, even if it is months later, and so are motions. There is no reason why an application for an emergency debate should not be dealt with in the same way instead of being arbitrarily deleted. It cannot just disappear into thin air.

The Deputy Speaker: With great respect to the hon. member, they can disappear into thin air. Applications for emergency debate are by their nature for emergencies. What may be an emergency on Friday may not be an emergency on Monday. Those applications traditionally have had to be resubmitted. If a member wishes to make the application a second time, another request for such an application must be made to the table and delivered on a timely basis in writing in order to comply with the rules.

I know the hon. member is frustrated by the fact that we have not completed Routine Proceedings either on Friday or today, but sometimes this place works in strange ways and this is one of those days.

Mr. Jim Pankiw: Mr. Speaker, I respect your decision. However, I have one other matter.

I seem to be the victim of a procedural quagmire. This is unrelated, but when I introduced my private member's bill, Bill C-436, the Speaker said that it would be read a second time on Thursday, February 24. I have reviewed the order paper for that day numerous times and it is not listed in the order of precedence.

I simply seek unanimous consent that Bill C-436 be placed immediately on the order of precedence.

The Deputy Speaker: Is there unanimous consent that Bill C-436 be placed on the order of precedence?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, during the members comments on the subcommittee report of the Standing Committee on Human Resources Development on the Status of Persons with Disabilities, she raised the question of EI

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benefits and particularly made a point that six out of ten persons are restricted from qualifying for benefits or do not receive benefits.

It appears to me that this includes a large number of people who in fact do not technically qualify under the provisions of the EI Act. I wonder if the member would qualify for the House, of these six out of ten people who do not get benefits under the EI program, how many of those persons do not even qualify for benefits?

[*Translation*]

Mrs. Christiane Gagnon: Mr. Speaker, the government tightened the eligibility criteria. The problem is that these criteria are very difficult to meet. To be eligible, more hours of work are required. This is the first thing we noticed. Given the \$26 billion surplus it has accumulated in the EI fund and what it has done to tighten the eligibility criteria, the government has nothing to brag about.

Let us look at where the money came from. It was taken from the support that could previously be given to parents to help them raise their children. I cannot understand why the government member would ask me this question. He knows very well that six people out of ten are not entitled to employment insurance benefits because the criteria have been greatly tightened and it is now very difficult to qualify. Indeed, I wonder why it is called employment insurance, because it is no longer an insurance, according to workers who have lost their jobs, since no assistance is available after losing one's job until another one is found.

My colleague and several other members have proposed a series of changes to be made to the department. For example, the Employment Insurance Act could be improved by eliminating the two week waiting period before becoming eligible to EI benefits. The so-called black hole of spring could be remedied.

• (1545)

People are no longer able to accumulate the number of hours required to get EI benefits until they start a new job. This is particularly true for seasonal workers.

One of my colleagues represents the Gaspé region, where seasonal workers in the fishing industry have a hard time qualifying for employment insurance until they can start their seasonal jobs again. This is also the case with forest workers in the riding of Matapédia—Matane, who are confronted to the same kind of problem.

We have been very vigilant with respect to the relaxing of eligibility criteria. It is also very difficult to qualify for parental insurance, particularly for women who work part time. They are required to accumulate inordinate hours of work to be eligible.

We in the Bloc Québécois were calling for a reduction in the number of hours worked to qualify for parental leave, asking that it

be reduced to 300 hours. We wanted to reduce the eligibility requirement from the present 700 hours to 300 hours. Too many people are excluded under the present criteria.

There is also a problem with employment insurance, and with the POWA program as well. We all know that this program does not do anything for the workers over 55 years of age because of a lack of funding.

We all saw how, over the years, this government has reduced the workers' share. It is no wonder that people are getting poorer by the day. It comes from the restraints on social policies and the lack of support from this government.

I remember the remarks of a minister opposite, saying "When the provincial governments are forced to cut back and to turn down requests of citizens, we will show Canadians that, with our social safety net, we in the federal government are able to meet their urgent needs".

They can brag about health care programs and programs for the homeless, but we all know that it amounts to a drop in the bucket compared to the money taken from the provinces.

I would like to conclude by saying that I am expecting questions from colleagues.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I heard a little sigh of exasperation, as if I were using up too much time of the House. Please bear with me, because this was an excellent speech. I am sure all the members of the House will want to thank this noble-hearted woman and pay a glowing tribute to our colleague from Quebec.

We have seldom seen in Parliament a woman so totally dedicated to the cause of the poor. We know there is no stopping the hon. member for Québec once she has started off in a direction.

I would like to ask her a question in three parts. Since the hon. member for Québec is a practical woman, who has always sought concrete solutions to the problem of poverty, drawing her inspiration from the judicious advice of my friend, the hon. member for Chambly, I will ask her the following questions.

Can she tell us how a commissioner of poverty—since this is an issue that she is taking to heart—could make a difference?

Then, could she tell us how greater involvement from the banks, through community reinvestment legislation, could make a difference for the poor?

Given that I know she has worked on this issue, how could making social condition a prohibited ground of discrimination—not sexual orientation, but social condition—make a difference if it were included in the Canadian Human Rights Act?

I suggest that she take her time, answer the questions one by one and think hard. We will be happy to listen to her.

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• (1550)

Mrs. Christiane Gagnon: Mr. Speaker, I think I would need your permission to go on for another 20 minutes to answer these three questions.

I believe a poverty commissioner is a valid request and a desirable measure. We know that in 1989, all members in this House unanimously expressed the desire to see a reduction in child poverty. Unfortunately, the number of children in poverty went up instead of down. Right now, we hear about the scandal with the way grants are distributed and the programs approved at the Department of Human Resources Development and it raises questions about government management.

What I am asking for, for better effectiveness in the application of programs and in their impact on communities, is for a poverty commissioner. He could keep track of successive governments—right now we have a Liberal government but there could be another government—to know how the big bureaucratic machine implements the measures adopted by the government.

We know that some measures taken by the government do not have the desired impact on society. We need only look at the scandal at the Department of Human Resources Development. However, the same party was at the heart of another scandal in 1984. At that time, there was an R and D tax credit for companies. In the end, many billions went because of money given to numbered companies. Companies were disappearing, but some of them had never done any research and development.

A real poverty commissioner could track all the policies of the federal government on poverty. This afternoon, we will hear a budget speech. There will probably be applause. But we should track every measure the government will implement this afternoon to see if this speech will really contribute to reducing poverty.

Today, every member of the Bloc Québécois is wearing a heart at the request of associations in our constituencies, which want the Canada health and social transfer to be restored to the provinces, the unemployed to get—

The Deputy Speaker: I am sorry but I must interrupt the hon. member, since her time has expired. The hon. member for Mississauga South.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is my pleasure on this budget day to comment on the report of the Sub-committee on Children and Youth at Risk of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. I am particularly pleased to discuss this report because of its impact on families and children. The report has laid out some excellent observations for members of the committee and for all members of parliament to consider and I would like to note four of them.

Under the public policy framework the committee suggests that to address the situation facing children and youth at risk governments must make a firm five-year fiscal commitment to develop an integrated public policy framework for families and children. We have certainly commenced on that road and the recommendation that we continue with a comprehensive five-year fiscal program for families and children is very appropriate and is supported by all members of the House.

In the area of income and services there is strong agreement that there should be two simultaneous tracks to deal with families and children, one which focuses on income support for families and one which focuses on services for families and children.

The committee also pointed out the need to make some modifications to the income tax system. Members will know that this is an area in which I have had substantial activity. Some of my private member's bills and motions have dealt with things like the Canada child tax benefit, the child care expense deduction and the caregiver credit. Motion No. 30, which passed in this place in the last parliament, would provide a caregiver benefit to those who provide care in the home to preschool children, the chronically ill, the aged and the disabled. I think these are important areas for us to look at.

The fourth area that I would like to note is that the committee felt an immediate \$1.5 billion improvement to the national child benefit was important and should be extended to low income families, including those on social assistance. As part of the work I have done with regard to families, particularly those who are on social assistance, it is very obvious to all that it is very difficult financially for Canadians who are on welfare to make the transition to the workforce.

• (1555)

The benefits which people on social assistance and welfare receive are often not available to those who leave welfare to go into the paid labour force. We can take medical or dental expenses as an example. There are certainly a number of social assistance features which are not available. That was one of the reasons the national child benefit, which is part of the overall program of the Canada child tax benefit system, was introduced. It was introduced in conjunction with the provinces, and the understanding clearly was that the provinces were in a position to decide whether they were going to reduce the transfers to people on the overall child tax benefit and the national child benefit for those who were on welfare.

The whole idea of the national child benefit program was to help people to make the transition from welfare and social assistance to the paid labour force. I raise that point for discussion with the House. It is important that we understand that where unemployment is very high and the prospect of new jobs in the near term for people on welfare and social assistance is much lower in some provinces, as a result, in two cases, the provinces decided they would not offset the transfer from the federal government against the welfare payments and in fact give the additional amounts.

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Those are provincial decisions. Those were part of the negotiations of the federal government with the provinces to ensure that the right things happen.

The member from the Bloc Québécois raised a couple of issues which bear some comment. First, she commented with regard to the CHST, the Canada health and social transfer. She basically claimed that the cuts in the CHST have to be restored. The member will well know that the Prime Minister outlined for the House several times last week that today the combination of cash and tax point transfers to the provinces is greater than it was in 1993. That is an important point.

Canadians have to understand that the federal government has given the authority to the provinces to collect taxes. As their economies grow, the amount of tax revenue which they collect on that growing economy also means that the provinces will get additional revenues. The combination of cash transfers and tax points is the important element.

The member also talked about social housing and homelessness. She will well know that this is not a simple problem. One aspect of this has to do with children. Of the homeless recognized in the Anne Golden report in Toronto, 28% of the homeless were youth. Of those, 70% had experienced physical or sexual abuse while they were in the family home.

It is important to understand that social housing and homelessness are separate issues.

The Speaker: The hon. member will have the floor when we take up this debate again, whenever that is, and he will have 14 minutes.

• (1600)

It being 4 p.m. the House will now proceed to the consideration of Ways and Means Proceedings No. 5 concerning the budget presentation.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Paul Martin (Minister of Finance, Lib.) moved:

That this House approve in general the budgetary policy of the government.

He said: Mr. Speaker, I am tabling the budget documents, including notices of ways and means motions. The details of the measures are contained in the documents. I am asking that an order of the day be designated for consideration of these motions.

I am also announcing that the government will, at the earliest opportunity, be introducing bills to implement the measures announced in this budget.

Before I begin, I want to express the Government's appreciation to the Standing Committee on Finance and the many committees of caucus for their invaluable contributions in the lead-up to this budget.

Most importantly, on behalf of this parliament, I want to thank Canadians from all walks of life and all parts of the country who shared their ideas and insights with us.

The experience of the last few years has confirmed beyond a doubt that an open budget process is a better budget process.

[*English*]

Throughout our country's history each generation has undertaken the great task of building Canada. Today, at the dawn of a new century, we are fortunate indeed to live in a land of promise, in a world of change and in a time of opportunity. Are there problems? Yes, there are and there is much to be done. That being said, we are in a better position today to chart our own course than we have been in many a decade.

Canada's economic growth is among the strongest of the G-7 countries. The size of our economy will surpass the trillion dollar mark this year. The deficit is a matter of history. Indeed today we project the third, fourth and fifth balanced budgets in a row, something that has not been done in over half a century.

Inflation remains in check. The government debt burden is declining. Canada's foreign debt burden is declining. Consumer and business confidence are at near record levels. Most important, after a number of difficult years these positive economic indicators are now beginning to be reflected in the lives of Canadians.

In 1999 there were more than 425,000 new jobs created in Canada, a pace unmatched by any other G-7 country. As a result our unemployment rate now stands at 6.8%, its lowest level in nearly a quarter of a century.

• (1605)

In the early and mid-1990s Canadians saw their real after tax income shrink. Three years ago that trend began to turn around. Based on the information that is just out today, disposable incomes are now some 4% higher than they were in 1996 and, of even greater moment, private sector forecasters project that incomes will rise much more significantly in the years ahead.

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This is clearly good news. However, while the progress of recent years is a record on which Canadians can be proud to stand, it is not a record on which we are prepared to rest. Canadians do not want to dwell on the past. They want to focus on the future, and indeed that is the message of this budget.

In 1993 we established a plan to eliminate the deficit, turn our economy around and create new jobs. That plan has worked. Now, two months into the year 2000, we must take Canada further. We must create a greater prosperity and see to it that the benefits of that prosperity are shared widely.

Our challenge now is to build on our new-found strength. Canadians know that this is the time to act. They know that globalization and the rush of technology will not wait for us. Nor will these forces pause for us to prepare. The challenges are here and the opportunities are now.

[*Translation*]

In last fall's fiscal update, we asked ourselves three fundamental questions:

First, what will it take to secure our position as a leader in the new economy?

Second, how can we provide every Canadian with an equal opportunity to succeed?

And third, how can we ensure the best quality of life for all Canadians, not simply a fortunate few?

In this budget, we outline our response to those questions.

First, we will continue to provide sound fiscal management. There will be no slipping, no sliding: the days of deficit are gone and they are not coming back.

Second, we will lower taxes to promote economic growth and to leave more money where it belongs—in the pockets of Canadians. As we said last November, Canadians are entitled to keep more of the money they earn. After all, they worked for it. It's theirs.

Third, in order to ensure equality of opportunity, we will invest in providing Canadians with the skills and knowledge they need to get the jobs they want.

And fourth, together we will build an economy based on innovation. For that, ultimately, is the only means by which a modern nation can control its future.

[*English*]

These four elements speak to our economic framework, but our plan must do more than that. It must reflect not only the value of our economy but also the values of our society. The success that we have achieved as a nation has come not only from strong growth but from an abiding commitment to strong values: caring, compas-

sion and insistence that there be an equitable sharing of the benefits of economic growth. These are the bedrock of our nation and they must be the cornerstone of our plan.

For this reason the first announcement of the first budget of the 21st century is that we will increase funding for post-secondary education and health care. These are the highest priorities of Canadians and they are ours.

• (1610)

We have already acted three times to strengthen the cash transfers to the provinces through the Canadian health and social transfer. Indeed last year for health care alone we made the single largest investment in this government's history. At that time we also said we would do more as resources permit, and we will. Today we are making good on that commitment. We are announcing the transfer of a further \$2.5 billion to the provinces to use over four years for post-secondary education and health care.

Furthermore, to meet pressing needs in our universities, our colleges and our hospitals, the provinces will have the flexibility to draw upon this new cash sooner should they choose to do so.

[*Translation*]

We have already acted three times to strengthen the cash transfers to the provinces through the Canada Health and Social Transfer (CHST).

Today, we are announcing the transfer of a further \$2.5 billion to the provinces to use over four years for post-secondary education and health care.

Furthermore, to meet pressing needs in our universities, colleges and hospitals, the provinces will have the flexibility to draw upon this new cash sooner—should they choose to do so.

As a result of this and last year's budgets, the cash component of the CHST will rise from the 1998-1999 level of \$12.5 billion to \$15.5 billion next year—an increase of almost 25% over just two years.

Therefore, the total annual support provided through the CHST—tax points and cash—will reach close to \$31 billion next year—an all-time high.

We had guaranteed the provinces stable and growing funding for health care and post-secondary education. Today, that is what we are continuing to do. Nor is that the end of the story.

Equalization payments to the provinces will be \$500 million higher this year than projected in last year's budget. As a result, equalization transfers as well are now at an all-time high. This means more money for less prosperous provinces for health care, education and other programs.

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Mr. Speaker, let me now turn to our plan for building a stronger economy. Prior to the fall update, we consulted with a number of economists from Canada's major chartered banks and four major forecasting firms.

This invited a national debate on our longer-term objectives—a debate based on a series of projections about the size of the budget surplus for each of the next five years. These projections were sound. But we also know, especially for the later years, that they are just that—projections. They are bets on the future, not money in the bank.

Therefore, while we must always set longer-term objectives, we will continue to make decisions only on a rolling two-year basis.

We will also continue to build additional prudence into our planning and to set aside a \$3-billion Contingency Reserve to protect against unforeseen events.

• (1615)

Let there be no doubt, this government will not repeat the mistakes of others and spend money we might not have, or raise expectations we cannot meet.

Nor will we abandon the balanced approach we have adopted from the beginning—an approach which recognizes that debt reduction, tax relief and spending on health, post-secondary education and other key priorities are not competing claims, but complementary components of a fair and effective plan.

[English]

Let me now turn to the debt. Canada has not just eliminated its deficit. We are one of the few countries that is now reducing the absolute amount of its debt and we will continue to do so. Indeed over the past two years we have paid down the debt by more than \$6 billion resulting in interest savings of more than \$300 million a year each and every year.

As well, market debt, the debt issued in financial markets has fallen even further. By the end of this fiscal year we will have reduced our market debt by close to \$20 billion.

More importantly, Canada's debt to GDP ratio, which measures the amount of the debt against the size of the economy, has improved markedly; the lower the ratio the more manageable the debt. In 1995 Canada's debt ratio was 71%. Today it has dropped by 10 percentage points and it should fall below 50% by the year 2004. Beyond this the downward track must continue. We are still a long way from the 25% ratio Canada enjoyed in the late 1960s, the last time our books were in the black.

Economic growth has played an important role in Canada's falling debt ratio. So has controlling government spending. We have previously pointed out that federal government spending as a percentage of our gross domestic product is at its lowest level in over 50 years. The fact is that even after taking into account the

measures to be outlined in this budget, program spending next year will be \$4 billion lower than it was when we took office in 1993.

Let there be no doubt, we will control spending. For instance, beginning with the time we balanced the books and looking ahead to the year 2001-02, growth in program spending is projected to be in line with inflation plus population growth, the standard that is used by most economic commentators. Having said that, the standard of living that we enjoy as a country does not come free. For instance, fully two-thirds of all of the new spending measures since we eliminated the deficit have been in the areas of health care, post-secondary education and innovation.

Furthermore there are other fields where the government must take action, areas where we have fundamental responsibilities at home and essential obligations abroad. The crisis faced by farm families in communities across the country is real and better short and long term solutions are required. The RCMP faces new challenges in the area of organized crime and international terrorism. The demands upon our military whose men and women contribute so much at home and abroad are increasing. Within our borders we must strengthen our immigration system. Beyond our borders we have an obligation to help the poorest of the world's poor. In each of these areas we are providing additional funding.

• (1620)

Let me now turn from the responsibilities of the present to the opportunities of the future. Let us address the new economy. At this the beginning of the 21st century, we have a unique chance to take hold of our destiny. The basic question we have to answer is what are the choices that we must make today that in five, ten or twenty years time will be seen as having made a critical difference in making Canada the land of opportunity?

Powered by the information revolution and a cascade of new technologies, distance is disappearing, borders are collapsing and the world once divided is now connected as never before. Micro-processors and microchips, satellites, fibre optics and the Internet are changing the way we live. They are changing the way we work. They are changing the way we communicate. The result is the most significant economic transformation of our time.

Today the strength of a nation is measured not by the weapons it wields, but by the patents it produces; not by the territory it controls, but by the ideas it advances; not only by the wealth of its resources, but by the resourcefulness of its people. In such a world, successful nations will only be those that foster a culture of innovation. There will be those that create new knowledge and bring the product of that knowledge quickly to market.

Our goal as a nation must be to lead the way. Our goal must be to inspire a spirit of entrepreneurship, one that asks our people to reach higher, to look farther, and one that encourages us to see the world as our market, but Canada as the place to live.

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As a country we are well placed, far better than most, to seize the opportunities of the 21st century. But there is nothing inevitable about our progress. If we are to capitalize on the opportunities of the new economy, then both the private and the public sectors have their roles to play.

The private sector must change its concept of risk. It must improve access to capital. It must give greater priority to start up companies. It must exploit the full potential of new technologies, like the Internet, to capture markets in every corner of the globe. Government in turn must reduce the regulatory burden. It must help fill the gaps in an economy that is increasingly moving from brick to click.

What must government do? It must equip Canadians to succeed. That means an education system second to none; basic research, the raw material of the new economy; secure social programs that recognize that real progress is made by reaching for the top, not racing to the bottom; and a tax system that is both fair and competitive.

If we are to talk about a more innovative economy, we must begin with people. Skills and knowledge join the ambitions of the individual with the potential of the country. They are the meeting place between social and economic policy, the best means available to us to narrow the gap between the rich and the poor. That is why in 1998 we introduced the Canadian opportunities strategy, a multi-part plan to expand access to knowledge and to skills. Last year built upon that foundation and today we build further.

First, as we have already discussed, this budget increases support to the provinces for post-secondary education by increasing the cash available through the CHST.

Second, we will follow through on the commitment made in the Speech from the Throne to create new 21st century chairs for research excellence. These will be new research positions in Canadian universities designed to attract the best researchers from around the world and to retain the best from across Canada. Half of these positions will be directed to Canada's leading scientists and half to the very best of the next generation of young Canadian researchers.

In October the Prime Minister said: "This investment will make Canada a leader in the knowledge based economy and will truly brand Canada as a country that values excellence and is committed to success". This initiative will help Canadian universities not only to meet the opportunities and the standards that have been set by others today, but to set new standards that others will have to meet tomorrow. To this end, this budget provides \$900 million of funding over five years for 2,000 new research chairs.

• (1625)

Third, as Canadians, especially young Canadians, turn more and more to the Internet as a source of information, it is important that

they see their own reflection, that they hear their own stories. Therefore, in this budget we are providing the necessary funding to enhance the presence of Canadian cultural material on the Internet in both official languages.

Finally, scholarships are an important part of expanding access to higher learning. Therefore, in order to ensure that more students receive their full value, we are increasing the tax exemption of scholarships and bursaries from its current level of \$500 to \$3,000.

[*Translation*]

Research and development is the foundation for new products and processes. It is what smart companies always do. It is what smart countries must do.

Quite simply, we must ensure that within our borders we have a research capacity that is constantly pushing forward the frontiers of human knowledge.

In the 1997 budget, this government created the Canada Foundation for Innovation (CFI). To date, it has awarded \$450 million to help post-secondary institutions, research hospitals and not-for-profit organizations to modernize their laboratories, their equipment and their technologies.

Almost half of its funding has been directed at health research.

The CFI is one of the cornerstones of our plan to support the new economy but if we do not act now, its funding will run out within two years.

Therefore, in order to enable it to extend its awards into the year 2005, this budget provides \$900 million to the CFI, raising the Government's total investment to \$1.9 billion.

Because health research holds such potential to contribute not only to the quantity of our knowledge, but also to the quality of our lives, last year's budget announced the creation of the Canadian institutes for health research, an initiative that will transform the way research is done in this country.

Today, we take another important step.

Understanding how genes function opens the door to substantial progress in advancing the treatment of cancer and other life-threatening diseases.

Gene research will save the lives of many. It will enhance the lives of still more. It will surely form the basis for many advances in biotechnology, which many believe will be as important in the new century as computer technology was in the last.

For this reason, we are announcing today that we will commit \$160 million to create the Genome Canada project—with five

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centres across the country, providing laboratory facilities for researchers from universities, government and the private sector.

• (1630)

Canada is one of the world's leaders in the field of biotechnology. However, we recognize that biotechnology, for all its potential, also raises concerns.

Canadians want to know that we understand and can manage its risks, that health, environmental and ethical limits will be identified and respected.

Therefore, this budget will provide funding over the next three years to ensure that as we receive the benefits of biotechnology, we also have the ability to ensure its safety.

[English]

For Canadians of all ages, protecting the environment is not an option, it is something we simply must do. It is a fundamental value beyond debate, beyond discussion. For this reason, this budget provides additional resources to further clean up the Great Lakes, to ensure environmental enforcement, to protect species at risk, to reduce organic pollutants in the north and to provide development assistance to deal with greenhouse gas emissions in developing countries.

Furthermore, we are announcing today that in order to preserve national habitats and species we are cutting by half the capital gains tax arising from the donation of ecologically sensitive land.

In 1998 we, along with the other orders of government, NGOs and the private sector, launched the process required to develop the national climate change strategy. These consultations are concluding and the strategy should be unveiled by the end of the year.

However, within the context of a budget seeking to prepare our economy for the 21st century, there are a number of things that we can and must do now.

The unequivocal fact is that climate change, indeed the entire environmental spectrum, will provide challenges, but for an innovative economy it presents many more opportunities. Those nations which demonstrate how to truly integrate environmental and economic concerns will forge new tools. They will develop new technologies that others will have to adopt. Tremendous rewards await those nations that get there first and for those that do it best.

Given the importance of natural resources to our country, because of the severity of our climate, leadership in this area of the new economy is not a matter of choice for Canada. Quite simply, we must apply the same innovative thinking, the same spirit of enterprise, the same technological ingenuity to protecting and enhancing our environment as we have in becoming world leaders in the field of telecommunications, transportation and so many others. Technology is key, make no mistake.

If we are to successfully tackle climate change, to cut costs and boost productivity and to transform ourselves into the world leader in the fields of clean energy, then we have to employ every bit of the skill and knowledge that we possess.

Accordingly, this budget takes a number of targeted actions.

First, we are announcing today the creation of a sustainable development technology fund. This fund will foster innovation by helping companies develop new technologies and bring them to market in areas such as clean burning coal and new fuel cell development.

Second, we are announcing that we will create the Canadian foundation for climate and atmospheric sciences, a network of institutes that will link researchers from across the country in order to further our understanding of the impact of climate change and air pollution on human health.

Third, the government is beginning to change its procurement policy to move as much as possible to more environmentally friendly energy stimulating market demand for green power.

• (1635)

Fourth, the Federation of Canadian Municipalities and la Coalition pour la renouvellement des infrastructures du Québec have worked on excellent proposals in the area of green infrastructure. These allow us to extend the hand of friendship to those in the front lines of a fight for a cleaner environment.

One of these proposals is a green municipal enabling fund to help communities assess where their environmental needs are greatest. The second is a revolving fund leveraging private sector investment in areas such as waste management and water conservation at the municipal level. This budget gives effect to both proposals.

Finally, as we move to more fully integrate economic and environmental policy, we must come to grips with the fact that the current means of measuring progress are inadequate. Therefore we are announcing today that the national round table on the environment and the economy and Environment Canada, in collaboration with Statistics Canada, will be provided funding over the next three years to develop a set of indicators to measure environmental performance in conjunction with economic performance. In the years ahead these environmental indicators could well have a greater impact on public policy than any other single measure we might introduce.

When all these measures are taken together, this budget will invest \$700 million in environmental technologies and practices. We are making this investment because protection of the environment is a fundamental value of our country, but let us understand as well it is also good economic policy. It is a key element of our plan to build a more innovative economy. Make no mistake, far from

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being a cost that we cannot afford, environmental protection is an opportunity we cannot forgo.

There is another aspect of our plan that is of critical importance. To succeed in the new economy we must ensure that it takes root in every part of our country. This perspective was at the heart of "Catching Tomorrow's Wave", a report that was prepared by our Atlantic caucus. Let me just say that we have heard them loud and clear.

A similar point has been made by other members of our caucus in a very different context. They point out that while we must ensure that all provinces participate in the benefits of the new economy, even within provinces there are major differences between urban and rural communities. The concerns of rural Canadians are those shared by all Canadians: quality health care, the best education for their children, a good job. The difference is that in the case of rural Canada, a hospital closing, the school setback or the loss of a major employer threatens the very life of the community. Therefore, we must expand economic development in smaller communities right across the country, north and south, east and west.

We also must recognize that in the years ahead all orders of government have to come together as never before to broaden opportunities right across the country.

As only one example of the kinds of things we must do, last week we said that in addition to the moneys that were previously announced to meet farm needs across the country, that we would commit a further \$240 million for farm families on the prairies. This, combined with an additional \$160 million from the concerned provinces, provides an immediate relief package of \$400 million.

[*Translation*]

We can also enhance opportunities across Canada by strengthening the basic physical infrastructure which underpins so much of the economic activity of both rural and urban Canada.

• (1640)

Whether it is urban transit, a grain road on the prairies or the highways of our country, the capacity to move people and goods safely and efficiently is key to an innovative and productive economy.

Affordable housing and green infrastructure are also essential elements of a modern society. They are critical to meeting the 21st century needs of our municipalities.

To these ends, the government has announced that we will work with other orders of government and, where applicable, the private sector to reach agreement on a plan to improve provincial and municipal infrastructure in cities and rural communities across Canada.

We hope to have an agreement by the end of the year. For its part, the federal government is prepared to commit \$450 million over the next two years and \$550 million in each of the following four years.

[*English*]

Having spoken about what it will take to succeed in the world of tomorrow, let me now turn to the authors of that future: our children. Let there be no doubt that assisting families is not only the smart thing to do, it is the right thing to do. An important key to our children's success is the strength of the communities in which they live. That is why the federal and provincial governments agreed to develop a national children's agenda, to expand the capacity of governments, voluntary organizations and our communities to provide the services and the support upon which so many of our families and their children rely. This agenda is critical and it simply must be advanced.

As the next step, the Prime Minister invited all governments to reach agreement by December of this year on an action plan for early childhood development. Our objective is simple. Whether it be further services or income support, all orders of government must be prepared to do more for our children.

In the same respect, in the Speech from the Throne the government committed itself to improving support for children by extending maternity and parental benefits under the employment insurance program from the current six months to one year. This budget honours that commitment.

I would like to take this occasion to congratulate my colleague, the Minister of Human Resources Development, for her tremendous effort. These initiatives focus on the needs of children. They deal with the services and the programs their families require. However, let there be no doubt that one of the best things we can do is to leave parents with more money at the end of each month to invest in their children's well-being.

It was with this very much in mind that the government sought to design its tax reduction plan. The principles underlying that package are as follows.

• (1645)

First, while tax reduction must benefit all Canadians, it must primarily benefit those who need it the most: middle and low income earners, especially families with children.

Second, broad based tax reductions should focus initially on personal income taxes.

Third, our business tax system must be internationally competitive.

Finally, broad based tax reductions should not be financed with borrowed money.

The Budget

In the 1997, 1998 and 1999 budgets we lowered the average personal tax burden of Canadians by 10%. That is over \$16 billion. Today, with surpluses projected for the coming years, the time has come to do more. For this reason we are setting out a five-year tax plan so that individuals, families, small businesses and others will know for certain that their taxes will fall this year, next year and in the years to come.

The plan we are presenting today provides real and significant tax relief. It is anchored in two fundamental structural changes.

First, Canadians know that taxes cannot start to come down in earnest until they stop going up with inflation. Inflation should not force lower income Canadians on to the tax rolls and others into higher tax brackets. Nor should inflation erode the real value of the Canada child tax benefit and the goods and services tax credit. Nor should it erode the real value of the age credit for Canadian seniors, nor the income level at which old age security begins to be reduced. Therefore, we will make the most important change to the Canadian tax system in more than a decade. We will restore full indexation to the personal income tax system immediately.

Second, it has been over 12 years since the actual tax rates of Canadians have come down. In practical terms this has hit middle income Canadians the hardest because the federal tax rate jumps by 9 points, from 17% to 26%, as soon as someone's income reaches \$30,000. Therefore, over the next five years we will lower the middle tax rate from 26% to 23%.

Most importantly, we are announcing that two-thirds of that reduction, down to 24%, will go into effect on July 1st of this year.

Reindexing the tax system and lowering tax rates will provide a significant benefit for all Canadians, but as well we will go further. Over the next five years we will increase the amounts Canadians can receive tax free to at least \$8,000 and we will raise the income levels at which middle and upper tax rates begin to apply to at least \$35,000 and \$70,000 respectively.

Furthermore, while these amounts provide significant relief, they are only the start. In future budgets when we can do more, we will.

[*Translation*]

We will make the most important change to the Canadian tax system in more than a decade. We will restore full indexation to the personal income tax system and we will do so immediately.

• (1650)

Second, it has been over 12 years since the actual tax rates of Canadians have come down.

In practical terms, this has hit middle-income earners the hardest, because the federal tax rate jumps by 9 points—from 17% to 26%—as soon as someone's income reaches \$30,000.

Therefore, over the next five years, we will lower the middle tax rate from 26% to 23%.

Most importantly, we are announcing today that two-thirds of that reduction—down to 24%—will go into effect on July 1 of this year.

Re-indexing the tax system and lowering tax rates will provide a significant benefit for all Canadians but as well, we will go further.

Over the next five years, we will increase the amounts Canadians can receive tax-free to at least \$8,000 and we will raise the income levels at which middle and upper tax rates begin to apply to at least \$35,000 and \$70,000 respectively.

These amounts will provide significant relief but they are only the start. In future budgets, when we can do more, we will.

These structural changes mean substantial tax relief for all Canadians.

For families, we are doing more.

I hardly need to remind this House that the cost of raising children is a significant expense. Ask any parent about the price of new shoes, or snowsuits. Ask any parent whose child plays sports or takes music lessons. Ask any parent trying to save for their child's education.

The purpose of the Canada child tax benefit, the CCTB, is to help with these costs.

In July 2000 the maximum payment for a family's first child will rise to \$1,975, a level at which it was to remain in 2001 and subsequent years.

[*English*]

The cost of raising children is substantial. Therefore, we are announcing today that the Canada child tax benefit, which is to be increased this July, will be further increased next July to \$2,265 and to \$2,400 over the next five years. Amounts for each additional child will keep pace with these increases. Most significantly, nine out of ten Canadian children will benefit from these improvements.

[*Translation*]

At the present time, the Canada child tax benefit is of greatest value to lower income Canadians. The measures we are introducing today will add to that benefit while extending it more fully for middle-income families.

For example, a single mother earning \$25,000, with one child, will see her benefits increase by 22% by 2004.

The Budget

A typical family with two children, earning \$60,000, will receive \$200 in additional benefits in 2001. By the fifth year, their benefit will more than double—from \$733 to \$1,541.

• (1655)

[English]

The challenges of raising a family are compounded when a child has a disability. In some of these cases full time home care by a parent is necessary. Therefore, we will assist these families by increasing the disability tax credit by up to \$500 per year.

In addition, for families with disabled children we will increase the maximum annual child care expense deduction from \$7,000 to \$10,000.

We will also introduce a number of other tax measures to further assist persons with disabilities. We will make permanent the opportunities fund, a pilot project to assist persons with disabilities prepare for, obtain and keep employment.

[Translation]

Our government inherited three major legacies in the area of income tax which had been introduced to help reduce the deficit.

In 1999 we eliminated the 3% surtax.

This budget restores indexation of the personal income tax system.

Today we are also committing to eliminate the last of these legacies.

Effective this July we will eliminate the surtax for middle-income Canadians on earnings up to \$85,000. Over the next five years we will eliminate it altogether.

Since 1994 employment insurance rates have been reduced each and every year from \$3.07 to \$2.40. In the future, these rates will keep coming down to the point where they cover just the costs of the EI program itself. For planning purposes, we have assumed that they will fall to \$2.00 in 2004.

Adequate incomes in retirement are a critical requirement for any society. Diversification of registered retirement savings plans and registered pension plans, in turn, is an important part of ensuring that income.

Accordingly, we will increase the foreign content allowed in retirement plans to 30%, beginning with a 5-percentage-point rise in the year 2000, followed by another 5-point rise in 2001.

[English]

To sustain the growth which underpins our economy we need a corporate tax system that is internationally competitive. At the moment a number of Canadian industries enjoy competitive tax rates of about 21%. But there are others, where much of the new

job creation is occurring, such as high tech services, which shoulder tax rates that are much higher, yet they are up against companies operating around the world that pay lower taxes in their home countries.

If we are to unleash the creative energies of our economy, if we are to encourage innovation and expand job creation, then these tax rates must be brought down to allow our companies to compete vigorously.

Therefore, we are announcing that over the next five years we will lower the rate for these higher taxed industries from 28% to 21%, putting all sectors of the Canadian economy on an internationally competitive footing. As a first step, the rate will drop on January 1, 2001 to 27%.

We have talked about the importance of innovation in developing a modern economy. Just as we are making investments to that end, we must also introduce tax measures that encourage entrepreneurship and risk taking.

This budget proposes action on three fronts. First, we will reduce the taxation of capital gains by lowering their inclusion rate from three-quarters to two-thirds, effective immediately.

• (1700)

Second, we will allow up to \$100,000 in stock options granted annually to be exercised with the tax being paid only when the shares are actually sold.

Third, a key factor contributing to the difficulty of raising capital by new start-ups is the fact that individuals who sell existing investments and reinvest in others must pay tax on any realized capital gains. Therefore we will allow a \$500,000 tax free rollover for qualifying investments, thereby increasing the amount these investors can put into new ventures.

Finally, this budget proposes a measure which specifically benefits small but growing businesses, a major engine of both innovation and job growth in our economy. Small business has told us that the most important steps we can take to assist them would be to lower personal income taxes, provide for rollovers, remove the 5% surtax and reduce the tax on capital gains. This budget does all of these. It also, however, includes one further measure.

At the present time the corporate rate rises dramatically from 12% to 28% once non-manufacturing small businesses reach \$200,000 in income. We are announcing today that the reduction in the corporate rate to 21%, which is being phased in for large businesses will fully apply to all small business on income between \$200,000 and \$300,000 effective January 1, 2001.

The five year tax plan, both personal and corporate, which we have outlined today is far reaching in terms of the structural

The Budget

direction it outlines. It is substantial in terms of the size of the tax relief it permits. This budget provides a minimum of \$58 billion in cumulative tax relief for Canadians over the next five years.

This budget cuts personal income taxes by an average of 15% and for many much more than that. For low and middle income Canadians, for instance, taxes will fall by some 18% on average and for families with children by an average of 21%.

[Translation]

The five-year tax plan, both personal and corporate, which we have outlined today, is far-reaching. This budget provides a minimum of \$58 billion in cumulative tax relief to Canadians over the next five years.

It cuts personal income taxes by an average of 15% and for many, much more than that. For low and middle income Canadians, for instance, taxes will fall by some 18% on average, and for families with children, by an average of 21%.

Let me give you some specific examples of how this budget will benefit Canadians.

First, indexation will help lower income Canadians most. Indeed, they will receive almost 40% of the tax reduction it affords. They will receive more than \$500 million by the fifth year in additional GST credits. They will automatically receive increases in child tax benefits and the seniors credit.

Second, two seniors with a family income of \$30,000 will see their net federal taxes fall by 45% by 2004.

• (1705)

Third, a one earner family of four earning \$40,000 will see its net federal taxes reduced by 17% next year and by 48% by 2004. That is a savings of more than \$1,600.

[English]

A one earner family of four with income up to \$32,000 will receive more in benefits than they will pay in federal taxes. As a result they will pay no net federal tax next year and by 2004 this family will be able to earn up to \$35,000 a year and still pay no net federal tax.

A single parent earning \$30,000 with one child will see his or her net federal benefits increase from \$32 to over \$1,000 by the year 2004.

A two earner family with two children and an income of \$40,000 will see their net taxes cut almost in half next year, and they will pay no net federal tax by 2004. This represents a savings of \$1,244.

Finally, a two earner family with two children and \$60,000 in income will see their taxes cut by almost 9% next year and by 27% by 2004. That is a savings of more than \$1,500.

One further point, at the beginning of this presentation I said that while we would set out five year objectives we would make our decisions based on a rolling two year time horizon. This is particularly important when hearing these examples because it means that as substantial as they are the tax cuts outlined in this budget reflect the least, not the most that we will do.

Indeed, what is not even reflected in these examples is that the 15% average tax cut on which all of those examples were based does not take into account the 22% average tax relief when this budget is combined with its most recent predecessors.

Let me just say that in subsequent budgets, as resources permit, we will do more. That is how we eliminated the deficit and that is how we will reduce taxes.

[Translation]

This is a budget with many elements but a single theme: creating better lives for Canadians in a rapidly changing world.

It is a budget that makes innovation the driving force of our economy. It puts more money into post-secondary education and health care. It acts to preserve our environment and to capture the opportunities it affords. It speaks to our values by recognizing the importance of children.

[English]

This budget restores indexation to the Canadian tax system. It cuts federal tax rates for the first time in more than 12 years. It supports job growth by making Canadian business more internationally competitive.

It is a budget that says you can cut taxes and invest in tomorrow at the same time. It is a budget that sets its sights firmly on the future and charts the course to take us there. It is a budget that recognizes that while we cannot imagine the world our children will live to see, our responsibility to their future is clear.

We must lay the foundation on which they will stand. We must preserve the values on which they will build. May it be said of us that we in our time laid that foundation and preserved those values. May we embrace the future with confidence, the confidence of a people who knows that for all of our achievements as a nation, for all of the greatness of our history, the best of Canada is yet to come.

• (1710)

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, in about three minutes I will formally move adjournment of the budget debate until tomorrow. Before doing so I want to thank the finance minister for his presentation, a presentation which is more remarkable not for what it contains but for what it fails to disclose.

I find it absolutely astounding that this budget statement contains no reference whatsoever to the \$1 billion boondoggle at human resources development. It does not answer the question of taxpayers as to why we should give the government more money to spend when it wastes what we already give it.

If the vice-president of a large public company had a \$1 billion boondoggle in one of its divisions and even failed to mention it in the annual statement to the shareholders, the stock of that company would be driven through the floor, heads would roll and the vice-president of finance would end up in a federal institution, and I do not mean the Senate.

Five years after the official opposition called for eliminating bracket creep the government has finally agreed to do so, and we commend it for doing so. While the budget loudly proclaims a number of other so-called tax breaks, it buries and obscures every provision in the government's financial plan for tax increases like the prescheduled increases in CPP premiums that take about \$38 billion out of the \$58 billion profit.

Far be it from me to cast a shadow over this day. Let our Liberal friends retire to the captain's table as the Liberal *Titanic* sails into the night. Let them eat, drink and be merry and celebrate while they may the illusions of this budget while the band plays *Amazing Grace*, and then let us reassemble tomorrow to commence the budget debate where the omissions, the half-truths and the illusions of this budget will be exposed in the clear light of day.

Therefore I move:

That the debate be now adjourned.

The Speaker: Pursuant to Standing Order 83(2) the motion is deemed adopted.

(Motion agreed to)

* * *

• (1715)

CANADA ELECTIONS ACT

The House resumed from February 25, consideration of Bill C-2, an act respecting the election of members to the House of Commons, repealing other acts relating to elections and making consequential amendments to other acts, be read the third time and passed, and of the amendment.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the amendment in the name of the hon. member for Vancouver North to the motion at third reading stage of Bill C-2.

Government Orders

Call in the members.

• (1740)

(The House divided on the amendment, which was negated on the following division:)

(Division No. 753)

YEAS

Members

Abbott	Ablonczy
Alarie	Asselin
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bernier (Tobique—Mactaquac)
Bigras	Borotsik
Breitkreuz (Yorkton—Melville)	Brien
Cadman	Canuel
Cardin	Casson
Chatters	Chrétien (Frontenac—Mégantic)
Cummins	de Savoye
Debien	Doyle
Dubé (Lévis-et-Chutes-de-la-Chaudière)	Dumas
Duncan	Elley
Epp	Forseth
Fournier	Gagnon
Gilmour	Girard-Bujold
Godin (Châteauguay)	Goldring
Grewal	Grey (Edmonton North)
Guay	Guimond
Hanger	Harris
Hart	Harvey
Herron	Hill (MacLeod)
Hill (Prince George—Peace River)	Hilstrom
Hoeppner	Johnston
Jones	Keddy (South Shore)
Kenny (Calgary Southeast)	Lalonde
Laurin	Lefebvre
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Marchand
Mark	Martin (Esquimalt—Juan de Fuca)
Mayfield	McNally
Ménard	Mercier
Meredith	Mills (Red Deer)
Morrison	Muise
Nunziata	Obhrai
Perron	Picard (Drummond)
Plamondon	Price
Reynolds	Rocheleau
Sauvageau	St-Hilaire
St-Jacques	Thompson (New Brunswick Southwest)
Tremblay (Rimouski—Mitis)	Turp
Venne	Wayne
Williams—86	

NAYS

Members

Adams	Alcock
Assad	Assadourian
Augustine	Axworthy
Baker	Bakopanos
Beaumier	Bélair
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Carroll	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Chrétien (Saint-Maurice)	Clouthier

Government Orders

Coderre	Collenette
Comuzzi	Copps
Cotler	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finlay
Folco	Fontana
Fry	Gagliano
Galloway	Godfrey
Godin (Acadie—Bathurst)	Goodale
Graham	Gray (Windsor West)
Gruending	Guarnieri
Harb	Hardy
Harvard	Hubbard
Ianno	Iftody
Jackson	Jennings
Jordan	Karetak-Lindell
Keys	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laliberte
Lastewka	Lavigne
Lee	Leung
Limoges	Lincoln
Longfield	MacAulay
Mahoney	Malhi
Maloney	Mancini
Marleau	Matthews
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Mifflin	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
Nystrom	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Proctor	Proud
Proulx	Provenzano
Redman	Reed
Richardson	Robillard
Rock	Saada
Scott (Fredericton)	Sekora
Serré	Sgro
Shepherd	Solomon
Speller	St. Denis
St-Julien	Steckle
Stewart (Brant)	Stewart (Northumberland)
Stoffer	Szabo
Telegdi	Thibeault
Torsney	Ur
Valeri	Vanclief
Volpe	Wappel
Wasylycia-Leis	Whelan
Wilfert	Wood—158

PAIRED MEMBERS

*Nil/aucun

The Speaker: I declare the amendment lost.

● (1745)

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.**Some hon. members:** No.**The Speaker:** All those in favour of the motion will please say yea.**Some hon. members:** Yea.**The Speaker:** All those opposed will please say nay.**Some hon. members:** Nay.**The Speaker:** In my opinion the yeas have it.*And more than five members having risen:*

● (1750)

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

(Division No. 754)

YEAS

Members

Adams	Alcock
Assad	Assadourian
Augustine	Axworthy
Baker	Bakopanos
Beaumier	Bélair
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Caldler
Cannis	Caplan
Carroll	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Chrétien (Saint-Maurice)	Clouthier
Coderre	Collenette
Comuzzi	Copps
Cotler	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finlay
Folco	Fontana
Fry	Gagliano
Galloway	Godfrey
Goodale	Graham
Gray (Windsor West)	Guarnieri
Harb	Harvard
Hubbard	Ianno
Iftody	Jackson
Jennings	Jordan
Karetak-Lindell	Keys
Kilger (Stormont—Dundas—Charlottenburgh)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Limoges	Lincoln
Longfield	MacAulay
Mahoney	Malhi
Maloney	Marleau
Matthews	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Mills (Broadview—Greenwood)	Minna
Mitchell	Murray
Myers	Nault
Normand	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Proud	Proulx
Provenzano	Redman
Reed	Richardson
Robillard	Rock

Government Orders

Saada
Sekora
Sgro
Speller
St-Julien
Stewart (Brant)
Szabo
Thibeault
Ur
Vanclief
Wappel
Wilfert

Scott (Fredericton)
Serré
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Valeri
Volpe
Whelan
Wood—148

Kenney (Calgary Southeast)
Lalonde
Lefebvre
Lunn
Mancini
Marchand
Martin (Esquimalt—Juan de Fuca)
McNally
Mercier
Mills (Red Deer)
Muise
Nystrom
Perron
Plamondon
Proctor
Rocheleau
Solomon
St-Jacques
Strahl
Tremblay (Rimouski—Mitis)
Venne
Wayne

Laliberte
Laurin
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Marceau
Mark
Mayfield
Ménard
Meredith
Morrison
Nunziata
Obhrai
Picard (Drummond)
Price
Reynolds
Sauvageau
St-Hilaire
Stoffer
Thompson (New Brunswick Southwest)
Turp
Wasylcia-Leis
Williams—99

NAYS

Members

Abbott
Alarie
Bachand (Richmond—Arthabaska)
Benoit
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)
Bernier (Tobique—Mactaquac)
Borotsik
Brien
Canuel
Casson
Chrétien (Frontenac—Mégantic)
de Savoye
Doyle
Dumas
Elley
Forseth
Gagnon
Girard-Bujold
Godin (Châteauguay)
Grewal
Gruending
Guimond
Hardy
Hart
Herron
Hill (Prince George—Peace River)
Hoepfner
Jones

Ablonczy
Asselin
Bachand (Saint-Jean)
Bergeron
Bigras
Breitkreuz (Yorkton—Melville)
Cadman
Cardin
Chatters
Cummins
Debien
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Duncan
Epp
Fournier
Gilmour
Godin (Acadie—Bathurst)
Goldring
Grey (Edmonton North)
Guay
Hanger
Harris
Harvey
Hill (Macleod)
Hilstrom
Johnston
Keddy (South Shore)

PAIRED MEMBERS

*Nil/aucun

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

The Speaker: This House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 5.51 p.m.)

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