



CANADA

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OFFICIAL REPORT
(HANSARD)

Tuesday, June 6, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, June 6, 2000

The House met at 10 a.m.

(Motion agreed to)

Prayers

* * *

PETITIONS

QUEEN'S OWN CAMERON HIGHLANDERS OF CANADA

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I am honoured today to present petitions which were presented to a number of Manitoba MPs on April 20 at Minto Armouries in the regimental museum of the Queen's Own Cameron Highlanders. These signatures were gathered by the St. Andrew's Society of Winnipeg. A number of other Manitoba MPs over this day and the following few days may well be presenting similar petitions.

The petitioners ask parliament to reject the Department of National Defence plans to abolish the Queen's Own Cameron Highlanders of Canada or to amalgamate it with another militia regiment.

They believe that Manitoba's only highland kilted regiment must be retained as an important symbol of the province's great Scottish heritage. The Camerons are extremely useful to all citizens of Manitoba. Beside their excellent record in war and peace keeping missions, they protect Manitobans on the home front in events like the great floods of 1950 and 1997.

They also believe that a strong militia is the base on which capable national defence is built. Therefore, any necessary cuts in government spending should be done in other ways.

I might note that today is a particularly appropriate day to present such a petition. This is the 56th anniversary of the invasion of Normandy, the anniversary of D-Day. It was during the Normandy campaign that many Cameron Highlanders returned to Europe to seek the liberation of their comrades who had been captured in the Dieppe raid on August 19, 1942.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I too rise, as did the hon. member for Winnipeg—Transcona, to present a petition on behalf of the Queen's Own Cameron Highlanders.

The 42-page petition contains 2,684 signatures. Again, as was most eloquently noted by the member for Winnipeg—Transcona,

ROUTINE PROCEEDINGS

• (1005)

[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 10 petitions.

* * *

[English]

BUSINESS OF THE HOUSE

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been consultations among House leaders, and I believe you would find unanimous consent for the following motion:

That, at the ordinary time of daily adjournment on Tuesday, June 6, 2000, proceedings pursuant to Standing Order 38 shall be taken up, but, at the conclusion of such proceedings, the motion to adjourn shall be deemed to have been withdrawn and, notwithstanding any standing order, the House shall continue to sit for the purposes of considering the third reading stage of Bill C-11, an act to authorize the divestiture of the assets of, and to dissolve, the Cape Breton Development Corporation, to amend the Cape Breton Development Corporation Act and to make consequential amendments to other acts, provided that during this consideration the Chair shall not receive any dilatory motions, quorum calls or requests for unanimous consent and that, when no member rises to speak, every question necessary for the disposal of the said stage of the bill shall be deemed to have been put, a division thereon requested and deferred to the time of expiry of the time for consideration of Government Orders on Wednesday, June 7, 2000.

• (1010)

The Acting Speaker (Mr. McClelland): The House has heard the terms of the motion as presented by the government House leader. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Routine Proceedings

the Department of National Defence currently is looking at ways of rationalizing its defence budget. We are saying that the militia regiment in particular is not one of those area in which the Department of National Defence should be looking. I speak with some knowledge having a CFB in my constituency, as well as the 26 Field Regiment.

On the bottom part of this petition, it does say quite succinctly that a strong militia is the base on which capable national defence is built. Therefore, any necessary cuts in government spending should be done in other fashions. I support that and table the petition before the House.

[*Translation*]

GASOLINE PRICING

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I have the privilege of presenting two petitions.

The first relates to the excessively high gasoline prices. This petition is from the René Goyette “L’essence, c’est essentiel” team.

Since it is impossible for Canadian consumers to take any action to protect themselves from rising gasoline prices, these petitioners from Rimouski, Victoriaville, Sainte-Hélène-de-Chester, Arthabaska, Pointe-au-Père, Saint-Donat, Châteauguay, Terrebonne and Laval, are calling upon parliament to adopt a resolution to thwart the world oil cartels and thus reduce exorbitantly high crude oil prices.

The second petition comes from the René Goyette “L’essence, c’est essentiel” team in Montreal, and also addresses the excessively high price of gasoline.

• (1015)

Petitioners are from Saint-Basile-le-Grand, Magog, Saint-Bruno-de-Montarville, Saint-Gabriel, Chambly, Sainte-Julie and Mont-Saint-Hilaire.

Since it is impossible for Canadian consumers to take any action to protect themselves from rising gasoline prices, these petitioners are calling upon parliament to adopt a resolution to thwart the world oil cartels and thus reduce exorbitantly high crude oil prices.

CANADA POST CORPORATION

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, I have the honour to table two petitions. The first was given to me by people who wish to support rural postal carriers.

The petitioners are asking that subsection 13(5) of the Canada Post Corporation Act be withdrawn because it deprives these rural carriers of their right to collectively negotiate their working conditions.

Several of those who signed live in my riding and I support them completely in their efforts to make it possible for rural carriers to negotiate an acceptable contract so that they are not working for less than minimum wage, as some of them are now doing.

IMPORTATION OF PLUTONIUM

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, the second petition has to do with the importation of MOX fuel, Russian plutonium.

This could cause serious, irreversible harm to Canadians, and especially Quebecers, because, as is well known, the route used is the St. Lawrence River. If an accident were to happen, we would hold this government responsible.

[*English*]

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present three more petitions from citizens of the Peterborough area and, in fact, from across Canada who support the development in Canada of a bio-artificial kidney. This brings the number of signatures to well over 10,000 on petitions which I have presented to the House on this subject. This petition was started by Ken Sharp, who lives in my riding.

The petitioners point out that more than 18,000 Canadians suffer from end-stage kidney disease and that, although kidney dialysis and kidney transplants help and they are important life saving treatments, there are difficulties with providing sufficient dialysis service and difficulties in providing sufficient organs for transplantation. Therefore, the petitioners call upon parliament to support research toward an alternative to kidney dialysis and kidney transplants, and that is the bio-artificial kidney.

Research is being conducted at various places in the United States and the petitioners call upon parliament to work in support of research toward the bio-artificial kidney which will eventually eliminate the need for both dialysis and transplantation for those suffering from kidney disease.

SPECIES AT RISK

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I have a petition signed by approximately 375 people, consisting of 25 pages, regarding Bill C-33, the species at risk act, which is before the House at this time.

The petitioners ask that the bill be strengthened and they make the following suggestions. A legal listing of species should be done by the Committee on the Status of Endangered Wildlife in Canada, COSEWIC. Politicians should not make this decision. Habitat protection should be automatic. When the provinces fail to provide

protection for species at risk, the federal power to step in must be mandatory and not discretionary as outlined at the moment in Bill C-33. Finally, they ask for a guarantee of available and adequate funding to support stewardship options, which of course are attempts to protect habitat for animals and plants.

The petitioners are really saying that they have looked at Bill C-33 and it is not adequate. I mention in passing that our NDP caucus also feels that the bill as it exists is not adequate and we fully agree with the petitioners.

INDONESIA

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to rise in the House to present a petition signed by 300 petitioners of the Vancouver area who want to draw attention to a very desperate situation on the Island of Ambon in Indonesia where there has been continuous violence since January 1999 between Muslim and Christian groups.

• (1020)

The petitioners draw attention to the loss of life, the damage to property and to civil society, and the fact that the Indonesian army and police force have not acted in a responsible manner, thus aggravating and perpetuating the clashes between these groups.

The petitioners call on parliament to appeal to the Indonesian government to protect its citizens without regard to their religion and ethnicity and to bring justice to those who have perpetuated the atrocities in Ambon.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. McClelland): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—HUMAN RESOURCES DEVELOPMENT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance) moved:

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That this House call for the establishment of an independent commission of inquiry into the mismanagement of grants and contributions in the Department of Human Resources Development, and into any attempts to control the disclosure of this mismanagement to the public.

She said: Mr. Speaker, I am not entirely happy that this motion had to be brought forward today. I would have hoped after all these weeks that the government would have been able to provide clear and satisfactory answers to the very difficult and troubling situation in the human resources department, the largest department of government. The department handles huge amounts of public money, up to \$60 billion a year. It handles by far the most public money of any department. It is a department which is more focused than almost any other on meeting the needs of Canadians in theory and in principle, but unfortunately not in deed.

Our motion today calls for the establishment of an independent inquiry into the mismanagement of grants and contributions by this department and also, unfortunately and sadly, attempts to control the disclosure of this mismanagement to the public.

We first called for an independent inquiry on February 8 in a letter from the Leader of the Official Opposition to the Auditor General of Canada. Since then there have been repeated calls from the opposition and the public for an independent inquiry, as very troubling discrepancies and lack of full disclosure continued to surface.

There are three reasons we believe an independent inquiry is necessary. The first reason is that enormous public interests are at stake. The grants and contributions program in HRDC spends over \$3 billion a year. That is \$3 billion which is hard earned by Canadians and taken from their pockets by the government. That is \$3 billion which could be spent on a variety of initiatives that are of importance to Canadians, including health care, but this money is not spent on those types of things. That \$3 billion really represents the tip of the iceberg because almost every other government department has grants and contributions spending totalling over \$13 billion each and every year. That is \$13 billion which is not available to Canadians for other priorities.

This is not a small matter when it comes to the public interest. An independent inquiry is very necessary if the public interest is not being well served by the grants and contributions management and programs.

The second reason we believe there needs to be an independent inquiry is to restore trust in parliament and in the institutions of government.

• (1025)

Even the Liberal surveys are now showing that government mismanagement of public money is looming large in the public concern. There has been a serious and troubling erosion of the public's trust and confidence in the way their money, their affairs and their interests are being managed and looked after by the

Supply

government, and, by extension, all of us in the House of Commons who were elected to serve the public, to manage their affairs and to act in their best interests. The public is clearly questioning, and rightly so, whether their interests are being protected, cared for and looked after. They have a right to have their questions laid to rest.

The third reason we believe an independent inquiry is needed is because there is a long and unfortunately growing list of fundamental unanswered questions and discrepancies without full disclosure of relevant information. To be blunt, there is an information management strategy on the part of government to withhold, to cover and to keep full information and full disclosure about the situation not only from members of the House, but the public. There have been many examples and instances of that.

I could give a very full and comprehensive history of what has happened in HRDC. Unfortunately, my time does not allow it. However, my colleagues and others in the opposition will be bringing forward many of those concerns today.

In the time I have, I would like to focus on the withholding of very basic information about the mismanagement of grants and contributions in HRDC and why that is so troubling. I would like to emphasize that the audit which uncovered this terrible situation had the most damning rundown of statistics about the lack of controls and safeguards on the spending of public money in that department.

To name two figures: in 80% of the projects files there was no financial tracking of public money released into the hands of grant recipients; in 87% of the files there was no supervision of the projects. Any auditor or any common sense person would tell us that when there is no oversight, no controls, no safeguards, no supervision of the way money is spent, the potential and the actual likelihood of fraud, abuse and misspending is very high. There have been many instances which have come to light, in spite of the choke hold the government has placed on access to information requests and other documents, to show that this is in fact what happened.

This audit has not been a new phenomenon. On June 14 the interim audit results were presented to the department.

The Acting Speaker (Mr. McClelland): Did the hon. member for Calgary—Nose Hill indicate that she was splitting her time? I do not recall. If so, I need to give her a two minute warning.

Mrs. Diane Ablonczy: I am in fact splitting my time with the member for Kelowna.

• (1030)

This audit first came to light on June 14. Although it was an interim result, it was obviously very explosive. The deputy minister herself wrote to the minister some weeks later saying that since the interim audit results were released in June there had been very

vigorous efforts to come up with some kind of a plan to deal with this. That has been confirmed by the deputy minister herself.

On June 14 the time bomb started ticking. By July 14, a month later, there was a proposed action plan. On July 19 briefing notes were e-mailed to all HRDC managers. On July 27 and 28 there was a two day meeting of 40 top HRDC officials.

The present minister was sworn in on August 3. On August 9 she asked for a briefing but she said, and I commend her for this, "I do not want to know all about the nuts and bolts of this department. I want to know what the hot issues are, what balls are in the air, what the key difficulties are". That was on August 9. She claims in spite of that she knew nothing about this audit until November 17. She waited for two further months before she breathed a word of this to the public and did so only two days after we put in an access request for this audit.

This circumstance alone demonstrates to members of parliament and to the public that there is a culture and attitude of cover-up, of hiding, of denying problems and of whitewashing that cannot be allowed to stand. I urge members of the House for the sake of the public and for the sake of the integrity of our system and our parliament to support this motion to establish an independent inquiry into this matter.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I do not wish to take up too much of question and comment period because I would prefer to hear what the hon. member has to say. I know that she has extensive experience on the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, on which I have also sat for a number of years.

What I find interesting in this whole situation is that, since the crisis first hit, there has been one piece of evidence after another of the need to get to the bottom of things. I am not saying that everything that has been done is deserving of criticism, but there is no doubt that we must get to the bottom of this, because the Canadian public has completely lost faith in the present and previous ministers and in the process itself.

Could the member enlighten us a bit on what she thinks of the fact that, after engaging in a partisan spending operation, the government is now carrying out a cover-up operation designed—this is the only reason I can see—to get ready for the next election. This strikes me as a very bad decision, given public opinion.

Could the hon. member please elaborate on this?

[English]

Mrs. Diane Ablonczy: Mr. Speaker, one of the very interesting circumstances is the unity of the four opposition parties in this

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whole matter. This matter is not one in which partisanship has played a big role. It is one in which reasonable, thoughtful and professional representatives of the people have grown increasingly uneasy, then alarmed, and then outraged at the non-answers in dealing with the HRDC grants and contributions audit file.

I could go on for at least an hour on the unanswered questions, the instances where the minister's story has changed, the times where undated documents have come forward out of thin air when the minister has been in a tight corner unable to explain some of the dealings with public money that took place under her watch.

• (1035)

One instance is the Modes Conili grant where three-quarters of a million dollars was given at the behest of a Liberal member. That Liberal member then got \$7,000 for her election war chest. That three-quarters of a million dollars created not one new job. It was simply given to a company which hired all the workers from another company. It was the most transparent shift of workers from company A to company B greased with three-quarters of a million of our dollars.

When the minister was asked about it, she went through four stages. She asked what we were complaining about, that people are working. Then when it came out that no new jobs were created, that it was simply a shift of workers, she said, "I did not say that jobs were created. I just said people had applied and they were working". Then it came out that this had been questioned and that an internal investigation had been done. The minister then said, "Oh well, the investigation said that there was no problem with this", but then she refused to release the documents of the investigation to the House. If the documents cleared the situation, why were the documents never tabled? They were hidden. They have been withheld to this day. Then finally the minister said, "The RCMP have been called in. Now there is going to be an investigation".

That is only one instance of the outrageous lack of transparency and credibility the minister has shown.

This is my opinion only but I believe the best way to get to the bottom of this is by an all party committee of the House, the same number of members of parliament from each party, delegated to look into this matter with full authority to look at any and all documents they consider relevant. I suggest that it be MPs because we are accountable to the people of Canada. This is what we have been hired to do, to look after their interests. The same number from each party would mean that no party would dominate, partisanship would not carry the day. It would be done right in the public eye because we are in the public eye. The sooner we get on with that job, the better.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, I want to thank the hon. member who preceded me. She

laid the groundwork and foundation for the reason a public inquiry is needed.

This issue involves virtually every Canadian. It involves every member of parliament. It is an indictment not only of the minister of HRDC, but the Prime Minister and every other member of the governing party in the House today. By reflection, there is an indication, almost a draining over to any politician which makes us look as though we are all like that. I want to make it abundantly clear that we are not all like that. One of the reasons we want this inquiry is to be sure that the public understands clearly what it is the minister did not do.

We have to ask ourselves why the inquiry is needed. I would like to put it this way. The minister was supposed to respond in a way that was courteous and helpful, to provide service to her clients and to give a clear accounting to the taxpayers for the money that she or her department dispensed.

What did she do? She bent the rules and generally administered in a manner that was in no way accountable to the taxpayers. That means her work was pointless. Her work was supposed to be accountable to the people and it was pointless. When people do pointless work, the production of whatever it is that is produced is pointless. In the dictionary that is known as a boondoggle. That is what there is in this particular department.

The hon. member indicated what the audit found on the first instance. The auditor general then made a concluding statement. He observed that there had not been proper financial monitoring and there had not been an application of clear and transparent reporting to parliament. Because of that the auditor general said on March 23, 2000:

Large amounts of public funds were spent without the appropriate controls, making it difficult to know whether the funds were used as intended, spent wisely and produced the desired results.

• (1040)

At this point I cannot help but read into the record some of the examples of what has happened. I have before me 28 examples. We do not have time to go into each of them. We will only go into three of them.

One example is very interesting. Harding Carpets in Brantford, Ontario received over \$400,000 in job creation grants in 1997-98 and went bankrupt in 1998. Did this produce the desired result? Clearly not. The jobs that were created, if any were created, were of very short duration and today the company is bankrupt.

There are two other examples. The first has to do with 80% of a \$1.6 million job creation grant that is in support of a project to revitalize the riverfront in the Deputy Prime Minister's riding of Windsor West. Actually 80% of that money is being spent on materials. It is supposed to be a job creation contribution. It is not for materials in the first instance, yet well over half, in fact 80%

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which is four-fifths, is being spent on materials. It is mismanagement and misapplication of funds.

The hon. member referred to the MP for Ahuntsic in Montreal who received \$7,000 in campaign contributions in 1997 from a clothing company called Modes Conili for which she had helped secure \$719,850 in transitional jobs fund grants. She gave it the grant and two months later she received a \$7,000 contribution for her campaign. We begin to wonder. The hon. member pointed out that no new jobs were created. In fact it was a transfer of existing jobs from an existing company into a new company that had just been created.

Those are three examples of why we believe a public inquiry should take place. It is so we all know what really happened.

As a consequence, treasury board has come up with a new set of guidelines. I said new guidelines but actually if we read the document, they are not new guidelines at all; they are a revision of existing guidelines. I would like to read a couple of the headings and a few descriptions of what the revised guidelines say.

There has to be effective management practices. This means due diligence to ensure assistance is approved only for eligible recipients and that payment is made only once all the required terms and conditions have been met. It shall be a results based management and what is the first word? Robust. A robust results based accountability framework must be provided when seeking treasury board approval of program terms and conditions including program objectives and expected results, performance indicators and milestones.

The spending shall be responsible which means increased transparency. The assessment criteria used to assess recipient eligibility and entitlement must be determined in advance, communicated to the public and applied consistently.

There shall be effective control. What does this mean? According to treasury board it means a more rigorous review of the proposed terms and conditions of grant and contribution programs will be undertaken by treasury board secretariat prior to submission to treasury board.

Those are beautifully revised guidelines. Very similar guidelines already existed while the minister was running the department and she did not use those guidelines. She bent those guidelines. The question is will she bend these guidelines or will she observe them? The issue is not whether they are good guidelines. These guidelines are good ones. The issue is whether they are being observed and practised. That becomes the issue. That is where the accountability has to be registered.

We need to recognize very clearly that some very serious questions have been raised on the performance of the minister. This has caused the treasury board to begin to react. It is a reflection not only on the operations of HRDC but also on the operations of the treasury board and the Prime Minister.

• (1045)

What did the official opposition have to say when it presented its report and responded to the report of the committee? It is very worth while to look at some of its 14 recommendations. I certainly do not have time to go into all of them, but I do wish to deal with a couple of them that primarily concern political interference.

When the committee reviewed all these grants and contributions it discovered that there had been direct and implied political interference in the granting of some of the contributions. The official opposition has shown that the number of project approvals and the amounts approved rose sharply at election time.

Lo and behold, could it possibly be true that the number of contributions made to the various communities had something to do with an election? They happened to go to ridings where the elected MPs were Liberals and part of the present government. Could it possibly be? That is exactly what we discovered and that is what the committee discovered.

We do not have time to get into all the other things, but I should like to refer to a speech made just recently by the Prime Minister in Europe. I will read a few sentences. He said:

One of the challenges all countries must grapple with is ensuring that all children get a good start in life and that families are given the support they need for the healthy development of their children, so that they are ready to learn and to seize opportunity later in life. Some argue that large, across-the-board tax cuts are sufficient. The Government of Canada has chosen a different path. While parents and families have the primary role in raising children, governments have a responsibility to ensure that the necessary supports are also in place.

He went on to talk about the child benefit program. The big point here is not economics. There is a totally different issue at stake here: the integrity of people, the character of individuals. We need to develop character so that people live by principles which clearly differentiate between that which is right and that which is wrong. What the minister has done reflects that it is not right to do the kinds of things he is doing. Therefore I should like now to amend the motion that was just presented. I would move:

That the motion be amended by adding after the word "public" the words "and that the Commission be required to lay before the House of Commons a final report no later than December 11, 2000".

The Acting Speaker (Mr. McClelland): The amendment is in order. Debate is on the amendment.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened with some interest to what the member opposite was saying. On behalf of the constituents of Waterloo—Wellington, and indeed other Canadians to whom I have talked over the course of this discussion, I wanted to say that whenever members opposite, and more to the point, the reformed alliance people, run out of

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steam on an issue such as this one, it seems to me that one of their last tricks is to call for a public inquiry.

What they have done over the course of time on this very important debate is quite shameful. They have repeated the nonsense about a billion dollars missing and the business about a boondoggle, which is totally groundless, totally false, totally inaccurate and totally without base. They have continued to repeat that mantra in the most egregious fashion.

• (1050)

What I find objectionable is that they are not even big enough to admit that they were wrong. What they try to do now is to spin it out. The member for Calgary—Nose Hill, with her 15 seconds of fame in the whole issue, wants to keep spinning it out and is in the process of doing a job on the whole grants and contributions business that is inconsistent with what the regions, the provinces and the communities of this great country want.

I want to ask a question of the member opposite who just spoke. Why is it that in your usual extremist fashion, which is always consistent with the reformed alliance position, you cannot be big enough to admit that you were wrong and that you should apologize to the Canadian people?

The Acting Speaker (Mr. McClelland): Order, please. Members know that it is not necessarily just the custom but is obligatory to address each other through the Chair. It exists for a specific reason. I think this question indicates the necessity of addressing each other through the Chair. With that admonishment, we will go to the hon. member for Kelowna.

Mr. Werner Schmidt: Mr. Speaker, I believe the evidence speaks for itself. We have absolutely nothing to apologize for as far as the management style of members of this party are concerned. The hon. member for Calgary—Nose Hill has done her homework well. She has been very thorough in her study and in her analysis of what has happened.

The hon. member opposite suggested that as a last trick we resorted to the request for a public inquiry. As a matter of fact an independent inquiry was asked for as early as February 8, 2000. It is anything but a last minute affair. The hon. member needs to know that what has happened here is that the minister thumbed her nose at parliament and said members of the House do not matter and that the people of Canada do not matter. The real issue is that the hon. minister should have been given permission to resign her position and her portfolio.

The minister in charge is actually protecting the Prime Minister. A lot of it points to the Prime Minister because he is responsible for what his ministers are doing. If his ministers are not doing what treasury board and the Prime Minister say the guidelines should be, and if he does not permit the minister to admit that she was wrong

and will either change her ways or resign her portfolio, he is the one who is to blame.

The hon. member opposite should recognize that before he makes blatant statements on extremism he should look in the mirror and ask who is extreme.

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I will be splitting my time with the member for Peterborough. I am very happy to have the chance to take part in this debate because I would like to help set the record straight.

For almost five months now, the House has witnessed the same old story being trotted out almost on a daily basis by the opposition. The government has been subjected to all kinds of hearsay and all kinds of claims. I would like to ask the House to step back and take a look at the reality.

The motion before us calls for an inquiry into grants and contributions at Human Resources Development Canada. The first reality is that the issue of grants and contributions has already been subject to an inquiry, that is an examination by the House through its Standing Committee on Human Resources Development.

• (1055)

The committee has spent almost four months on this project, day after day, and just last Thursday tabled its report with its recommendations. The government will respond to that report within the 150 days provided by the rules. That is the first inquiry.

The second reality is that the issue continues to be thoroughly examined by the auditor general, an independent officer of parliament. The auditor general has promised to report to parliament in the fall. That is the second inquiry into this situation.

The third reality is that it has been examined by treasury board and by independent private sector firms. As a result, the President of the Treasury Board announced the implementation of a revised policy on grants and contributions, strengthening the management of public spending.

From three separate angles the public interest is being protected by parliamentarians, by the auditor general and by the officials of treasury board measuring all spending against their strengthened guidelines.

We would not have had this issue if not for the fact that the government is always looking for ways to do a better job. That is why HRDC, like other departments, does internal audits looking for opportunities to improve what it does and how it does it. Last year one of those audits focused on the management of grants and contributions. We all know what it said, but I will repeat it because the opposition seems to be incapable of remembering a few simple facts.

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The audit found paperwork missing, not money but paperwork. It found this fact to be far too common across the department. Paperwork matters, particularly when it relates to ensuring accountability for the proper spending of Canadians' money. The department appreciated this and put together a number of steps to respond. When it took those steps to the minister, she said they were not strong enough and asked for a stronger response to ensure full accountability to Canadians. The department understood the priorities the minister placed on the matter and brought forward a six point action plan that the minister announced on January 19.

From one end of Canada to the other, HRDC staff began by reviewing the 461 files covered by the audit. Then they reviewed 17,000 active files and made sure they were all in line with the new guidelines of the six point plan. The result of this file by file review was that out of \$1.5 billion in projects, \$6,500 is still left as overpayments to be recovered. That is only a fraction of 1%. The department did not just look at the projects already in place. It put in place new conditions to make sure that every payment meets all the financial and administrative requirements before it goes out.

HRDC also set about to train staff on the new guidelines and to make the new expectations clear. That training has reached about 3,000 employees across Canada. There has been accountability for the action plan. The minister has already released a progress report as she promised. There is a special team in place to track performance. The minister has already told the House on various occasions that the auditor general and others would carry out their own reviews.

The department wanted to get the best advice on making the action plan a success, and that is why it worked with the auditor general, Price Waterhouse, the private sector blue ribbon committee, the Standards Advisory Board of the Comptroller General, and Deloitte & Touche. The minister said the department would report to Canadians and to parliamentarians regularly. Even the most meanspirited critic would have to say that commitment has been met.

Has there ever been an issue in parliament where the information has been more open and transparent than this one? Let us take access to information requests. In the year 1998-99 HRDC got 531 access to information requests. In 1999-2000 that jumped to 1,073 or twice the volume of the previous year. Fully half of those requests came in the last 10 weeks of the fiscal year. It is not surprising that as a result HRDC released almost 115,000 pages of documentation under access to information.

A researcher in the office of the Leader of the Opposition told CPAC that the department had one of the best access to information offices in Ottawa. He is not the only one who believes that to be true. The information commissioner has also cited HRDC as an example of a department that takes its access obligations seriously. Those accolades make sense because this is the minister who put

more than 10,000 pages of detail on specific grants and contribution projects onto the Internet. All that transparency is a far cry from the histrionics and wailing that goes on among the opposition about information.

• (1100)

To summarize, a substantial set of reviews of the work of HRDC on grants and contributions are already taking place. HRDC is working hard to meet the avalanche of access requests. Reporting to Canadians on the progress of the action plan is taking place on a regular basis.

All that adds up to a clear and sincere commitment to give Canadians the facts about grants and contributions and a determined effort to get the management of these programs up to the level where it ought to be.

Is this just about paper? Of course not. It is about accountability. It is also about continuing the effectiveness of some very special programs and services. We believe grants and contributions are useful ways to put some taxpayers' money to work in partnerships; that is, to leverage it to get better results for Canadians.

I am proud to stand up and defend programs that build partnerships with other governments, with community agencies and with many other groups in our society to get some important work done, work that Canadians want their government to do.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the parliamentary secretary does a manful job of trying to whitewash this situation. I commend her for carrying out her duties so diligently. Unfortunately, she is not able to cover many of the unanswered questions and concerns that have been raised on this whole issue.

One of the more troubling aspects of the grants and contributions mismanagement is that new information and instances of questionable administration and dealings in the department keep coming up day after day. We do not even have to go back and revisit some of the issues that have not been resolved in past weeks because something new comes up each week. Yesterday, a briefing of the minister came to light where the minister apparently asked her officials to brief her on hot issues. We knew that the audit was a hot issue at the time yet the minister claimed that her officials did not bother to tell her about it and that was okay with her.

A direct request from the minister was completely disrespected by the officials and the minister says "I asked for hot issues. This was a hot issue and they did not mention it, but that is appropriate. I did not need to know. My leadership was not important even though there was a ticking time bomb". That happened just yesterday. I could go back on all the days where the most

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incredible, outrageous circumstances came to light that were completely unanswered by the government or the answer was absolutely ridiculous.

How can the parliamentary secretary explain the fact that access to information requests to this department are now not given to the opposition within the 30 days required by law? They are routinely—

The Acting Speaker (Mr. McClelland): I must interrupt the hon. member. The hon. Parliamentary Secretary to the Minister of Human Resources Development.

Ms. Bonnie Brown: Mr. Speaker, starting with the end of the member's question first, one of the reasons that it is becoming almost impossible to get access to information requests out within 30 days is because of the avalanche of requests that are coming forward. We do not know exactly where these are coming from, but from the tone of some of the requests one could guess that many of them are coming forward from the opposition.

• (1105)

Why is that? Does the opposition want to look forward? Does the opposition want to take advantage of the new accountability measures around spending on grants and contributions? No. The opposition is focused, as usual, backwards, looking back into the past.

I am really glad the member described what was bothering her which came out in the news yesterday. It gives Canadians the opportunity to see what went on in the committee. While members on the government side were trying to fix this particular situation so it would never happen again, the members of the opposition were acting like children in a schoolyard wondering who said what to whom and who was at what meeting. It was like the gossip capital of the world. It did no one any good as far as making sure that Canadian tax dollars are well spent and invested in Canadians, as they are supposed to be.

This whole thing about who did what to whom, on what day and what day a memo was sent is just so wasteful. In a way it sort of dirties up the whole process.

I have been accused of whitewashing. I am trying to state the facts as I know them in a clear way and keep my vision on the future as to how to make things work better for Canadians. I am not obsessed with looking backwards. If that is considered to be a whitewash, then so be it.

I think Canadians want to march toward hope. They want to know that their government members are working hard on their behalf to make sure things work out well with their tax dollars. That is exactly what we are doing and we are being assisted by the auditor general.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am delighted to join in the debate this morning, although I have to say that I regret that I have to do so.

Today the House of Commons will be spending a full day of activity considering a motion that there should be a full public inquiry into the grants and contributions matter at HRDC when only last week the largest standing committee in the House of Commons tabled a report in the House based on hearings begun in January.

I do not think it would be possible for the House to conduct more open and full public hearings for four or five months than has taken place on this matter.

Responding, for example, to opposition requests, virtually every one of those public hearings, only in the sense, as are all our committees, that records were kept and published, but they were also televised and run on several occasions in real time on more than two channels, in every case run more than once following the closing of the House of Commons itself, and ran a full four or five months of public inquiry.

I would say that the vast majority of witnesses who appeared before that committee, and given the time constraints we certainly met with many witnesses from various parts of the country, were there at the request of the opposition members of the committee. All parties were able to submit lists. We went through as many of those lists as was possible. The majority of people were opposition witnesses.

Going back to this public inquiry that we have just finished, I have to say that it attracted an enormous amount of public attention. I cannot imagine a public inquiry that could have received more coverage on the front page of newspapers, on the editorial pages of newspapers, as the first issue in television and radio newscasts and so on.

Here we are debating whether there should be a full and independent inquiry on something which is very important, but to which parliament has already allocated an enormous amount of time.

In one way today's motion can be looked at, and people watching this debate can say "Oh yes, they are looking for a full and public inquiry into another of these great big government departments". By the way, I am one who is of the view that HRDC unfortunately, now we can tell after some years, is too large and too diverse. However, this debate is not about that.

• (1110)

This \$1.3 billion worth of grants and contributions goes out to thousands of individuals and organizations who work in all our communities. These are organizations that are devoted to literacy at the community level and to the full inclusion of disabled persons in our society. These are organizations that are involved with the

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training and retraining of people in the workforce, young people, older workers, disabled people and so on. These are groups that help to rehabilitate persons who have been released from prison and help get them back into the workforce. These are the sorts of things we are actually debating today.

We are not debating a full public inquiry into a very large government department. That inquiry has just been completed.

Witness after witness in the full public hearings that we held warned us. By the way, these were not simply social do-gooders or people like that. They were people who understood the importance of the proper management of files and money. Knowing needs of the organizations I have just tried to describe, they warned us about overcompensation.

The expression overcompensation kept recurring. What they meant by that was that we should, by all means, get fully to the bottom of the serious mismanagement of those files, but that we should also put in place better systems for the future to ensure that the organizations, which, in partnership with other areas of funding support, depend on this type of funding, are not put at risk.

One of the large national organizations for rehabilitation which deals with the rights of disabled people told us that it was close to being bankrupt, not because it depended entirely on the federal purse but that the federal contributions that it received allowed it to go out and get matching funds elsewhere. The reason its funds are not flowing at this time is not that there is something wrong with its file, but that there is so much concern in HRDC about these inquiries, which have been going on for five months, that overcare is being taken and the funds are not flowing.

When these inquiries began in January and February, as soon as I possibly could I arranged for the full list of HRDC grants and contributions in my riding to be published in our main daily newspaper and in our main bi-weekly newspaper. I have to say that once I did that, my phone stopped ringing on this issue. It was not that the people in my riding were not concerned about HRDC moneys being properly managed. It was not that at all. They knew that we were engaging in a very full and public inquiry.

Once those people saw which organizations we were dealing with, such as the Trent Valley Literacy Association, the Housing Resource Centre and the Emergency Preparedness Organization in Peterborough which watches out for future problems like the ice storm, they said to themselves that, yes, there was improper handling of these government files but that they would wait to see what the House of Commons would do about it. In the meantime, they knew that these were not the sorts of organizations that would rip off the taxpayers of Canada.

I would suggest that while we go through what I believe is a wasted day of debate—and, yes, it is right that we look at federal departments all the time—that today's debate is about those

organizations that deal with things such as literacy, apprenticeship, pre-apprenticeship, employment programs, entrepreneurial programs and things of that type.

I want to point out to hon. members that the full public inquiry completed last week tabled a report which I have here. It contains 30 detailed recommendations dealing with what the department is doing, what the department should do with respect to grants and contributions and what Treasury Board is doing.

• (1115)

I am glad to see that treasury board has already released new guidelines for across the federal system on grants and contributions and on what should be done. The committee looks forward to the auditor general's report, another report which my colleague just mentioned, which will be coming out in a few months.

The committee itself is committed to revisiting this issue. We have recommendations which suggest that the system can be improved, that the tracking of grants can be more effectively carried out without slowing or reducing the flexibility at the grassroots where we are dealing with thousands of small organizations.

We suggest the idea of an advisory committee in the ridings, which would be comprised of citizens who would deal with the larger grants, where the grants deal with the private sector. We think that would help.

We have suggestions with respect to third party accountability. Remember, the federal government delivers these grants, in some cases with provincial governments and in some cases with not for profit organizations. There are various partners. Those partners have to be accountable, as well as the federal government, and we have recommendations for that.

We are glad that HRDC has completed its review of the active files and will now proceed to deal with the closed files.

This is about HRDC, yes, but much more significantly it is about human resources development in a real sense; how we develop the fantastic human resources of 30 million Canadians. I oppose the idea of yet another review of this matter. As the chair of the committee, along with my colleagues on the committee, I commit myself to following through on the report which the committee has tabled in the most thorough fashion.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am somewhat surprised to hear the chair of the standing committee on human resources development intervene in this debate today when last week he was boasting about chairing the committee and remaining neutral.

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I think by speaking today that he is proving the need for an independent public inquiry. The member chairs the standing committee on human resources development. Today he rises in the House and defends the position of the government. I think he is in conflict with himself. I want him to know as well why I think an independent inquiry is necessary.

Is it not true that all the witnesses called, who were involved in the matter of the use of funds for partisan purposes, were rejected out of hand by the committee, by the majority, and not heard?

Does he consider it relevant to leave Human Resources Development Canada employees in the very awkward situation of not being exonerated? It was not the officials who misused public funds during the electoral period. It was the MPs, the Liberal candidates, the ministers and the Prime Minister who initiated a system to use funds for partisan purposes.

Does this situation not warrant an independent public inquiry so we may finally know just why the government is systematically hiding the situation?

I heard the member's words. He said "This has to be the last inquiry. It has to be settled here and we have to stop talking about it". That is not what the people are saying at home. They are saying that this whole issue must be studied in depth, because otherwise, the next election will be like the last, and elections will continue to be won with public money. What does the hon. member say to that?

[*English*]

Mr. Peter Adams: Mr. Speaker, I appreciate that the member opposite is a very devoted and hard-working member of our committee.

The report I am referring to, and I would say this to anyone watching, is the report of the majority. At the back of the report there are four different dissenting reports. It is the importance of this report which encouraged me to stand today. The purpose is not to close down discussion, but to continue proper discussion to carry through with the committee process which we just finished.

• (1120)

Our standing committee met for four or five months. Its report, after all that time, would be washed aside with the calling for an independent review.

We could spend today debating whether there should be an independent review before the report has been fully digested by HRDC and before the House of Commons has seen what sort of response there is to it, but that would not be fair to the committee process and the work which I do as chair. I do my best to be an independent chair. I am not some sort of political eunuch. I am here

to defend the committee process. I am not here to say that we will not talk about this issue any more, but that things are in progress. The committee itself should revisit this issue.

This is a waste of the time of the House today and it would be a waste of the resources of the House of Commons to conduct yet another independent inquiry.

With respect to the HRDC employees, we called as many witnesses as we could. The vast majority were on the opposition lists. If I might say, personally, I have great concern for the stress which frontline, devoted HRDC employees in our communities have already experienced during the public hearings. That is one of the reasons I do not think we need another independent review. We should follow through fully with this process.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am very pleased to speak today on the motion presented by the hon. member of the Canadian Alliance. I will repeat it so that people will be clear on what we are debating.

This is a call for the establishment of an independent commission of inquiry into the mismanagement of grants and contributions in the Department of Human Resources Development, and into any attempts to control the disclosure of this mismanagement to the public, with a report by December 2000.

Mr. Speaker, before I continue, I would like to inform you that I will be sharing my time with the hon. member for Frontenac—Mé-gantic.

Why do we have a call today for an independent inquiry? The Bloc Québécois called for one back on March 21, 2000, and this motion was voted on in the House. Since then, we have come to realize that this public and independent inquiry is still being called for, in both the interim report of the standing committee on HRD and in its final report. The position remains unchanged.

Why are the opposition parties not satisfied with what has been done to date? Because the government has systematically hidden behind the committee in order to avoid having to get to the bottom of the main issue, that is the use of funds for partisan purposes.

The conclusion of the departmental internal audit was that the Minister of Human Resources Development had totally lost control over all of her department's grants and contributions programs. There is talk of \$1 billion in public funds over which the government could no longer give assurance that it had control.

The administrative causes of this situation were sought out and certain conclusions were reached. But there is another side to the analysis that was not done by the government, and that is to know

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why it is that, during this time of loss of control, the political machinery, the partisan machinery of government, knew how to take full advantage of the money available.

There were several instances. First of all, we realized that, during the 1997 election campaign, a whole series of grants had suddenly been handed out, particularly in ridings the government wanted to win in the 1997 election.

During the campaign, 54% of the transitional job fund, a program that was supposed to extend over three years, was spent in Quebec. In Bloc Quebecois ridings, the figure was 63%. This means that ridings suddenly became very interesting because there was an opportunity to win them over in an election.

This is something that should be looked into so that it does not happen again in future.

After the interim report, the Placeteco affair hit the news. It involved \$1.2 million paid out by a bank in the absence of any invoices, and the government is still unable to produce invoices for us showing that payment was justified.

Then there was the case of Conili Star. The Bloc Quebecois brought this case to light and got to the bottom of it. This forced the government to take action, because, left to its own devices, it would have done nothing in this case either.

• (1125)

There was also the case of the company that moved from the riding of Rosemont to the riding of Saint-Maurice, for no apparent reason. The opposition parties had to conduct investigations, as though they were the police, to sort all this out.

In the meantime, more than a dozen cases are being investigated by the RCMP, following information that came out in the House or was revealed by other sources. The government is still denying that it used funds for partisan purposes. What is more, it is denying the right to get to the bottom of what happened.

An election is in the offing. In a few months, we will have another election. If we end up with the same situation, if the federal government, the party in power, uses public funds for partisan purposes, it will debase our country's democracy. This strikes me as totally dangerous and unacceptable. This is why it is so important to get to the root of the issues on the table.

Two things need analyzing in this matter. There is the disastrous period when the new Minister for International Trade was the Minister of Human Resources Development, when there was a total lack of control over the use of funds. During that time, a lot of grants were handed out on the q.t. during the election.

Since the arrival of the new minister, operation "camouflage" has been in effect to cover the previous situation and because the

minister is trying to convince that she was the minister for several months without being responsible for anything, that when she came to the department no one informed her about the most important administrative activity in process, the internal audit, and that she did not learn of it until last November.

If the present minister had really assumed her responsibilities, we would not be faced with the current situation. We would be having an independent and public inquiry. We could say "Things in the past were not right, certain behaviour was unacceptable, now we will correct the situation and return to the quality of our democratic life". In the end, this is the issue on the table.

I believe it is important for us to have this independent inquiry. It is important for us to have it as soon as possible. Since the parliamentary majority on the human resources development committee systematically arranged things so that the witnesses involved, the buddies of the regime, were not heard, those who were really connected with the use of funds for partisan purposes, the entire matter must be investigated thoroughly. That was not possible in committee.

It seems to me that, as long as there is no satisfactory appearance of justice, we must continue, as opposition parties, to call for a public inquiry. It is important to point out that this is not a partisan approach by one of the parties, but all the opposition parties together who share the belief that an independent public inquiry is called for.

There are some who have made different choices, some who would like to see job creation programs abolished, others who want to see them maintained. They may hold widely divergent social views, but all have joined together, with the same concern for honesty and justice, in order to expose to public view whether public funds have been properly used.

I believe that today's motion is highly appropriate in this connection. As long as we do not have the invoices from Placeteco, as long as we have not got to the bottom of other matters, as long as we do not have an accurate picture of the responsibility of the present minister, there is a large chunk of information missing. The public must know what is being done with their tax dollars.

It is one of parliament's responsibilities to be in a position to provide the answer to that question. An auditor general investigation is not the only way that this can be done, nor one by members of parliament. There is one part of this that concerns the role of members; they must be asked to evaluate themselves, to reach a judgment on their own behaviour.

Would there not be grounds for an independent public inquiry so that we may cast light on the role of members, and on whether or not they should continue to play that role? As far as the parliamentary majority is concerned, it did not say much on this in the report. There was much attention given to the administrative problem, but

it went along with a systematic avoidance of the political problem. As long as this matter has not been settled, we will have unfinished business on our hands, and this reflects badly on those who sit in this House.

There is the issue of the quality of public finances. There is the guarantee for voters that they have a government that can have opinions different from theirs. That is not a problem; they are all prepared to accept that.

• (1130)

What I find unacceptable is that the government is trying to pass the buck, as though everything has been resolved and now everything is back to normal. It is normal that politicians are using public money for partisan purposes. It is part of the system that the Prime Minister has set up and that he has used himself in the riding of Saint-Maurice to get himself elected.

Whether we are federalists or sovereignists, left or right leaning, we do not have to put up with this kind of situation, because it basically undermines democracy. It is unacceptable in a country such as this.

I would like the Liberal members who considered the matter in the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, and others who saw the whole situation develop to ask themselves today, after several months have gone by: Is this not a situation where we should make up our mind to hold an independent public inquiry?

Would it not benefit both the government and the opposition parties? Would it not benefit all members of the House, all Quebecers and all Canadians to finally get to the bottom of this misuse of public money and especially this denial of democracy by the Liberals?

[English]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I listened with great interest to what my colleague had to say. I am concerned by his apparent disillusionment with the committee process.

I understand the opposition has a role to play. I understand that government members, people like myself, have a role to play. I do have some faith in the standing committees, but I have my own views on how they might be strengthened. When they have the benefit of the spotlight of the media and appear on television, I believe individual members of parliament and the committees can be very effective.

I referred the House to the report. I am interested in some of the opposition recommendations in it. What does the member think of recommendation No. 30 in the majority report?

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[Translation]

Mr. Paul Crête: Mr. Speaker, no, I am not denigrating the work of the committee, but I think it is incomplete. In committee, we analyzed the administrative problem in depth, but failed to analyze the political aspect of it, the aspect that was hurting the government, the aspect that revealed the Liberals had used public funds for partisan purposes. This is the aspect we failed to consider.

The report contained valuable recommendations, such as “It is time this department was managed like all the others”. The report said, among other things, that money should not be squandered at the end of the fiscal year simply because it would no longer be available in April or May. This kind of recommendation seems important to me.

But for the root of the problem, which we explained in our minority report—even if I proposed the dismantling of the department—as I have always said, an independent and public inquiry would be necessary. We continue the battle today, and the matter has been brought before the House, because the committee, with its government majority, has ignored the will of the people as expressed by the opposition parties.

This is why I want to get to the bottom of things. We are talking about the integrity of all parliamentarians in this country.

[English]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I should like to ask my colleague about the committee process. I recall a number of instances where the chair of the committee intervened to prevent questioning of witnesses, particularly the minister and the officials. I recall very limited time. We were given a few minutes each to ask questions so that no committee member could really get to the bottom of any issue. I recall documents requested which were not—

• (1135)

Mr. Peter Adams: Mr. Speaker, I rise on a point of order. It is out of order to discuss committee matters in the House of Commons because committees are masters of their own affairs. The reason for that is that it is impossible for someone like me, the chair of the committee, to debate the issue. The member is out of order.

The Acting Speaker (Mr. McClelland): That may well be, but the member has the opportunity to put her question.

Mrs. Diane Ablonczy: Mr. Speaker, that intervention was surprising from a member who spent his whole—

Mr. Peter Adams: Mr. Speaker, I rise on a point of order. The standing orders prevent the discussion of committee business in the

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House of Commons. I am not being awkward about this. I would be glad to debate it if you would so rule, but my understanding is that I cannot.

The Acting Speaker (Mr. McClelland): It is for the hon. member for Calgary—Nose Hill to put a question to the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques. In the course of debate things spill over from committee responsibilities back and forth. This is not the first time and it will not be the last time.

Mrs. Diane Ablonczy: Mr. Speaker, I find that intervention surprising—

Mr. Larry McCormick: Mr. Speaker, I rise on a point of order. The member should withdraw her comments about committee time. I have sat on that committee for six years, along with my hon. colleague, and the opposition always had its fair share and more.

The Acting Speaker (Mr. McClelland): I guess everyone has put their oar in the water and should feel that everything is even. The hon. member for Calgary—Nose Hill will please put her question.

Mrs. Diane Ablonczy: Mr. Speaker, the member for Peterborough spent his entire intervention talking about the committee. I am a little surprised that he would not want any questions mentioning the committee.

I recall information being withheld that committee members had requested. I recall very highly partisan reports coming from the Liberal majority. I recall the last committee meeting where we were expected to ask questions on a document that was not even provided to committee members by the minister until after the committee commenced. I recall the chairman of the committee cutting off—

The Acting Speaker (Mr. McClelland): I am sorry, but we are running out of time for this intervention. I ask the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques to respond to the question.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, we will not debate the committee itself, but I recall in particular the minister's reaction when she left for a press conference in order to comment on our report, which had come out at 10 a.m. At noon, she called a press conference, and all she could say was "I have not read the report". Two hours after it was released, and she had no comment on it.

I find this completely unacceptable, and the only explanation I can come up with is that either the minister is totally incompetent or this is a machiavellian exercise in camouflage.

From all that I have seen of the government's operation to date, I would lean toward the second solution. I think the government is indeed trying to hide an unacceptable situation, which an independent public inquiry would reveal.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, sometimes we have difficult situations to deal with as politicians.

When I agreed to run for a seat in this House, one of my friends showed me a magazine article reporting on a cross-Canada survey which asked people to rate the credibility of professionals and other workers. Politicians were close behind used car salesmen as far as public credibility was concerned.

• (1140)

Looking at what is going on in the House of Commons at the present time in connection with Human Resources Development Canada, it is easy to see why the credibility of elected representatives is dropping every day in the eyes of Quebecers and Canadians.

We in the Bloc Québécois support the Canadian Alliance, of course, in calling for a wholly independent inquiry so as to restore politicians' lost credibility. There is an unprecedented scandal going on within Human Resources Development Canada at the present time. Unfortunately for the minister, who has held the portfolio since last fall, it is up to her to undo the damage done by her two predecessors.

I would like to remind hon. members of what happened to Douglas Young, who represented Acadie—Bathurst in New Brunswick. He thumbed his nose at everybody. He was the Minister of Human Resources Development. He laughed right in the faces of the unemployed, those who were paying into employment insurance but could not even qualify. The electorate of Acadie—Bathurst taught him a good lesson, such a good one that he barely got 25% of the vote in the last election.

The member for Papineau—Saint-Denis who succeeded him literally devastated the Department of Human Resources Development, and shamelessly moreover. Scandals came out that had been hidden until then. He asked the Prime Minister for a change of portfolio and now the poor minister who took over from him has to defend her predecessor constantly. Again in this morning's *National Post*, we read that the minister must step down.

The Canadian Alliance is calling for an independent inquiry, with a report to be tabled in the House on December 11, 2000. Right now, the Prime Minister is considering a fall election. He could use this to duck the issue, and hold an election before the results of this scandal are known to the general public.

Nonetheless, I would like to remind the House of what is going on at HRDC. Let us go back to a few months before the June 2,

1997 election, when a Montrealer, Pierre Corbeil, was travelling all over the province visiting companies which had applied for transitional job funding. On many occasions, before grants were approved, he went fishing for funds for the Liberal Party of Canada for the June 2 election.

The contributions he received from companies were not \$100 or \$200 amounts, but more on the order of \$5,000, \$10,000, \$15,000, \$20,000 or \$25,000 in certain cases and, generally speaking, Pierre Corbeil demanded cash, not cheques. It is therefore not always possible to determine what he did with it. Did he tuck some away in his car? Did it change hands on the way to the Liberal Party office?

There is no denying that such situations are sad. It is for reasons such as these, the way in which Pierre Corbeil and the Liberal Party of Canada acted, that Canadians and Quebecers are increasingly losing faith in their elected officials. The minister is responsible today for allowing money to continue flying out the window by refusing to let us get to the bottom of this and to put an end to all this wrongdoing once and for all.

I am anxious to see what side the Liberals opposite will take this evening when they are asked to vote in favour of creating an independent commission of inquiry.

• (1145)

The scandals are not limited to Pierre Corbeil. They also concern the riding of Saint-Maurice, the Prime Minister's riding. There was this little trust company, as in the case of the Minister of Finance and his ships in a tax haven, that bought a golf course from a paper company for \$1. Shortly afterwards, it sold an infinitesimal part of this golf course for \$550,000. That is quite a figure for a bit of rough on a golf course. So this \$1 paid off handsomely, and only a fraction was sold.

The person who bought the bit of rough for \$550,000 received contracts from our federal government worth nothing less than \$6.4 million in the following months. Members will understand that this \$550,000 was very well invested by this client of the Prime Minister.

René Fugère earned over \$1 million as a lobbyist, even though he is not even registered. He is a friend of the Prime Minister.

Worse yet, public money was used to get Liberal candidates elected in the latest election. This was the case, among others, in the Quebec riding of Anjou—Rivière-des-Prairies, when the candidate chosen was the former head of the CEQ, a friend of Colonel Gaddafi, who visited him regularly to discover the directives he wanted to impose on Quebec and Canada.

This member that the CEQ lost to the Liberal Party of Canada obtained for his riding—although he was not yet a MP, as hon. members will recall—\$20 million for one riding alone, from the

transitional job fund. By far the majority of the recipients of these funds were very generous contributors to the Liberal Party of Canada. That is why I say that public funds were used to buy Anjou—Rivière-des-Prairies.

The riding of Saint-Maurice, the riding of the Prime Minister, got \$7.3 million just for re-electing him. Often these funds went to buddies, to party organizers, in the case of Placeteco particularly. Placeteco received \$1.2 million, of which \$1,020,000 was used to pay off an increasingly dubious debt to the National Bank. One job was created, with \$1.2 million. There was misappropriation of funds in this case.

There are no fewer than 13 RCMP investigations. We know how that will turn out. You know the solicitor general better than I. Thirteen RCMP investigations are currently under way, nearly all of them in the riding of Saint-Maurice. That is what “job creation” means in that riding. RCMP officers have to be imported in order to investigate misappropriation of funds and find out where the transitional job fund money went.

I would like to take a few minutes to refer to a few cases, such as the fact that unregistered lobbyist René Fugère got \$1 million. But since I see that my time is nearly up, I will say the following in closing: Please, Liberals, help us improve the credibility Ottawa politicians have with the electorate. That can start this evening with a vote to authorize an independent inquiry.

[English]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I listened with great interest to what my colleague had to say. I am very interested in the full report of the standing committee, the report of the majority and the four minority reports. The 30 recommendations are very serious attempts to deal with a very important and serious matter.

• (1150)

[Translation]

What does the hon. member think of recommendation No. 30, which reads: “The government should divide HRDC into several more homogeneous and focused structures” —

Mr. Antoine Dubé: Mr. Speaker, on a point of order. I was here when the member rose on a point of order to say that the House could not debate committee business. This same member raised the point again after his intervention. It seems to me that this is totally irrelevant.

[English]

The Acting Speaker (Mr. McClelland): No, the Chair ruled that the interventions were in order and that there was no problem. If it was in order for the member for Calgary—Nose Hill, certainly it would equally be in order for the member for Peterborough.

Supply

Mr. Peter Adams: Mr. Speaker, I point out that my concern was with discussing the business of committee, not the recommendation of reports which have been tabled in the House of Commons.

[*Translation*]

I simply want to ask the member what he thinks of recommendation No. 30.

Mr. Jean-Guy Chrétien: Mr. Speaker, as you know I have memorized all the recommendations. However, I fear I may confuse recommendation No. 30 with recommendation No. 31.

So that I do not get too muddled, I would like to point out to the chair of the human resources development committee that the Minister of Intergovernmental Affairs visited my riding a week and a half ago. I was very surprised to see, and I have to look into this more, that he was accompanied by the director general of Human Resources Development Canada in Thetford Mines.

Are Human Resources Development Canada personnel being politicized to the point of serving as political organizers or advance men or confidants of the Minister of Intergovernmental Affairs? This is called using the public service for partisan purposes.

You are bleeding the coffers of Human Resources Development Canada in order to get re-elected and now you are going to require the representatives of the department in each of Canada's regions to accompany Liberal candidates. This is a scandal. And we wonder—

The Acting Speaker (Mr. McClelland): I am sorry to interrupt the hon. member.

[*English*]

Mrs. Diane Ablonczy: Mr. Speaker, I am prepared to defer to the other questioners.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I was hanging on every word uttered by the member for Frontenac—Mégantic. He was going to present three or four cases, but unfortunately he ran out of time.

I would like to give him an opportunity to finish his speech and to speak about the three or four cases to which he wished to draw the House's attention.

Mr. Jean-Guy Chrétien: Mr. Speaker, in the riding of Saint-Maurice, many of the jobs created involve the RCMP, but these are temporary jobs for people who do not live in the riding; i.e. RCMP officers.

So, Groupe Force in the riding of Saint-Maurice apparently obtained \$1.5 million, and it is also under investigation. There is some extremely disgraceful misappropriation of money going on.

Modes Conili, \$720,000; its owners and the use actually made of the grant are being investigated. Is this related to hidden patronage?

• (1155)

This case, as is very well known, involves a Liberal from Cape Breton, Nova Scotia, who received a contribution of \$1.3 million for job creation, but things did not go very well. No real jobs were created.

In the Toronto area, the Community Alliance for Neighbourhood Development apparently obtained \$100,000 fraudulently. The figure may even be as high as \$1.15 million.

Elsewhere, in New Brunswick, Atlantic Furniture Manufacturing received \$280,000 and not only did the plant not create any jobs, but it did not even open its doors. It is an unbelievable fiasco, a misappropriation of public money.

The Acting Speaker (Mr. McClelland): I am sorry to interrupt the hon. member, but his time is up.

[*English*]

Before we go to the next intervention, I would like to compliment the translator. I know how difficult it is and the translation has been absolutely remarkable. I am talking about French to English. Thank you very much.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am very pleased to rise in the House today on behalf of the New Democratic Party as its spokesperson and critic for HRDC, to speak in support of the motion by the official opposition.

It has been rather a perplexing and ironic debate. The member for Peterborough has challenged other members that they should not be discussing the business of the committee and yet he himself raised recommendations from the HRDC committee. I do not see how we can debate this issue and the motion without getting into the business of the committee and the recommendations that have come out of that committee. I hope we can get on with the debate and deal with some of the very important questions that are before us.

Today's motion is very important because the four opposition parties have been united in their focus on what has become the central question in the HRDC scandal. On June 1 the four opposition parties issued a joint statement which reads, "We have no confidence in the government's response to the scandal at HRDC. Therefore today we reiterate our grave concerns and call for an independent public inquiry to investigate and report on the alleged partisan interference and wrongdoing in the awarding of HRDC grants and contributions. It is crucial to restore public confidence and only an independent public inquiry can accomplish this".

Supply

It is ironic that earlier today the chair of the committee, the hon. member for Peterborough, said that another public inquiry would be a waste of dollars. Another public inquiry implies that we have already had one. Certainly there have been committee hearings. Certainly we have heard some witnesses. But to characterize that as an independent public inquiry is doing a grave injustice to the whole idea of what an independent public inquiry is about and why we need to have one.

There have been weeks of hearings, committee meetings and questions in the House. Independent investigation work has been done by members in the opposition parties. The minister released 10,000 pages and volumes of information have come out. Despite all that, Canadians are still no closer to understanding what happened in the department, how decisions were made and how it is that today we have ended up with a dozen or more investigations that possibly could lead to criminal charges if there is found to be wrongdoing.

Canadians have not received answers to some very basic questions that have been put in the House of Commons as well as in the committee, as well as by the media day after day since we returned to the House in February.

• (1200)

That is why the opposition parties issued a joint statement. That is why the opposition parties, from day one, have called for an independent public inquiry. That is why today this motion is before us again. I believe it is actually the second opposition day motion on a public inquiry. Members from the Bloc also put forward a motion a couple of months ago.

It deserves some closer examination as to why the insistence or the pressure is still being kept up by those of us in opposition. Perhaps the government's line is that this is about playing politics. I beg to differ. This issue is about trying to restore confidence in public expenditures. It is about trying to restore confidence in public decision making. It is about trying to restore confidence in the way our parliament and the way our government work.

I should like to say at the outset that from the New Democratic Party's point of view we have always defended the purpose and intent of the kinds of programs now under investigation. In terms of the principle of what those programs stand for as far as job creation in areas of high unemployment and training people to sustain the local economy are concerned, those are things that we in the New Democratic Party have always supported. We do not take issue with them.

Historically we have been on record for many years since our inception as saying that there is a legitimate role for government to play in job creation, in youth training, in providing literacy programs and in all the things we have seen go on. However the issue is the way those programs have been managed and the fact that we have mounting evidence that funds have been used for political partisan purposes.

It is sad to note that the people who have taken the flack, the people who end up paying the cost of this mismanagement and of the political partisan use of these funds, are the very people these funds and programs are designed to help. That is the sad irony of what has taken place here.

From our point of view in the New Democratic Party we want a public inquiry to get at the truth, to restore a sense of balance and to say it is important that we look at each of those investigations and get answers. I was very interested to hear the exchange a few minutes earlier by my hon. colleague from the Bloc who was trying to put on record a few of the cases that have come up. There are so many it is impossible to detail them in a debate such as this one. We on the opposition side are all aware that we need a thorough examination of them.

Clearly the mandate and scope of the committee dominated by government members are completely inadequate and limited in ability to passively or even willingly take that job on. We in the NDP want a public inquiry precisely to get at the truth but also to restore confidence in these programs. I do not think that can be underestimated.

All members have commented on the point at one time or another that through the whole debate and the developments which have taken place the workers and staff people who actually deliver programs on the frontline in local HRDC offices have taken a beating. It is not just as a result of what has unfolded since February. They have taken a beating because they have suffered years and years of cutbacks in the public service, some 5,000 people alone in the Human Resources Development Department.

The issue of the undermining of the public sector workforce and the undermining of public services is a recipe that comes from the Liberal government. It is something that is contributing now to the very low morale and sense that this department is simply falling apart. It has lacked leadership. It has lacked accountability. It has lacked transparency. It has also suffered from very low morale.

• (1205)

Who would blame the people working in that department for feeling thoroughly cynical and depressed about all these goings on. They are still delivering the services yet have less and less resources to do so as a result of all the cutbacks.

We in the NDP see a very serious matter that needs to be addressed by the government. It must be taken up to restore confidence in this operation and the various things the department does. I am referring to increasing the staffing resources and recognizing that the people who deliver those programs do it with a sense of public interest, a sense of public mission.

Somehow we have to separate the function of government in carrying out operations and programs from a political culture that is so pervasive that we heard time and time again in committee

Supply

from various witnesses that the political atmosphere dictated everything else.

Today I think it is very important that we continue with this debate and continue to press for an independent public inquiry because there are critical questions that still must be addressed. There are issues on which we do not yet have answers. For example, as recently as June 5, reports are surfacing suggesting that the minister knew, possibly in October 1999, about the internal audit that was done of the transitional jobs fund and that those programs being mismanaged.

There are serious issues about when information was known and whether or not we are getting the full goods and the full answer on when it was that the minister or her staff were involved and had disclosure about the ongoing problems.

We still have continuing evidence that the transitional jobs fund was used as a slush fund. A 1998 independent review conducted by Ekos Research Associates suggested that transitional jobs fund grants were approved for political reasons.

A 1997 audit done by Consulting and Audit Canada, which examined 25 transitional jobs fund grants in Quebec and Atlantic Canada, warned that the fund was "political". In particular, in the awarding of a \$6 million grant to a tree planting project in New Brunswick, the firm reported:

Pressures on staff to expedite the approval process have come from the political level and commitments have been made that HRDC staff must then follow.

I am pulling this information from public documents and from some reviews which were done in previous years. This is now a matter of public record but the problem is they were never followed up. The systemic problems within this department in terms of the politicization of the process and the political interference are questions that we have to get answers on and questions that have never been addressed.

In my office we received information about the way grants were disbursed in the Kenora office in northern Ontario. There were allegations of political interference on the part of the current minister of Indian affairs who was previously the parliamentary secretary to HRDC. People who worked in that office said that they were very concerned about the partisan nature of how these grants and contributions were awarded.

Then we have the situation of Scotia Rainbow. In February the member for Bras d'Or—Cape Breton blew the whistle on the Scotia Rainbow allocation funds. She questioned how a \$750,000 grant approved to Scotia Rainbow, a company owned by a Liberal contributor, was increased in the same fiscal year to \$2 million. More than that, as a local member of parliament she was never approached to give concurrence to the transitional jobs fund beyond the initial \$750,000 in September 1998.

In fact the member for Bras d'Or—Cape Breton has now asked the auditor general to conduct a thorough review of Scotia Rainbow's applications and the grant from the transitional jobs fund. To add insult to injury, the organization went into receivership by defaulting on its obligations on a \$10 million loan from the Bank of Montreal.

• (1210)

Our member from Bras d'Or has raised this issue continually in the House of Commons and has been absolutely stonewalled by various ministers in the government in trying to get some straight-forward answers.

Other critical questions need to be addressed so I will continue with my list. Everybody has a list of questions they want to have answered. One of the questions we have that pertains to my own riding and the riding of the member for Winnipeg Centre is: Why is it that some of these funds were supposedly improved in areas of high unemployment when the unemployment rate was actually lower than the criteria? Why is it that for the minister's own riding funds were approved when its unemployment rate was lower than the criteria?

We suddenly heard about the existence of pockets. The government explained this practice with fuzzy, warm rules that pockets of unemployment—

Mr. Larry McCormick: A lot of money went into your riding.

Ms. Libby Davies: No. One transitional jobs fund went into Vancouver East just before the election when it was held by a Liberal member.

Why were all members of the House not aware of this loophole? Where did this rule come from? How was it applied across the country? Why in some areas like Vancouver East did the riding qualify under the pocket rule just prior to an election but after the election apparently did not qualify any longer?

Why did 49 of Canada's most profitable companies receive grants and contributions from HRDC, including all five of the big banks, Canadian Pacific, Loblaw's, Shell Canada, Investors Group, Fairfax Financial, Bombardier, Power Corporation, Onex Corporation and Southam. This is a who's who of corporate Canada.

It strikes me as ironic that major profitable corporations are receiving grants and contributions apparently without question and sometimes without adequate paperwork or follow-up. Why are we giving money to these hugely profitable corporations? Why are these public funds not being invested in local communities where real job development is taking place?

I remember a sock company, although I forget its name. The guy wanted to create a world monopoly in socks and put other sock

companies out of business. Why did that company get a transitional jobs fund? I do not know. I can only guess.

Mrs. Michelle Dockrill: Maybe he made a donation to the Liberals.

Ms. Libby Davies: My colleague says “Maybe he made a donation to the Liberals”. These are serious questions. In fact we in the NDP have called for a code of conduct. This is something we have included in our minority report. It is very important that there be transparency in the decision making process.

We do not object to members of parliament being involved in a process by signing off on a particular grant or contribution. A member of parliament should be involved. The question is: Are the rules being applied fairly, consistently and without an overriding political culture? That is where we have a problem.

We in the New Democratic Party have recommended to the government that the treasury board, in conjunction with the Auditor General of Canada, develop a code of conduct for all departments, not just HRDC, that award grants and contributions. We believe this code of conduct should incorporate transparency, disclosure, fairness and standard practices. That is something Canadians could agree with. Everyone in the House would agree that the same rules should apply for everybody. The government side should not be favoured because it is using the funds for partisan purposes to bolster its re-election efforts.

If we are genuine about wanting to invest in job creation, let us do it on an objective basis. Let us do it on a basis that we can all live by. Then Canadians could see where the funds are going, that they are being put to good use to create real jobs and not just a political slush fund.

• (1215)

Again I come back to the motion that is before us today and reiterate our support and our ongoing call for an independent inquiry, which we have called for from day one. We will continue to do that until there is accountability, until there are answers to the questions, some of which I gave today, many of which we have put in our report and many of which have been put at committee.

The last matter I want to speak to is the future of the department. The NDP, as well as Bloc members I think, agreed with the main report, with some reservations. Because there has been such a spotlight on the department, one of the things which came to light is that this massive department, which is the largest federal department, needs to have a further review in terms of its ongoing mandate and structure. I want to be very clear that we want to do that to restore the confidence in the programs that have been delivered and should be delivered. We do not want to use the people who work there as scapegoats, nor do we want to use them as a further reason for cutbacks or massive layoffs. For that reason we would support a further review.

Supply

We cannot escape what needs to be done in the House. There must be an independent public inquiry to really get to the bottom of what happened in the department. We will not rest until that happens.

[*Translation*]

The Acting Speaker (Ms. Thibeault): As several members wish to speak, I am going to ask members to limit themselves to one or two minutes for questions and comments.

[*English*]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Madam Speaker, I am grateful to have the opportunity to ask a question of the member for Vancouver East, who is a hard working member of our committee. However, first I wish to point out that my colleague must have sat at a different committee meeting than I. She mentioned that she heard people repeatedly talking about interference in the grants and contributions process. I would ask my colleague to table any evidence she has with respect to political interference, or interference of any kind.

This debate concerns having an independent public inquiry. I believe that my colleague is late on the issue. We had an inquiry and we heard witnesses from many walks of life.

Does my colleague not recognize the honest work and effort of the auditor general and his department? I do not believe we could get any person or department which would be more independent.

Ms. Libby Davies: Madam Speaker, in reply to my hon. colleague's question, when I mentioned the examples or evidence of political interference I was going by what I heard at committee. I read to members of the House reports from outside consulting firms, which brought forward information from the people they interviewed during their reviews, and they said there was political interference and they were concerned about it. Those documents have already been tabled.

I strongly believe that there are lots of other instances that we do not yet know about. I have an inkling about them, but we do not yet have the full evidence of what took place.

If the member is saying let us table the documents and get that information, then that is another reason I would say yes, let us have an inquiry to do that.

In terms of the auditor general, he has played a very good role. In fact, I was hugely concerned by what I heard at committee from the auditor general. He made it quite clear to members that for years and years he has made recommendations about changing procedures on how these disbursements are made and following up on problems within the department. Those recommendations were basically ignored.

Supply

The NDP is recommending that there be rules that are enforceable. How many more reports does the government have to get from the auditor general? He said that he has made reports since 1974 on these kinds of issues. Yes, we want enforceable rules.

[Translation]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Madam Speaker, I listened carefully to the NDP member. She supports the idea of a public inquiry, as we do.

I would like get her views on what criteria would ensure that such an inquiry is truly seen as an independent inquiry.

• (1220)

There have been so-called public inquiries in the past, but it was the government that appointed those in charge of these inquiries. How does the hon. member think that the members, the commissioners on the board of inquiry, should be appointed?

Also, I greatly appreciate the idea of not only shedding light on this issue but, to avoid such scandals—and this is truly an unprecedented scandal at HRDC and in some ridings, including the Prime Minister's riding—the member's suggestion that a code of ethics, or something similar, be drafted. I wonder if the hon. member could elaborate on that. It is fine to diagnose a problem, but solutions must also be found.

What, in her opinion, are the ethical solutions that should be proposed to correct the situation?

[English]

Ms. Libby Davies: Madam Speaker, I would like to thank the hon. member for his question.

In terms of what framework a public inquiry could take, there have been a couple of suggestions made already. One suggestion was made by the Canadian Alliance. The member for Calgary—Nose Hill suggested earlier that we could have an inquiry made up of equal numbers of members of parliament from each of the five parties, so there would not be any partisanship. That is something which could be agreed to by all parties in the House.

I would think that another framework could be to have something completely outside the involvement of members. That might involve someone from the judiciary, or a panel of civilians, or people who have a lot of credibility in the community, but again on the basis that there would be an all-party agreement. As we know, it is very easy to appoint friends to such places and say it is independent.

I have a brief response in terms of the code of conduct. What we have said in our report, and I would urge the member to look at the

report, is that we believe a code of conduct should be developed by treasury board and should include a number of principles concerning the disbursement of grants and contributions: that disbursements should be made in a way that is transparent, that there should be full disclosure, that there should be fairness, and most important, that there be a standard practice. What we envisage is that this would be developed as a document which departments would be required to live by in terms of making decisions about awarding grants and contributions.

I do not think it is mutually exclusive to a member of parliament having some involvement in that. One of the things that has been suggested by witnesses is that there could be advisory committees in local areas.

We want the departments to live by this kind of code so that we do not have this kind of scandal in the future.

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, like the member, I too look forward to the next report of the auditor general. It will be an important one. He is conducting an inquiry into this very matter now, which is one of the reasons I will not support today's resolution.

I ask the member for her comments on the recommendation in the majority report, to which she referred, concerning the breakup of the department. The suggestion is that the statutory transfers, the Canada pension plan, the old age supplement, the disability pension and so on, that huge financial side of the department, be handled separately, that employment and labour be handled separately, and that there be a minister of state, a special overview department—which I think would involve many of the employees she is concerned about in HRDC—to deal with grants and contributions in these important social areas; not only in HRDC, but in health, justice and the other government departments where they exist.

I wonder what the member thinks of that particular scenario and that recommendation in the majority report.

Ms. Libby Davies: Madam Speaker, very briefly, I am a bit worried that the member has already in his own mind, perhaps in debate with other government members, gone down the road so far in terms of articulating how the restructuring of HRDC might take place. I think that is something that has to be done in a very public way, with a lot of public debate.

• (1225)

What we call for in our report is that there be an independent review of the restructuring of the department, which would include the public and private sectors, and which would include labour, because obviously the unions involved would be affected.

I believe very strongly that there have to be principles involved. This must not be used as a cover for any privatization of services or

Supply

contracting out. This is about making a department more manageable and accountable.

I agree that there are some areas where a particular function of the department in terms of its statutory obligations could be in one area and then other areas dealing with social policy could be put under another department or secretary of state. However, it seems to me that the real issue is, if the government is going to take that up, then there has to be a commitment that there will not be privatization or contracting out, and that the debate will be held in public and not behind closed doors.

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Madam Speaker, I want to thank my hon. colleague for her comments this morning. She spoke about one of the TJF projects in my riding, Scotia Rainbow, for which I have not been able to get any answers. God forbid me to say that maybe it could be because the owner of the business has a very close relative who is a sitting Liberal member of the Quebec legislature.

What is really important is this. We have heard the minister day after day saying "We found out there was a problem. We recognized there was a problem. We told Canadians there was a problem and now we have fixed it". Unfortunately, just in the last two weeks in my riding, I have been asked to concur in projects when the money was already spent in November.

Does the hon. member believe, if the government agrees to look at the department and look at an inquiry, that these initiatives could truly help Canadians in the way they should?

Ms. Libby Davies: Madam Speaker, I really appreciate the comments from my colleague because I know she has had the most difficult time in getting very basic information. It is pretty outrageous that projects have been approved without her concurrence.

Again, I would say that is why we in the NDP are calling for a code of conduct. We want to have enforceable rules through treasury board. We want there to be very clear rules about how these grants and contributions are made.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, it is with pleasure that I rise today to support the motion that the House call for the establishment of an independent commission of inquiry into the mismanagement of grants and contributions in the Department of Human Resources Development.

I will be splitting my time with the hon. member from Pictou—Antigonish—Guysborough.

We in the PC Party are supportive of this motion. The PC Party filed a dissenting report to the HRDC committee report. The committee report did not ask for an independent public inquiry.

At this juncture, with all the controversy over the HRDC debacle, Canadians have lost confidence in the Department of Human Resources Development. It is time for an open and transparent process and inquiry to re-establish that trust between the department—in fact between the government and the Canadian public, who have clearly lost confidence in the ability of the department to manage this very important part of public policy in Canada.

As the information commissioner, John Reid, said "Governments have no money of their own. They are trustees for our money and trustees for the various programs and activities they undertake for us". Clearly, the government has not acted as an effective trustee of the public money, in this case HRDC.

The whole disclosure of the crisis within HRDC did not come about as a result of the government seeking greater transparency, openness and accountability. It came about based on the minister being dragged, kicking and screaming, to disclosure by the House. In fact, the opposition has worked collectively and effectively to ensure that light was shone into the dark space of HRDC to ensure that Canadians were aware of the degree to which public trust between Canadians and their government, in terms of the management of public money, had been broken by the government.

• (1230)

The government has been working assiduously to minimize the impact and degree to which the HRDC department was out of control. Clearly it had not maintained an accountable system to manage these funds. Overall I see no reason why any member of the House, on the government side or on the opposition side, would have difficulty with a full and transparent public inquiry into the HRDC department's difficulties in managing public funds.

Clearly, on looking at the history of HRDC and what we know now versus what we knew even a few years ago relative to employment support programs, there is some recognition that many of the programs and the types of involvement which were thought to be appropriate by individuals involved in public policy to develop and grow employment are less effective. On looking at these programs in hindsight, we have seen that the record of actually creating long term sustainable employment for Canadians by HRDC and many other direct government employment creation agencies has been littered with the corpses of failed programs and initiatives and poor investments.

Even the Minister of Finance in a speech a few months ago said publicly that government should not pick winners or losers and should not make direct investments in business. Far too often when the government gets involved in direct investments in individual businesses, the reasons behind those investments have little to do with economics or job creation. In many cases they are more about rewarding political friends or trying to help a minister or an individual member maintain his or her status in the riding.

Supply

We have heard of significant investments that were made. I believe there was \$500,000 to Wal-Mart. We have heard of HRDC money going to companies to effectively move them from one riding to another with no net gain in employment. The focus of HRDC investment should be on investing in job creation.

Quite frequently when the political processes get involved there is a tendency and temptation for the political elites on the other side, particularly on the front benches, to interfere and to push money toward one cause or another that would directly benefit themselves and their colleagues in the next election.

There is a consensus among people involved in public policy today that quite possibly the best way to develop and grow employment in Canada, particularly in terms of the new economy and the knowledge based industries, is not by pouring government money into specific businesses at the whim of the governing party. Instead it is to reduce the tax burden for all Canadians by focusing on areas of the new economy and looking at the taxes that impede progress and productivity most significantly in the new economy. They would be capital gains taxes and corporate taxes. Also Canada's middle class must be readjusted and redefined through significant personal income tax reform. Those are the types of efforts the government should be pursuing in developing policies to actually create jobs, employment and economic growth for Canada in the new economy.

The government needs a creativity boost in addressing some of these issues. Largely the government has coasted since 1993 on the policies of the previous government. It has not addressed some of the very important issues in the context of the new economy and where we are today.

• (1235)

It is time for the government to look at the old style solutions which have not worked that effectively in the past, clearly are not working in the present and most certainly will not be successful in the future. It should take some political risks, do the right thing and develop some vision. It should have a vision implant or something like that.

If the government were to look at these issues realistically, perhaps it would not be so defensive about protecting its slush funds. It could face the electorate with some interesting, innovative policies and defend them on their own merits and not base them on slush funds to buy people's votes outwardly with their own money.

We support the motion. We hope all members will speak in support of the motion.

There cannot be public policy change unless there first is enough transparency and openness to realize what we are indeed trying to fix. The inquiry process would identify more clearly than has been identified previously the real problem within HRDC. It would shine a greater level of public light on this significant negative

issue which has faced Canadians and embarrassed them for several months.

Another issue the government needs to address in the context of providing greater levels of economic opportunity to economically depressed areas is a re-engineering of Canada's equalization system. Our current equalization system treats recipient provinces like single parents on social assistance who actually want to get a job and when they do get a job they end up making less money. That is the single parent analogy. When recipient provinces of equalization pursue economic development activities that are focused on realistic, long term sustainable industries, they end up taking in less money and ultimately hurt themselves by pursuing more active and innovative economic approaches.

The government should be studying very seriously the issue of equalization. It should work with the provinces to develop long term strategies where recipient provinces could use tax strategies and research and development strategies to become have provinces within a very short period of time. Maybe that would achieve more than what has been achieved by equalization or HRDC in its current sense.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, one of the things that seems to be constantly overlooked in this debate about HRDC's problems is the fact that the minister did not have to release the 10,000 or so documents that revealed the management problems with HRDC. The reality is that the current Access to Information Act in section 21 gives broad powers to the government to withhold audits, to withhold the kind of information that the minister did release. In the one sense the minister deserves credit for having had the courage to release the documents that led to the kind of controversy that did ensue.

There is a whole other segment that is also exempt from the Access to Information Act that I would suggest to the member opposite contains even worse examples of mismanagement, nepotism and problems. That is the area of crown corporations. Currently, under the existing Access to Information Act, all crown corporations are exempt.

Does the member not agree that surely we should be looking to changes in the access act to bring crown corporations under the same scrutiny that is now available to HRDC?

Mr. Scott Brison: Mr. Speaker, I thank the hon. member for his erudite and perspicacious interventions. He is alone over there battling it out in a caucus that is not interested in greater levels of access to information and more accountability for parliament.

• (1240)

I credit him for slogging it out in the trenches over there surrounded by people who really are not interested in change and in improving the accountability of government and parliament. He

is a lone voice. Perhaps he would be better suited over here working with like-minded people who are truly interested in change.

His question about crown corporations and government agencies is an important one. One of the disturbing trends is that more essential services of government are being provided by arm's length agencies. In terms of accountability the arms are very long but in terms of direct political intervention when it is deemed necessary by the government, the arms are very short. There should be significant—

The Acting Speaker (Mr. McClelland): Excuse me, the hon. member for Frontenac—Mégantic on a short question.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, the motion before us, and upon which we will be called upon to vote this evening, is about whether or not we authorize the House of Commons to establish a commission to conduct an independent inquiry into the misappropriation of funds at Human Resources Development Canada.

From what I see, all of the hon. members on this side of the floor are going to vote in favour of this motion. It must be an embarrassment to the Liberal members to have to vote against a motion that is intended to get their fat out of the fire. According to this morning's papers, the Minister of Human Resources Development is in a hopeless mess from which there is no escape.

The Canadian Alliance is offering this government a way out of this mess. I wonder what the hon. member's intentions are in this connection and whether we could not help the Liberals out of the mess they are in by inviting them to support this motion for an independent inquiry.

[English]

Mr. Scott Brison: Mr. Speaker, I am certain the intention behind the motion was to offer a lifeline to the government. It clearly needs some help in creating an exit strategy from this embarrassing issue that has paralyzed it for some time.

The government has not been paralyzed by HRDC. The government has been paralyzed since 1993 by its own inaction and lack of vision. HRDC has focused the attention of Canadians on one specific issue. I would argue that it really has not paralyzed the government because it is hard to paralyze a corpse. The government has been acting like a corpse in terms of its inability to develop cohesive, coherent and visionary policy.

I understand the hon. member probably shares with me a desire to help the government in any way we can by offering a lifeline like

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this motion so that the government can crawl out from underneath the weight of the debacle it has brought on itself. Unfortunately members opposite probably do not understand the importance of dealing with Canadians openly and transparently.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am very pleased to rise in these hallowed halls to take part in this debate over an issue that has preoccupied this place for many months.

It comes about as a result of what came to light months ago. An internal audit that began in March revealed that there were serious issues of mismanagement of taxpayers' money as they pertained to grants and job creation schemes that were put forward by the government. The minister has made a concerted effort to distract, deflect and focus Canadians' attention elsewhere in her responses in the House and through the media.

The issue is very much about public trust and responsible behaviour by government. No one is suggesting that at the end of the day in this billion dollar boondoggle that the money is gone, that it has evaporated into thin blue air. The suggestion is that the money has been mismanaged, that there has not been a sufficient follow-up as to how the money was being spent. There certainly has not been a degree of accountability or forthrightness on the part of the government to take its responsibility for the administration of this department, whether that fell upon the previous minister, who has basically escaped responsibility unscathed, or upon the high level bureaucrats who were rewarded for their incompetence and placed in higher positions up the government ladder in the wake of what has perhaps been the biggest and most disturbing mismanagement of taxpayer money in recent history.

• (1245)

That certainly contributes to a growing trend of cynicism and, even worse, a growing trend, I would suggest, of apathy toward the functions and the legitimate efforts of parliament. What reflects on government reflects on parliament as a whole.

This motion that has been brought forward is timely. It allows us to perhaps delve into the matter in greater detail, to disclose and, as my friend from Kings—Hants put it, to shed greater light on what has taken place as to why there has been to a large extent a complete and utter focus on this issue when I think most Canadians would prefer that we were focusing our attention elsewhere, such as on the growing crisis in health care, on the high taxes that Canadians are currently labouring under, or on our low productivity that stems from some of these oppressive and extremely weighty tax schemes that currently exist.

I heard a revelation today that came from the United States congress. Congress is raising the envelope of immigrants, which will apply to Canada, to attract more Canadians, our best, our

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brightest, our most educated and our most motivated, to go to the United States and contribute to its economy by taking part in the growing IT industry where productivity is rewarded.

In Canada we are suffering under a very repressive and regressive government that does not recognize some of these fundamental issues. Unfortunately, because of the revelation that came about as a result of this audit, we in the opposition have been trying to bring about some degree of accountability and refocus the priorities of the government.

Turning back to the motion, what came about, as is often the case when these issues come to light, was bad enough that we were made aware of what had taken place and the degree of mismanagement. The audit indicated that there was insufficient follow-up. It indicated that there was poor decision making at the front end, but equally that there was poor follow-up. When evidence came to light suggesting that poor decisions may have been made as to where the money was spent, nothing was done. There was no investigation and no legitimate attempt made by the government or the human resources department to recover that money. To suggest otherwise is complete folly.

In the wake of this revelation, when it came to light that this was taking place, what was the government's response? That is something that I would like to focus our attention and Canadians' attention on for a moment. What was the government's initial response?

Sadly, we have become accustomed to it. The government's immediate and almost knee-jerk response was to deny that the problem was there. When it could no longer do that, it tried to deflect and blame the opposition. It tried to make the opposition somehow complicit in what was taking place. It tried to point a finger and say to the member opposite "Well, thank you for that penetrating question but you got money in your riding too", and somehow that makes it all right.

In very basic terms, the reality is that the hon. member who may have asked the question did not have final decision making authority over where those contributions and grant programs were going to be set up. That is what adds to undermining and further bringing down into the subterranean levels public confidence in government, in government programs and in parliament as a whole.

This is very unfortunate because we are at a pivotal time in our country's history. We are at a point in time where we are starting to lag behind other countries, relative to other countries in the G-8 in their economic performance and relative to other countries in steps that they are making toward transparency, openness and direct accountability to the people who elect them.

• (1250)

On that score, I want to refer to something that has been referred to before in the House in the context of this debate. I want to quote

from *Hansard, House of Commons Debates*, June 12, 1991, wherein the hon. member for Saint-Maurice, the current Prime Minister when he was leader of the opposition, stated in the context of an issue of the day:

—I would like to tell the people of Canada that when we form the government, every minister in cabinet that I will be presiding over will have to take full responsibility for what is going on in his department. If there is any bungling in the department, nobody will be singled out. The minister will have to take responsibility.

Those are just words that seem to evaporate into thin blue air. They have no significance and no relevance to the current Prime Minister's view of what has taken place on his watch. He is not holding his ministers responsible. It seems that he is prepared to let the ministers twist in the breeze and take the daily volley and barrage of criticism not only from members of the opposition but from the public at large.

This is a very disturbing trend. It reflects an attitude of arrogance and disconnect from the Canadian people. The Prime Minister has given us ample reasons to believe that he does not care what the public thinks. However he will care when he goes to the polls the next time because Canadians will have the final say.

This incident, this long drawn out debacle over the mismanagement of money, is a sad indication of the government's arrogance and its attitude toward the public right now.

The context of the debate itself and the chronicling of what has taken place throughout this affair is well documented and has been referred to throughout. Just like those comments that the Prime Minister made, we saw the government crow and preen itself over its red book promise to be transparent and open and that it would put in place an ethics counsellor. Just like the red book, the faces of the Liberal government members are certainly red when faced with questions as to how they can let this type of thing happen and then not own up to the problem.

The minister in her wisdom should have come before the House shortly after being made aware of the problem, although I do not think we will ever know when she was made aware of the problem as she refuses to answer the direct question. She says that it was November 17. However, there is every reason to believe that in the course of being briefed after taking over the new ministry she would have been told, certainly orally, that there was a huge problem coming and that this audit was going to disclose it. She denies that and has married herself to the date of November 17, a date which I suggest is completely unbelievable.

I know we cannot use the word hypocrisy in this place. We are never allowed to use the word hypocrisy.

The Acting Speaker (Mr. McClelland): Having made the point, then it is a good idea not to use it.

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Mr. Peter MacKay: Mr. Speaker, I would say that the responses we are hearing are Clintonesque, Nixon-like. That may or may not be parliamentary.

It is cynical repositioning when a government says one thing to get elected and then completely turns its back on what it has said. We saw it with the GST. It has been chronicled. The sky would fall if we entered into a free trade agreement. The Prime Minister took his pen and wrote zero when it came to helicopters. We know the words mean nothing after an election as far as the Liberal government is concerned. That is unfortunate because it does add to the cynicism and the public's lack of confidence that we have seen.

The red book promises have dissipated. The Liberals are preparing for a third volume, chapter and verse of what they will do now. Canadians can only shudder as to what that end result might be.

The Conservative Party supports this motion and encourage all members to do so. We look forward to the retorts and I am sure the reasoned debate and response that we will be hearing from the government on this score.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, as was reported in the media this morning, the government's solution to this bureaucratic bungling, this whole scandal that has plagued the House since last summer, seems to be following a recommendation to split this ministry into three, to in fact increase the size of government and to spend more money as opposed to going to the root of the problem and finding the cause. Some people have called it a rescue mission for the minister. It comes back to the Prime Minister's comments on accountability where he made a commitment in 1991 to hold ministers accountable, which clearly is not being done.

• (1255)

It now appears that the government is on a rescue mission for the minister. It is going to spend more money and create two more ministries. It has been suggested that this idea was put forward by the Prime Minister and advocated by some of his backbenchers who hope to get one of the new positions.

Would the member make some comments with respect to what we read in media this morning about the creation of two new ministries?

Mr. Peter MacKay: Mr. Speaker, it appears that there really is no great plan. It is as if there is a new revelation every day. It appears that for a long time the government has been flying by the seat of its pants. Had it perhaps in the early days of this scandal reacted in a forthright and open way and come to the House with

clean hands, there may have been more sympathy for what it is trying to do now.

Dividing up the department when we know there is a huge problem is like dividing a big manure pile into three piles. It is still a big problem. It smells and it is rotten. I do not think this is the answer at all.

This is similar to the problem we saw with respect to the gathering of information on Canadians by this department and trying to keep it separate and solo, but we knew it leaked. It is information that is being spread around and the problem is being spread around. It is not being addressed in a significant way despite the assurances of the minister that everything is in hand and that Canadians should trust her and have faith in her. Sadly, that time has passed.

If we were dealing with a situation where the minister had come to the House and made full disclosure in the first instance, we might have had some faith, but the time has passed. I have a great deal of confidence that there are good people within the human resources department who are trying to deal with this issue under very difficult circumstances.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, in the present debate, what we are dealing with is an escape route for the Prime Minister and his government.

I would like to ask the House leader of the Progressive Conservative Party whether he might not agree to invite the Liberal Party, with the Prime Minister at its head, to call a general election for early autumn, the main theme of which would be Human Resources Development Canada and its minister, his little favourite, the daughter of the former leader of the Ontario Liberal Party.

[*English*]

Mr. Peter MacKay: Mr. Speaker, I am sure the government of the day is in no great hurry to go to the Canadian people and seek a mandate based on its performance throughout the past number of months, in fact, the past seven years. I would suggest that in many ways it has betrayed the interests of Canadians.

The government has given Canadians very little reason to believe in it or have confidence that it will do what it said it would do, let alone act in their best interests given the deception and deceit that was involved in the handling of this file. What we truly need is some sort of public inquiry.

I spoke with the auditor general this morning. His office is embarking on the very difficult task of trying to sort out some of

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what has taken place and mull over the entrails of a program that was fatally flawed and administered in a very deficient and faulty fashion.

There are people in the HRDC department who are being forced to deal with public scorn on behalf of the minister. There is a political element to all this that has raised the ire and raised the stench, but it is not those in the department and those who are tasked with trying to fix this problem that we should be lashing out at. We should be lashing out at the government and the administration for their lack of responsibility and the arrogance they have been displayed in a fashion that we have sadly become accustomed to.

• (1300)

Ms. Marlene Catterall: Mr. Speaker, I rise on a point of order. I returned from committee a few moments ago and had the opportunity of hearing part of the speech of the hon. member, as well as the questions and comments, and I did note your intervention. I am not raising a question of privilege at this point, Mr. Speaker, but I wonder if in fact the Chair might review the blues to determine whether there were expressions that the hon. member used that he should be asked to withdraw. I heard the word deception used with respect to the minister.

The Acting Speaker (Mr. McClelland): Yes, of course, the Chair would be happy to do so. As a preliminary comment, I have been in the Chair for the debate today and have paid close attention, because we are from time to time on thin ice. In my opinion, so far there has not been anything untoward or anything that has not already taken place here in many instances. However, I think that the intervention of the deputy government whip is apropos, insofar as it is quite right to be able to cast doubt on the government, but not on individual human beings. Because we are all of us here charged with a responsibility, and we are all human beings, it is our responsibility as legislators, not as individual human beings.

I take the admonishment, and I am certain other members will take that to heart. It is a good reality check.

Mr. Peter MacKay: Mr. Speaker, I rise on a point of order. I acknowledge that intervention. I realize that in the heat of debate there are often times when words are chosen that perhaps might be inappropriate. I do not mean to cast personal aspersions upon the minister herself. It is her department, her actions and her handling of this file that are very much the subject we are discussing today.

Shame on me if I have overstated the case, but I would suggest the threshold of indignation is on the part of government members when it comes to the nuances, the special choosing of words and

the careful selection of words. They must look in the mirror to see if they are not guilty of the same.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, at the outset I would like to say that I will be sharing my time with the honourable, the esteemed, the illuminating member for Saanich—Gulf Islands. If hon. members think my speech is exciting, they ain't heard nothing yet. Wait until he speaks.

I would like to remind the people who are watching, especially that sea of eager Liberals over there who have the power of government in their hands, what we are talking about today. We are talking about accountability, openness, transparency—all of the things which the now Prime Minister promised in the election campaign of 1993, and probably re-promised in 1997, although I do not remember it explicitly at that time.

In 1993 it was a promise of the Liberal Party that it would restore integrity to government. It would cause people once again to have trust in public institutions. It would have an ethics counsellor. There would be all sorts of things. The Liberal government, if nothing else, has an almost perfect record of inaction on its promises.

Do we have an ethics counsellor? Oh, yes. Is that ethics counsellor independent? No. That ethics counsellor reports to the Prime Minister. The Prime Minister says "We have a little problem. Please look into it for us".

I have a lot of respect for our present ethics counsellor. I am sure he is watching this debate today because part of his responsibility is the ethics of government. I have a lot of respect for him personally, but his hands are tied. He, unwittingly, with or without his consent, becomes part of the damage control team. He is part of what it takes to make the government look as if it is doing the right things, when there is a mounting sea of evidence that it is not doing the right things.

• (1305)

There are two main themes that I think of when I approach this subject. One is the whole concept of accountability. I need to watch my words very carefully because we have this tradition in the House that none of us is capable of doing any wrong or saying any wrong or thinking any wrong, although we have no way of reading each other's minds, and for that I am frequently grateful. We have this tradition, which really stifles debate, because we are all fallible.

I suppose this will come as a surprise to the House, and I think I am within the parliamentary rules, even though I am overtly criticizing a member of parliament in the House, but I am going to confess right here that once I made a mistake. It was actually last week. I told my friend who was nearby that this was really a blow

to me because it was the end of May and usually I make my first mistake of the year sometime in October, so I will be under a lot of pressure for the rest of year.

Mr. Speaker, you know of course that I am being totally facetious. How many of us do not make one, two or three errors a day, or maybe even an hour? It is really quite unrealistic of us to tie up debate in this place and make it unparliamentary to even suggest that another member may have made a mistake.

I know that we want to do that in the good spirit of honest debate. We want to do it in a congenial fashion, in the same way we correct each other in our families. If my wife happens to be aware of when I make an error, she takes it upon herself to correct me. Wives have a strange way of pretty well knowing everything that their husbands do that is done wrong. I do not feel rejected by her when she suggests to me that I said something I should not have. In fact, I take it as a positive and constructive criticism. That is what we are trying to do here, within the confines of the language of the House of Commons.

There is an old phrase that I remember. I was a math-physics major when I was at university. I always loved the sciences. This is really quite out of context for me, but I liked a bit of literature and history too in my youth. I hope I have this phrase close to being right because I am speaking totally from memory. I think it went something like this: "Oh, what a tangled web we weave when first we practise to deceive". I do not remember who said that. I am sure there are thousands of Canadians who are bemoaning my ignorance of important literature, but that was not my specialty. However, I remember that. I think that is part of the nub of this problem.

We have a problem in HRDC, in the grants granting business, in terms of accountability and reporting. Evidence shows that mistakes are being made. What we have now is an inability to really say it as it is in the House because of the rules. Meanwhile, the minister and/or the upper echelon of the department are in full damage control. They are doing everything possible.

Again, I did not bring this with me, so I speak from memory. I am sure someone will correct me if I am wrong. If I remember correctly, our party issued an access to information request on January 17. On January 19 the minister called a press conference. With great fanfare, she made public the audit which was called for in our request for access to information.

• (1310)

Subsequent to this we made mention of the fact that the minister did not disclose this audit, did not make it public until it was apparent that due to the ATI, the access to information request, it would become public anyway. To minimize the damage, the Liberals said it would look better if it looked as if they had done it voluntarily, instead of being forced to do it by the official opposition.

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The Liberals denied that it was our access to information request. They said that they had released it before the request came in. Again, I am speaking from memory, but it threw itself at me. Being a person who is mathematically oriented, numbers throw themselves at me, and I remember seeing a copy of this memo that was circulated, and there it was.

In trying to cover this up, I do not think it was the minister who would have requested it of the upper management levels in the department. I cannot believe it was the other way around. I do not know where it came from, but there was obviously an attempt to cover this up. Here we have a memo dated, say, January 18. I think it was dated January 19. It says "Your request for information was received January 20". One would have to be clairvoyant to speak on January 18 of January 19 as if it were in the past tense. It is obviously a case where the Liberals tried to change the facts retroactively.

This is the type of thing that an independent inquiry would lay to rest. An independent inquiry, which is what the motion of the day calls for, would go into these details and find out who did what, when, and perhaps even a certain amount of why, and Canadians would be able to find the truth of the matter.

I will do my usual begging routine, which I do at the end of every speech. We have a very important motion before the House. I appeal to all Liberals over there, those who have the power of government in their hands because of their slim majority, I appeal to all of them, from one end of the Chamber to the other, when the vote is called on the motion tonight, to stand and vote in favour of the motion; else Canadians will be saying again that if government members are against a public inquiry, then they really are trying to hide something and do not want it to be made public. Voting against the motion would be ill-advised. I appeal, I beg, I cajole members opposite to vote in favour of this motion. They should show their independence from their whip.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I want to ask a question of the member for Elk Island, who has given us his thoughts on this subject and who is obviously very frustrated.

I cannot help but focus on the solution to a problem. I think it is important that we also recognize that when there are problems, there have to be solutions.

One of the most frustrating things for me is when I pick up the morning papers and I look at the government's solution to this issue. The Prime Minister's solution seems to be focused on dividing this ministry into three. That is the government's solution. It is absolutely mind-boggling that the Prime Minister would have the gall to take his solution of splitting this ministry into three, send it off to his backbenchers to study at committee, and for them to put the solution forward in the hope that they might get one of the new posts.

Supply

I want to get the member's comments on the government's solution to this problem by dividing this ministry into three.

Mr. Ken Epp: Mr. Speaker, it is interesting how the government, when faced with a problem, comes up with some sort of solution that can give the appearance of solving it without ever exposing any wrongdoing.

• (1315)

The Prime Minister has said over and over that his is a fine government that is totally free of scandal. The fact is that under Mr. Mulroney as prime minister these ministers would have been gone. This government does not even have the standards of the Mulroney Tories when it comes to ethics and accountability despite the promise in the 1993 election campaign.

With respect to dividing this into three parts, a pie can be cut it into many pieces and each piece still has the same ingredients. If the solution is to divide HRDC into three or more new departments, my question would immediately be: What will be the changes in the components of those new departments? What will be the changes in the procedures for accountability? What will be the changes in transparency? Will these new departments actually give out information more freely than the current department which does it only when we basically sit on it? What will be the change? If that change can be produced in three new departments individually, why can it not be changed in the department as it is now?

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I should like to ask my colleague a simple question with respect to the grants and contributions in the Prime Minister's riding.

My colleague will know that the amount of grants in the Prime Minister's riding alone is greater than those grants given to Manitoba, greater than anything given to Saskatchewan and greater than anything given to Alberta. In other words, one riding got more than any of those provinces. Would my colleague like to comment on that?

Mr. Ken Epp: Mr. Speaker, I am delighted to comment on that because it is a really sore point with me. I wrote a column in our local newspapers recently in which I talked about health care. I said that the problem would not be fixed nationally until we had a government in Ottawa that was more interested in buying MRI machines than in building a fountain in Shawinigan. That is exactly what I wrote in my column. That is the essence of the situation. Far too many, not all, of the grants and contributions are simply about politics.

I speak from memory and could be corrected, but I think recently the Prime Minister travelled to Cape Breton Island to make a big announcement about money the federal government was pouring

into the area. If it is not about politics why did the Prime Minister have to go?

I had the same situation in my riding in terms of the infrastructure program. If the money was coming to my riding from taxpayers via the federal government, why do they not just get the cheque? It was required that the neighbouring minister, one of the two Alberta Liberals, make a trip into my riding to deliver the cheque. That is about politics. That is what is wrong about it. When these things are motivated by politics they get totally skewed.

I remember also in Prince Edward Island the person receiving the grant made a statement: "Mr. Prime Minister, you were here when we needed you and I can assure you at the next election we will be there for you". That is on the public record.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I am pleased to speak to the Canadian Alliance supply day motion which calls for the establishment of an independent commission of inquiry into the operations of the Department of Human Resources Development. This is all about accountability. It is about holding ministers and the Government of Canada accountable.

• (1320)

We have seen this story on the front page of newspapers since last summer. Canadian people are becoming increasingly frustrated. That is becoming evidently clear. They are absolutely beyond belief as to what has gone on.

We see the stories about the various grants. The Prime Minister's own riding receives more money in grants and contributions than any of the prairie provinces. There has to be something wrong. It is all about politics.

I am speaking on behalf of the residents of Saanich—Gulf Islands, but I think it goes much further than that and includes all Canadians. For months and months and months the government's only answer has been to deny, deny, deny. It absolutely refuses to accept that there is anything wrong.

For days we sat in the House of Commons and listened to the Prime Minister tell Canadians that \$149 or \$650 were missing when \$1 billion were unaccounted for. It has cost, I would guess, hundreds of thousands of dollars, if not millions, as the government tries to spin the issue and attach projects to the money that has gone askew.

We learned that something in the neighbourhood of 15% of all grant applications did not even have paperwork. They could not even find to whom the cheques went. They were in absolute panic mode trying to find solutions. That is why there has to be an independent inquiry. There needs to be answers.

Supply

I read this morning's paper in which the government says that this issue is absolutely exploding out of control once again. It just cannot seem to get control of this department. What is the solution? Its solution has been to deny, deny, deny. Now it seems most interested in creating a soft landing for the current minister.

Nevertheless the Prime Minister stood in the House in 1991 when he was leader of the opposition and said that ministers in his government would be held accountable if there is any boondoggle. There were to be no exceptions. They would be held accountable.

I have been following what has been going on in the House of Commons for the last 20 years. I do not think there has been a prime minister, for as long as I can remember, who has ever defended the indefensible. It is absolutely unbelievable. The Prime Minister will go to any length to protect his own.

What has he done now? The Prime Minister has decided that the best way to try to cover all this up, and that is what is the motivation, is to split the department into three. As one of my colleagues said in the House a few moments ago, if we take a pile of manure and split it into three we still have three piles that stink. This stinks. There is no other word for it. It is absolutely rotten.

The government is arrogant. It laughs. It smirks. It grins. It refuses to answer questions. The minister has been asked questions in the House of Commons by every opposition party, by all four opposition parties. The government laughs. It does not take it seriously.

Throughout the history of Canada, when governments start acting arrogant, refusing to answer questions and thinking they are above it all, there has been one consistent result. The voters throw them out. We watched it with the Tories in 1993 when one of the largest majority governments in the history of Canada was reduced to two seats. Why? It was because it believed it was sitting on a pedestal and did not have to answer to anyone, that it was completely unaccountable. It became arrogant. It forgot about the people who sent it here and whom it was representing. It did not take it seriously.

I am in absolute disbelief that we have a department with billions of dollars in its annual budget and the stuff that goes on is incomprehensible. It is unbelievable how this can go on and the government comes up with a nice fancy little talk about having a six point plan. Its six point plan seems to be deny, deny, deny. That is about the only thing the government seems to come up.

• (1325)

I sat in the House of Commons yesterday during Oral Question Period. When the minister was asked specifically if she knew prior to November 17, she refused to answer. The arrogance is incredible.

It is time that we have an independent inquiry. When four opposition parties of very diverse backgrounds agree 100% that this should happen so that Canadians can have some answers, it is time for it to happen.

Of course we know that government backbenchers will get their marching orders. The Prime Minister will probably stand on a chair in the government lobby tonight at 5.15 p.m. or 5.30 p.m. after the bells have rung and wave his finger at every government backbencher and tell them they know how they have to vote if they want him to sign their nomination papers. A great big club is held over their heads. That is wrong. It is absolutely undemocratic.

I am sure there are members on the opposite side who probably have a lot to offer, as do opposition members, to the governance of the country and the debates, but they have no voice. They do not have a voice, Mr. Speaker. You can look shocked, but you and I both know what really happens in this place. That is what needs to change.

This motion is about Human Resources Development Canada. That is just the tip of the iceberg. As many of my colleagues will say, it is rampant throughout other departments. We can see it in Canadian Heritage in the grants that go out from there. It is absolutely enough to make one's skin crawl, hanging dead rabbits in trees and many grants for other things.

It is about accountability and respect: accountability to the people who sent us here and respecting them. Change needs to be brought to this institution. There is no question that we are less than a year away from an election. The Canadian people will judge the government on what it has not done. It believes it is above everyone else. We need to elect a government which can change that and will be accountable.

I am proud to be a member of parliament with the Canadian Alliance because I truly believe that we can offer the vision and change the country so desperately needs. It will be interesting to listen to the Prime Minister's answers today on the latest revelations in the media that they want to take a pile of manure, split it into three and see if it still stinks. I would suggest that anyone would be able to tell them that they have not gone to the root of problem and have not done anything about solving it.

I encourage every government member to rise above the Prime Minister's finger, do what is right, show that they actually have some guts and principles, and vote in favour of this motion, as they know it needs to happen.

The Acting Speaker (Mr. McClelland): Before we go into questions and comments, I would note that the use of the term guts in referring to other members of parliament has time and time again been ruled unparliamentary. I just bring that to the attention of all hon. members.

Supply

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I was interested in my colleague's remarks about the credibility of the House and members of the House and how the billion dollar boondoggle and the mess in HRDC have cheapened and diminished that credibility.

The hon. member mentioned the need for all members of parliament to show the Canadian public that this is a serious issue and one which they are determined to deal with in a vigorous manner on behalf of Canadians.

Because the hon. member has now been a member of parliament for a few years, I wonder if he would tell the House his own observations about the power and the influence that could be exerted by members of parliament on behalf of Canadians in a situation like this one if the majority on the government side would but choose to do that.

• (1330)

Mr. Gary Lunn: Mr. Speaker, with reference to your comment, I would quite happily change that to courage. I apologize to all members of the House.

The member is quite right. It gets down to the amount of influence we can have. It does not seem to matter whether we are in committee, in the House of Commons or wherever we are. I have been on committees and have spent countless hours with some members who are now ministers. The former chairman of the fisheries committee is now the Minister of Veterans Affairs.

Those committee reports sit on shelves and collect dust. I doubt if they are ever looked at unless the Prime Minister somehow gets his recommendations planted in those reports. He does not want to be seen as the mouthpiece pushing them. He wants someone else to do it, as we have seen in HRDC.

I have said this often before and it can be summarized in one sentence. One of the biggest problems in this institution is that we go to the polls once every four years or thereabouts to democratically elect a dictator. That is the democracy we have.

We have to change this institution so that there is accountability and respect, so that all members of the House can have meaningful input on the governance of the country. We are democratically elected to represent our constituents.

In some cases the government's own backbenchers have less input than the opposition MPs and we do not have very much. The Prime Minister cannot stand in our lobby and wave his finger in our faces, telling us how to vote or he will not sign our nomination papers. He cannot do that, but he can sure do it on the other side. We can see them walking out of the House after votes, sometimes almost in tears that they had to vote. We have seen it time and time again.

This institution needs to be changed. It is time to elect a government that will bring about meaningful change and show respect for Canadians who have sent us here.

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, I commend the member for his remarks on this subject.

I have also listened to the Liberal members this morning who talked about how the money goes for such things as literacy and rehabilitation. What we are talking about is the misuse of the money. Money may be spent in the constituencies, as the minister has said. Wherever we spend money we can create jobs but can those jobs be sustained. The Liberals talk about the number of jobs that have been created but they have not necessarily been sustained. I regret to talk about constituents who have told me stories of their own employees receiving grants to go into competition with them.

As we talk about this commission and going beyond that to the election, could the member respond by describing the benefits of this \$1 billion as it may be usefully used or left in the taxpayers' pockets for them to invest it?

Mr. Gary Lunn: Mr. Speaker, I want to emphasize that I am sure some of the money has gone to legitimate purposes, but very little of it. I do not know the exact numbers.

The Liberals have given one or two examples, that it has gone to some underprivileged people in our society, whom I agree should get government funding. I absolutely support that 100%. We are a caring and compassionate nation and it is an appropriate use of public funds.

What we are opposed to is building fountains in the Prime Minister's riding, the unconscionable grants that are given sometimes under Canadian citizenship, the grants that go into building hotels in the Prime Minister's riding. It is those types of grants across the country. That is what we are opposed to. That is the irresponsible, unacceptable use of taxpayer dollars.

• (1335)

I would favour the select few programs that they have brought up, maybe not under this program but under some other program that has accountability and is not a political slush fund. However it is the other hundreds of millions of dollars that are used for political patronage and to buy votes. That is what we are so vehemently opposed to.

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, this has been a somewhat barren debate to date. It reminds me of the last several months of questions to the minister in the House. I am reminded of an old fashioned phonograph needle stuck in its place on a turning disk; it is the same sound with the same absence of ideas and the absence of scope ideas. This is regrettable.

Supply

I will note as I did in the debate on February 8 that the minister was still discussing Indian affairs and making changes in the federal enacting legislation which rendered, in my view, a much sounder constitutional measure, as late as August last year. She had not been in office very long. She faced a litany of complaints which might better have been addressed to previous ministers and previous governments. I will come back to that in a moment.

I note that the minister has made interim changes which I think are constructive and helpful and are a great credit to her staff for bringing them forward. The accountability of managers is an important principle in business. It should certainly be applied to government operations that are affected with the business interests where government competes in many ways and areas where private enterprise also operates. Another change is disciplinary action, meaning personal accountability of managers where there is mismanagement, fraud or gross incompetence. The creation of a special new audit group is another change. The review of all active files is being done intensively with a checklist of contracts and requests for payment.

I commented on the intellectual poverty of the contribution of the opposition to this debate. Let us go back into history. What is the history of HRDC? I listened with interest to the contributions made by the members of the Progressive Conservative Party. Of course they created HRDC. The Lady Jane Grey of Canadian politics, the queen for six days—remember the hiccup between the Mulroney government and this government—Kim Campbell decided to give trendy new titles to new government ministries. There was a haphazard, hasty grouping and regrouping of departmental portfolios. The department of human resources was created without any real thought of a rational structuring process for the new ministry.

It is a matter of record that the new government elected in October 1993 immediately considered restructuring HRDC. However, it concluded correctly with the economy in the use of time, as we were trying to balance the budget after inheriting the \$42.8 billion deficit from the Mulroney government, that our priority was to get fiscal integrity back. It was decided that it would not be a good expenditure of government time to attempt the restructuring at that stage. The moment has arrived where we must consider doing that.

Much has been made of the majority report of the HRDC standing committee. I thought they were interesting proposals. I can see no Machiavellian plan here. If my colleagues put forward proposals, I tend to say that they have a good idea or that it needs more thought. It should not be taken as government policy, but as an interesting idea which I hope the government will study.

I will put the recommendations into the record. The functions of the HRDC ministry grouped together somewhat unnaturally three different areas of policy, statutory transfers and entitlement which

really is old age security, Canada pensions, labour, employment and employment insurance, and social development programs. It is elementary that special technical skills are required for each of these. It is unusual to find a complement of the skills extending all across the department. This is one of the things we have to examine in this situation.

• (1340)

Anybody approaching new government as we enter the 21st century would agree that we have stood still in terms of administrative law reforms and structuring for the last 40 years. With the consent and engagement of all parties the main pre-emptive concern has been with issues of national integrity, the sovereignty issue, as in Quebec. It has killed off the modernization that should have gone on with the administrative processes. I reproach the opposition parties, including the Bloc which claims to be a reform party inside Quebec, with having no new ideas on governmental structure.

One very obvious issue is the breakup of the overly large departments. It is a reality that this government and the Mulroney government let some key ministers handle what might be called four or five different portfolios. It is too big a task. The McRuer commission in Ontario some years ago attempted to approach a solution to this problem. The Hoover commission in the United States is a great model.

Simply, we should be considering issues such as a uniform administrative procedure act applying to all government departments, but especially the spending departments or those with spending responsibilities and a conseil d'état special administrative law tribunal with jurisdiction over all such ministries. There is also the principle which is well accepted in civil law of the personal liability of civil servants and managers where they engage in misconduct that could either be described as delictual in itself or gross negligence in the administration of their office. I would have thought these would be issues that an opposition party, particularly the Conservative Party, which was the mother of the human resources ministry in its present form, should have put forward to debate.

They are available now. I hope we have some debate in the forthcoming election campaign, whenever it is, on this issue. This generation of Canadians has a rendezvous once more with the constitution, not the constitution narrowly defined in sections 91 and 92 or limited to the Quebec issue, but the fundamental modernization of the administering of processes and the study and perfecting of techniques for control of relationships of governmental authority with the citizen. That is a target for reform. That is a target or challenge which opposition parties could bring to us.

I am happy to raise the issues on the government side. Put in this perspective, the majority report of the HRDC committee offers

Supply

interesting suggestions but they are no more than that. The matter is open for debate, but we cannot postpone the decision any longer.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I thank you for giving me the opportunity to question the member for Vancouver Quadra, who knows that, in this House, I have never lacked for praise in his regard, emeritus professor of law that he is, he is very knowledgeable about Quebec and he has taught from time to time at Laval University in Quebec City, where I myself did my law.

I listened attentively to his remarks. I know he is concerned about respect for order and good government, except that he has said nothing about the fact that a criminal investigation is underway into the activities of the management of Human Resources Development Canada concerning action taken in the past.

• (1345)

As a man concerned about respect for democracy, could he tell us, I would like to know, how democracy can be abused by a party in power—at the moment the Liberal Party, it could be another party at another time—which uses public funds collected from members of the public of all political stripes in order to put pressure or promote a single political viewpoint, in this case that of the Liberal Party of Canada.

How can democracy suffer in the 17 cases before us at the moment, the ones being investigated?

Mr. Ted McWhinney: Mr. Speaker, I readily accept the challenge of the hon. member, who has a lot of technical training in this area.

This is why I said that French thinking in administrative law is way ahead of Anglo-Saxon thinking. I regret, for these reasons, that Quebec's quiet revolution has not yet led to the development of a modern system of administrative law that would apply not only to Quebec, but to all of Canada.

We need a modern process for administrative law, for the monitoring of any government. This is why I pay attention to ideas in that area, to the concept of councils of state, patterned on the great model of Paris, created by Emperor Napoleon, a system in which public officials are accountable before the courts for their actions as members of the administration, for their wrongdoings and even for their negligence in administering the laws. We need Quebec's thinking—

The Acting Speaker (Mr. McClelland): The hon. member for Calgary—Nose Hill.

[*English*]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I too would like to draw on my colleague's expertise.

In his remarks he mentioned the personal liability for misconduct of people who serve the public trust. As he is aware, the Financial Administration Act and the treasury board guidelines were routinely flouted in the way public funds were managed by HRDC. This was confirmed by memos from officials in the department and by the department's own talking points which say that the rules now have to start being honoured. It was confirmed by the circumstances of a number of these grants where funds were held over past year end contrary to the Financial Administration Act, trust funds set up contrary to the Financial Administration Act, et cetera.

Section 37 of the Financial Administration Act not only says that this is illegal, but section 80 sets out some pretty stiff penalties for individuals holding public office or serving in the public service who allow the law to be broken.

Does the member think that the penalties in section 80 ought to be applied? Would he also give us his opinion as to why no penalties or consequences have ever been applied so far.

Mr. Ted McWhinney: Mr. Speaker, the hon. member, as a very thoughtful graduate of law and a practitioner with some experience, knows that I cannot comment on individual cases.

However, I think I could direct her attention, as I have tried to direct the attention of the House, to the need for a more comprehensive system of administrative law responsibility and the need therefore for an administrative procedure code. It is not difficult to draft. Many countries have it but it would involve our collection in comprehensive form of the rules and responsibilities.

I also believe we need, and this is one of the problems of the Anglo-Saxon common law world where we feel we do not need it, I do think we need a special administrative law tribunal. The Conseil d'État is the model around the world. I hope that the member, with her professional background, will endorse that sort of proposal.

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, I am very pleased to have the opportunity to offer my comments on the opposition motion calling for an independent commission of inquiry into the grants and contributions activities of the Department of Human Resources and Development.

I am pleased to participate because it seems to me that after so many months of relentless attack from the other side of the House it is about time for some sanity to prevail in this debate.

Supply

• (1350)

This latest motion is little more than a vain attempt by the opposition to try to keep the issue alive and in the press for a few more hours or days. The old adage, if a story is repeated long enough and loud enough, maybe enough people will believe it. That has certainly been the tactic of the opposition parties.

Day after day in question period they say the same things. Day after day they repeat the same old questions: Where is the billion dollars? How come the minister will not resign because she has lost a billion dollars or more, and so on. Over and over they ask where the billion dollars is that is missing.

I do not think there are too many Canadians left who think the opposition really wants any answers to anything. They are ignoring Abraham Lincoln's famous script "You can fool some of the people some of the time and all of the people some of the time, but you can't fool all of the people all of the time".

Canadians are very smart and astute people. At some point the truth does come through. This latest ploy to call for an independent commission of inquiry is not about the real issues that play to Canadians, it is about nothing other than cheap politics. What the opposition does not tell people is that we already have an independent review going on right now by an officer of parliament.

The Office of the Auditor General of Canada is on this case. It is working closely with the Department of Human Resources Development to address the issues. Who does the auditor general report to? He does not report to the minister or to the Prime Minister. He reports directly to the House, to all of us in the House. He reports to me and he reports to the opposition. He is independent of government. He is an independent officer of the House. He says what he wants to say. He investigates what he wants to investigate. He will report in the fall.

Does the auditor general sound the alarm? Is there a clarion call for the immediate suspension of all government operations and the appointment of a 10 year long royal commission into everything? Not at all.

Here is what the auditor general's officials had to say about the new regime HRD has put in place to rectify the current situation. They said that in their opinion the proposed approach represented a thorough plan for corrective action to address immediate control problems. They also said that some longer term actions were also included that would further strengthen the approach.

Those are the words of the people charged with the responsibility of auditing government programs and reporting this audit to the House.

However, that is not good enough for the opposition. It wants somebody's head on a plate. Solutions do not make headlines, only problems make the headlines. As we and the minister have all acknowledged, it was not an insignificant problem. In fact, it was the minister who brought this problem to the attention of the House. It was the minister who stood in her place and said that books on grants and contributions needed to be fixed because an internal audit showed that the procedures were not followed properly, that complete records were not kept and that forms were not filled out in the entirety.

What was the bottom line? After all the sound and fury from opposition benches about billions of dollars gone missing and after the department reviewed an audited 17,000 additional files, what was the result? The result was that \$6,500 remained outstanding, not in money but in documentation for \$6,500. All the boondoggle that continues to be talked about was never a boondoggle to begin with.

What is particularly important is that the minister and the department, rather than responding to the great controversy over the way the records were kept with a kind of easy response, a kind of grants and contributions chill that would have seen hundreds of excellent and worthwhile projects go waiting for funds, took steps to rectify the situation which balanced the need for grant recipients and the need for proper accountability and financial controls. In other words, they took the difficult plan. They rolled up their sleeves and got down to business.

Where the audit said that the paperwork was unacceptable, they set about to put it right and to get the right forms in the right places. That was what this is all about. Where the audit said information was missing, it was obtained. Where approvals were not recorded or were carried out incorrectly, they were corrected. Where further monitoring work was called for, it was done.

However, let us remember again what the audit said. The audit said that important paper was missing, not money. In response to that, it went through one file at a time to ensure that everything was done exactly right.

Despite the repeated claims of the members opposite, that has not been the issue since day one. The Canadian public was clearly misled. If that is the role of the opposition, then at some point they owe an apology to the Canadian public, as well as to the minister.

• (1355)

As the minister has said, the paperwork is central to the accountability of her public funds. What is also central is the fact that these programs are there for a reason. They are not just political window dressing, as many of the critics claim. These are programs that help people; programs that members on both sides of the House have long agreed are both necessary and worthwhile; programs that help people get and keep jobs; programs, for example, that have helped reduce the unemployment rate from 11% in 1993 to below 7% today; programs that have contributed to the

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fact that over two million jobs have been created since 1993; programs that focus on the needs of individuals in all regions of this country and create practical and results oriented ways to help them become productive and contributing members of society and the economy.

The members opposite can sneer at these support programs and how they are administered and they can try to turn Canadians to their real agenda, which is that government should abandon those in need and provide more tax concessions to those better off in our society. I do not believe their plan will work. I do not believe the majority of Canadians would agree with that narrow vision.

The vast majority of Canadians believe in helping our fellow citizens when they are in need. The vast majority of Canadians believe in a sane and levelheaded approach to how we provide that support. I think the vast majority of Canadians will see this motion for what it is: Just another attempt by the opposition to grab some headlines; just another attempt by the opposition to undermine a whole series of worthwhile programs.

I sincerely hope that the House will reflect the opinion of the majority of Canadians and reject this motion.

I just want to say something about the comments made earlier by some opposition members about those of us on the government side being whipped into supporting the motion. I will not be supporting the opposition motion that is before us. I sat on the HRDC committee and listened to all the allegations from the opposition. I listened to the staff and the witnesses. I will be voting against the motion because the work has been done and the corrections have been put in place.

The Speaker: We will have five minutes for questions and comments, but I was just wondering if we might begin the statements now and then members will have a full five minutes for the questions and comments after that.

This agreement expands the Community Access Program into 35 Ontario communities and represents a federal contribution of \$4.4 million for a total \$8.8 million.

The Clemens Mill, Hespeler and Preston branches of the Cambridge Public Library and the Pioneer Park branch of the Kitchener Public Library are eligible to expand their Internet access points.

A program of Industry Canada, the CAP, is a key component of the federal government's Connecting Canadians initiative.

The CAP shows that the government is committed to equipping all Canadians with the tools necessary to lead and succeed in today's knowledge based economy.

* * *

WORLD PETROLEUM CONGRESS

Mr. Eric Lowther (Calgary Centre, Canadian Alliance): Mr. Speaker, from June 11 to June 15, Calgary will host over 3,000 delegates from over 80 countries at the 16th World Petroleum Congress in my city's new Telus Convention Centre.

The congress is dedicated to the application of scientific advances in the petroleum industry, environmental issues and to the use of the world's petroleum resources for the benefit of mankind.

This is the first time that the congress will be held in Canada and Canadians are determined to set a new high standard while hosting this international event.

As evidence of Calgary's strong community spirit, more than 1,300 people have signed their names to the volunteer roster for the congress. In fact, my own twin daughters, Beverly and Gina, will be singing the national anthem with the Calgary Children's Choir at the opening ceremonies.

I offer my congratulations to Jim Gray, the chairman of the Canadian organizing committee, and to all the hardworking men and women of Calgary who are involved in making this event a great international success.

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STATEMENTS BY MEMBERS

[English]

COMMUNITY ACCESS PROGRAM

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, today the federal and Ontario governments agreed to work together to establish up to 258 public Internet sites in the Ontario public libraries.

BOARD OF GOVERNORS OF THE ROYAL MILITARY COLLEGE OF CANADA

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I am pleased to rise in the House today to bring your attention to, and applaud the efforts of, the Board of Governors of the Royal Military College of Canada who are in Ottawa today for their quarterly meeting.

This group of prominent Canadians works tirelessly and with little compensation to review and approve the strategic direction of one of Canada's finest post-secondary institutions.

• (1400)

Please join me in honouring the Chairman of the Board, the hon. Gilles Lamontagne, former minister of defence; Vice-Chairman Major-General J. R. Pierre Daigle; Colonel Bill Brough; Dr. Roch Carrier; Dr. John S. Cowan; Mr. William Coyle; Colonel Mel Dempster; Dr. Gwynne Dyer; the hon. Mme Paule Gauthier; Brigadier-General Kenneth Hague; Mr. William Johnson; Captain J. A. Denis Rouleau; Mr. Kenneth A. Smee; Rear Admiral David C. Morse; and the Executive Secretary of the board, Lieutenant-Colonel, retired, Peter N. Dawe.

* * *

56TH ANNIVERSARY OF D-DAY

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, on this day 56 years ago, young men from across the country and part of the Third Canadian Infantry Division were landing on Juno beach in Normandy, many of them never to return home.

Today, names like Utah, Omaha, Gold, Juno and Sword Beaches are but briefly mentioned. We often forget that each and every one of these men had a family, a story and dreams for the future.

Although many of them perished on those bloody beaches, some like Dr. Bernard Laski are still with us. On June 6, 1944 Dr. Laski was with the troops in Normandy. After the war he chose Toronto as his home and has since been a devoted and well respected pediatrician.

Today we pay tribute to those who fell and gave their lives, but we should also take a moment to say thanks to all the veterans who are still with us. Today we must all remember them.

* * *

THE LIBERAL PARTY OF CANADA

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, it seems the Prime Minister's latest proposal, the Canadian way, has very little to do with Canadians.

One of his own backbenchers has exposed how dismal the democratic process sometimes is in the Liberal Party. Liberal MPs feel that they have become voting machines, that most of the important decisions are made behind closed doors, in backrooms.

Voting machines? Backrooms? Important decisions made behind closed doors? Is this progressive government?

The dissatisfied rumblings of the Liberal backbenchers are only the beginning. Canadians have had enough of politics done the backroom way and are getting ready to show the government the way out.

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In the next election Canadians aim to take back the decision making. They will begin by showing the government what they have known for some time, that the only way is the Canadian Alliance way.

* * *

56TH ANNIVERSARY OF D-DAY

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, 56 years ago today, as dawn was breaking, thousands of young Canadian soldiers in northern France were struggling to fight their way on to the beaches of Normandy. They faced murderous fire and hundreds died on those beaches.

Well disciplined, properly equipped and magnificently trained, they penetrated the defences of the Axis and moved inland. The Canadians pushed farther inland that day than any other allied unit.

The Royal Canadian Navy provided 109 ships and 10,000 sailors in direct support. The Royal Canadian Air Force attacked coastal defences and contributed to the battle for air supremacy, so essential to the success on the ground below.

Victory on the beaches of Normandy was critical in the struggle to free Europe. Let us today remember and honour those who gave everything, including life itself, in that struggle.

* * *

BILL KIRKEY

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, small rural towns are often described as a family. With this in mind, it is an honour for me to recognize one of my brothers, Bill Kirkey, for his outstanding community spirit and involvement.

Bill was born in November 1935 and, although he was born with cerebral palsy, he worked hard and beat the rather bleak odds forecasted by his doctors in the medical community of the day.

With his determination forged by fire, Bill has since become a highly respected and productive member of his community. Indeed, it would be very difficult to find anyone in the town of Goderich who does not know and respect Bill Kirkey. I would suggest that this is primarily due to the thousands of volunteer hours that Bill has invested in the community.

For the past several decades, numerous charities and community minded initiatives have been the benefactors of Bill's selfless generosity and devotion to his fellow man.

As Bill prepares to celebrate his 65th birthday, I along with all the citizens of Goderich pass on our sincere appreciation for his hard work. Happy Birthday, Bill.

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MALNUTRITION

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, it is estimated that 6 million children under five die each year of causes associated with malnutrition, and that over 2.5 billion of the world's 6 billion people consume inadequate amounts of micronutrients, that is, tiny amounts of essential vitamins and minerals that are not produced by the human body but are essential to human health.

• (1405)

Malnutrition leads to blindness, decreased learning capacity and productivity, stunted growth, below average weight, susceptibility to common infections such as diarrhea and pneumonia, and increased rates of maternal and child death.

I take this opportunity to compliment CIDA through its strategy in partnership with United Nations agencies, IRDC, governments and NGOs on tackling specific nutritional deficiencies and working to end micronutrient malnutrition.

* * *

[Translation]

THE HOMELESS

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, on June 2, the Canadian government announced that \$56 million would be allocated over a three year period to deal with the issue of homelessness in Quebec.

With a budget of \$305 million, the community action partnership initiative is a key component of the \$753 million national campaign launched by the federal government to help the homeless.

That program must be really effective, since even the Quebec Minister of Health was pleased with this announcement. There are 12,666 homeless people in Montreal alone. The Canadian government cares about providing these people tools to help them help themselves and improve their quality of life.

This initiative will help us elicit the Quebec government's co-operation, so that we can unite in our efforts on behalf of those who need help.

* * *

FIGHT AGAINST POVERTY

Mrs. Maud Debieu (Laval East, BQ): Mr. Speaker, the Minister of Finance's false outpourings of compassion for the disadvantaged during the meeting of international institutions held in Washington in April did nothing to cover up the fact that the minister is much more interested in passing legislation to protect his fleet of ships than ending poverty in Canada.

What the minister did not say at the meeting, but did do in his last budget, merits our attention: he took \$30.5 million out health care, education and social services.

Despite a surplus of \$140 billion, the minister did not earmark any funds for social housing or for the thousands of families that must spend more than 50% of their income on accommodation. He continues to exclude six out of ten unemployed workers from benefits in order to better serve his friends.

That is why the Bloc Quebecois is making a solemn pledge to Quebecers living in precarious situations and isolation on the fringes of society to do what it takes to get the federal government to put right the wrongs it has committed.

* * *

[English]

56TH ANNIVERSARY OF D-DAY

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I can think of no better way to honour our veterans on this 56th anniversary of D-Day than to share my late father's recollections.

He was a member of the Argyll and Sutherland Highlanders. He said: "We had mixed feelings on that late spring day. Some were apprehensive, some with zeal, but all had a prayer on our lips as we huddled in our assault crafts. The sky was blanketed with allied aircraft and the great ships fired continuous salvos at the French coast. It is a wonder how the enemy could have survived. The noise was deafening. The channel was very rough. A destroyer came close to us. The waves from her bow were higher than our craft and she looked the height of the *Queen Mary* to me".

Many of the soldiers were seasick and just wanted to get to shore, no matter what was waiting for them.

"Finally we neared the beach, and then my assault craft hit a mine or was hit by a shell, I am not sure, but I was thrown into the air and then into the water, semi-conscious, weighted down with my grenades and bandolier. I struggled free and then passed out. I was picked up and was in hospital in England when I awoke. I was one of the lucky ones".

We are the lucky ones because they left us with a lasting reminder of their courage and devotion to their country—freedom.

* * *

[Translation]

FRANCOPHONE GAMES

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, on May 26, we learned that all levels of government involved had confirmed their financial contributions for the next Francophone Games.

This is good news for the Ottawa-Hull area, because we are seeing an excellent example of co-operation and partnership to the benefit of the francophone population.

Let us remember that the 4th Francophone Games will be held in Hull and Ottawa in July 2001. The Government of Canada is contributing over \$12 million for the event.

• (1410)

The organizing committee and the signatory governments are satisfied with the agreement concluded. This important step shows that, when efforts are united in one cause, great things can be achieved. The francophone and francophile population, as well as participating athletes, will be the beneficiaries.

We wish all participants in, as well as organizers of, the Francophone Games the best of luck.

* * *

[English]

REVENUE CANADA

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, in 1991 a Revenue Canada tax ruling allowed one of the wealthiest families in the country to avoid a \$700 million tax bill by transferring a \$2 billion family trust out of the country.

In 1996, on behalf of all Canadians, George Harris charged Revenue Canada with failing to enforce federal law by not collecting the taxes it was owed. Last week the federal court of appeal tossed out the federal government's appeal and allowed this case to proceed. Four judges have now ruled that Mr. Harris has standing in this case.

The government should stop obstructing this case with appeals and let the matter proceed so that a ruling can be made before the 10 year agreement with the family in question runs out and Ottawa is unable to collect the taxes owed.

Canada's tax system must be fair for everyone. Revenue Canada should not be allowed to act illegally to give special favours to some taxpayers and not to others.

* * *

[Translation]

IMPORTATION OF PLUTONIUM

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, in 1996 the Prime Minister gave the OK for up to 100 tonnes of MOX plutonium to be burned in Canadian CANDU reactors. We will shortly be receiving a second shipment of this radioactive material from Russia.

The attitude of the government is deplorable, especially during Environment Week. With no public consultation whatsoever on

importing this dangerous substance, it is acting in an underhanded manner, to the detriment of both human and environmental health.

The Environmental Assessment Panel to Nuclear Waste Management and Disposal Concept indicates that the Minister of the Environment and the Minister of Natural Resources had promised a full environmental study, including a public investigation by an independent panel. So far, nothing has been done.

Knowing that close to 50% of the initial mass of MOX will remain in the form of radioactive waste, and that plutonium has a life of 24,000 years, this is enough to have the public shaking in its boots.

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[English]

HIGH TECH EDUCATION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, it is essential that our education system keep up with the growing demand from the high tech sector for technically skilled workers.

In Ontario, in the automotive industry alone, it is estimated that 14,000 new skilled workers will be needed over the next 10 years.

To help train more workers for the value added manufacturing sector, the city of Brampton recently proposed the establishment of a high tech training centre.

By partnering with Sheridan College, Humber College and various local firms, the city of Brampton hopes to create a post-secondary institute of technology.

As the MP for Bramalea—Gore—Malton—Springdale, it is my sincere hope that this worthy proposal will be approved this year and ready for students in the near future.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, last week the federally appointed arbitrator tasked with determining whether the severance and pension packages available to the Devco coal miners were equitable made his ruling public.

Mr. Outhouse ruled that 246 more miners will be eligible for the early retirement package by stating that anyone with 25 years of experience in the coal mines would qualify. This was in contrast to the federal government's position that only miners with a combination of 25 years experience and a minimum age of 50 would qualify. This brings the benefits package in line with those offered to other crown corporations when they were privatized.

The arbitrator also ruled that medical benefits will be paid as long as employees receive severance payments.

Oral Questions

The arbitrator's ruling closely follows what the PC Party has been calling for to improve the Devco bill. The PC party noted the need for improved medical provisions and for more inclusive severance packages. The federal government ignored those ideas, but the arbitrator's ruling shows that the PC Party was once again on the right track.

* * *

YUKON

Mr. Derrek Konrad (Prince Albert, Canadian Alliance): Mr. Speaker, at the end of the 19th century the '99ers created an economic boom in Yukon when they took part in the Klondike gold rush.

Now the economy of Yukon is in ruins, a victim of total mismanagement by the Minister of Indian Affairs and Northern Development.

Consider these facts. Since 1996 the mining industry has declined by an incredible 87%. It is currently sitting at a 30 year low and is expected to drop even further this year. The population has dropped 10% and the stagnant economy is imploding.

• (1415)

Yukon is rapidly becoming almost entirely dependent on government transfer payments and a 90 day tourism season that contributes little to a sustainable economy.

Yukon needs mineral development and the Department of Indian Affairs and Northern Development's policy of suffocating developers in red tape is turning them away.

The evidence is clear: The minister and his bureaucracy have failed Yukoners. It is time for a change.

ORAL QUESTION PERIOD

[*English*]

HUMAN RESOURCES DEVELOPMENT

Miss Deborah Grey (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I just thought of a great comedy series. The main character would be a political figure, say a minister, who was in charge of a huge department. She would be responsible for billions but she would have no idea what was going on because those bureaucrats would keep her in the dark. Sinister officials would funnel millions into fountains, hotels and canoe museums, the crazier the better. The minister could just sort of doodle happy faces on those boring old internal audits.

Does the minister think this is a plot she might star in or should we just turn it over to Leslie Nielsen?

Some hon. members: Oh, oh.

The Speaker: Order, please. These comments are getting too personal. I would ask members to temper their language. I think we are getting a little bit out of hand.

I will permit the minister to answer the question if she would like to, but we will not have any personal attacks on one side or the other today.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, all I would like to say is that no accusations and no insults will change the facts in this case.

What is clear is that the department has taken the work of the internal audit very seriously. We have provided that information to the Canadian public. We have shown them how we are going to make improvements and we have actually shown them that we have made improvements.

Miss Deborah Grey (Leader of the Opposition, Canadian Alliance): Mr. Speaker, what I would like to make clear is that her top bureaucrats, officials and personal staff spent much of last fall in a frenzy trying to prepare for the fallout that was going to be coming forward because of this now famous audit.

Damage control plans were in full swing last August to prepare for the fallout but that did not phase the minister. Between August and December she shovelled another \$500 million out in programs, the very programs that bungled the first billion dollars.

If everyone else around the minister knew the results and the damage, why did they let her keep that chequebook in her hand?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member makes reference to the top bureaucrats and the people in my department. I just want to say to the House, and particularly to that member, that the members of the Department of Human Resources Development have been working around the clock, 24 hours a day, to improve the administration of grants and contributions because they agree with the government that those contributions make a difference in the lives of Canadians in every part of the country, including the hon. member's riding.

Miss Deborah Grey (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I would also like to credit the HRD people and officials with doing great work. It is a pity there is such political interference from the top that they are not allowed to do their jobs.

While the Philippines were collapsing, Imelda just kept on buying shoes. Poor Imelda, she was the last to know about any disaster happening in her country.

Oral Questions

It seems to me that the film idea *Yes, Minister* was a great take-off on this, except that it was fiction in Britain. It was supposed to be a spoof that was funny. It is reality here now in Canada.

In spite of the government's billion dollar bungle, the minister carried on and flushed another \$500 million out in programs. Was the taste of that first bungle just—

The Speaker: The hon. Minister of Human Resources Development.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member talks about flushing \$500 million out in programs. Do members know what those programs included? They included programs that gave young people who were on the streets the opportunity to come into a place with a roof over their heads and to get some training and self-respect. In this particular case, I am thinking of the Servants Anonymous Society in the city of Calgary where a young woman turned to me and said "Without this grant I would be dead".

Is the hon. member suggesting those were tax dollars that were unwisely spent? If she is, she should say so.

• (1420)

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, here is the minister's story. She said that on August 9 she had a briefing from her officials on the hottest issues but that somehow they forgot to remind her of the hottest issue of all, the internal audit. By October 20 everyone in the department, from the mailroom clerk on up, knew about the internal audit except for the minister who, like a mushroom, was kept in the dark.

I know this is all very painful for the minister but I wonder if she could tell us what her bureaucrats told her to say about why she was out of the loop for those three disastrous months.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we have been over this countless times and we will go over it once again.

More than a year ago the department identified that it should do an internal audit on its grants and contributions. Over the course of a period of time the audit was undertaken. The audit was not even complete during the timeframe to which the hon. member has made reference, which was the summer. The auditors were still in the field collecting information.

As I have said before, as a result of the preliminary findings the department took action, which is as it should be. I can tell the House that the first time I was briefed on the internal audit was on November 17, and that was appropriate.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the minister does not even have the good sense to be embarrassed about her ignorance of the situation.

Some hon. members: Oh, oh.

The Speaker: I want the member to go directly to his question.

Mr. Monte Solberg: Mr. Speaker, how can Canadians have any confidence in a minister who stands up and proudly proclaims "Hey, how can you blame me? I was out of the loop for three months?"

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, perhaps you have noticed, in the tone of the question from the opposition member, that yet again it is really nothing but an insult. I remember that it was that party in 1993 that said it was coming to the House of Commons to improve decorum. Whatever happened to that?

* * *

[Translation]

CANADA INFORMATION OFFICE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we learned that, in 1997-98, another friend of the government, lawyer Richard Mongeau, now a judge, received \$160,000 from the Canada Information Office, while working for the firm Administration Leduc et Leblanc, which was awarded a \$50,000 contract without tender to provide communication services, after contributing \$15,000 to the Liberal Party fund.

Could the minister tell us why Richard Mongeau received that money? Is it as a political analyst, legal counsel or contributor to the party fund?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, during its first few years, the Canada Information Office, which is a small body, had to rely on outside professional services, until there were enough public servants to allow it to do its job. Mr. Mongeau was paid for his professional services.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, let us look at an example of professional services.

Here is the kind of analysis made by Mr. Mongeau for the firm Administration Leduc et Leblanc. The memo reads as follows "A review of Quebec's weeklies shows that the member for Verchères again criticized the federal government's decision to withdraw its annual contribution of \$7.2 million to the Tokamak project, in Varennes". Incidentally, these criticisms were made in the House.

Are such analyses worth \$50,000, not to mention the amount of \$160,000 received as legal counsel by that person, who was appointed a judge by the government during the same period?

Oral Questions

• (1425)

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, again, Mr. Mongeau was asked to provide services to the CIO and I believe he provided these services according to the treasury board's rules and guidelines.

I realize that the member, the leader of the Bloc Québécois, may not agree with all the things we do to improve the situation in Quebec and to be in touch with Quebecers to explain what the Canadian government does for them. I know they are not pleased with this situation, because they are only here to destroy the country, while we are here to build it for all Canadians.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, allow me to read you a message addressed to Jean Pelletier, the Prime Minister's chief of staff:

An analysis of the regional press review reveals that the following businesses from the Saguenay region participated in the team Quebec trade mission to China: Le Centre Québécois de recherche et de développement de l'aluminium, Alumiform, Microvel, Groupe conseil Saguenay.

The message was signed by Richard Mongeau, information service.

Why did the CIO, the Canada Information Office, have to pay Richard Mongeau \$50,000 to send this sort of note? Are there not already enough professionals to monitor the print media in Quebec—

The Speaker: The hon. minister of public works.

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, as I said at the outset, in its early years, the CIO lacked the organization it needed to fulfil its mandates internally. So it turned to professional firms, and that is what Mr. Mongeau did.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would remind the minister—and he must be aware of it—that Mr. Mongeau is a lawyer, not an information analyst. He in fact pays him \$160,000 as the CIO's legal adviser.

Why did the minister pay Mr. Mongeau \$160,000 to be the CIO's legal adviser and \$50,000 to be an information officer at the same time, in the same year? Were so few resources available in all of Canada and Quebec that only Richard Mongeau could do all the jobs?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, perhaps the hon. member should look to the mother house and grasp the fact that the Government of Quebec, with its great organization, is handing out contracts to individuals to do analyses.

I can tell you about a contract worth \$10,000 that they handed out for an analysis of sponsorship agreements signed by depart-

ments over the past three years, develop a policy and a table of comparison and make recommendations.

Perhaps he should put the question to the Government of Quebec and their mother house.

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[English]

WORKPLACE SAFETY

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, it has been eight years since the Westray disaster, three years since the Westray inquiry recommendations and yet hundreds of workers still die on the job in this country every year because of employer indifference or outright negligence.

The Westray bill would strengthen the criminal code and bring Canada's law in line with other countries.

My question is simple. Will the Minister of Justice finally and urgently introduce the necessary amendments to the criminal code?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I understand that the Standing Committee on Justice and Human Rights considered the issue this morning. I understand that it will be reporting back to the House very soon. Obviously I will seriously consider any recommendations in that report.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, it is discouraging that the justice department has been studying this issue for three years and yet the justice committee took less than three hours to call for urgent action. The legislative drafting is done, the bill is prepared and Canadians support it. What we need is the justice minister's support.

I want a straight answer from the minister. Does the Minister of Justice support the measures in the Westray bill, yes or no?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me give the hon. member a straight answer. I understand that the standing committee will report to the House in the coming days. I will receive that report, study it and take very seriously any recommendations found in that report.

* * *

• (1430)

NATIONAL DEFENCE

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, senior Canadian air force officers have spoken out about the Prime Minister's decision to deploy combat aircraft to Kosovo. While our aircrews performed admirably, these very experienced officers

Oral Questions

complain of the lack of adequate equipment which put our air force personnel at extra risk and of burnout. That was because of political decisions to understaff our ground crew.

Would the Minister of National Defence explain why he allowed the PMO to make this decision when clearly they were not properly equipped for the job at hand?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, they were properly equipped for the job at hand. We knew full well what the capabilities of the CF-18s were. In fact they performed admirably. They were involved in over 600 missions. They were asked by the U.S. general in charge of the air operation to lead half of those missions. That is a clear indication of the kind of expertise, training and equipment they had.

That equipment needs upgrading and is going through an incremental modernization program at this time. However, when it came to the call in Kosovo, they performed exceptionally well.

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, we will not mention the communications equipment.

The Minister of National Defence has a responsibility to stand up for our armed forces personnel. He has the responsibility to tell the PMO when it is making unrealistic demands. He allowed the Prime Minister to commit under-equipped troops. He helped make the political decision to understaff our ground crews at Aviano. Why did he not tell the Prime Minister that they were not adequately equipped for the task at hand? For once why did he not just say no?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, that is simply not true. The chief of the air staff made it quite clear at each stage of the way as we engaged in the Kosovo air campaign that he had the people and the equipment that could do the job.

They were not asked to do anything they were not capable of doing. Safety precautions were always kept in mind and in place to ensure that they could do the job, and they did the job in an outstanding fashion.

* * *

HUMAN RESOURCES DEVELOPMENT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, even if we strained credulity to the breaking point, we still could not swallow the story that a ticking time bomb the size of the boondoggle audit could escape the notice of any reasonably competent minister of the crown. However, the HRDC minister maintains that she was unaware of the explosive audits for over a quarter of a year. Is that because she was completely out of touch with her department or because no one thought her input would be worthwhile?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us look at what my input did do. It strengthened the management response. It made sure that the internal audit was made public. It helped write the six point plan that is supported by the auditor general and is now being implemented. And it made sure that 17,000 active files in my department were reviewed.

What we have shown today is that it has never been about money as that party always suggests. It is not about money. It is about making sure we have a strong administrative platform on which to support these important grants and contributions.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, Canadians want to advise the minister that a billion dollars is money.

HRDC deputy minister Claire Morris acknowledged “intensive and sustained management attention” to the internal audit report since June. All this went on for months without any leadership from the minister who said she did not have clue about what was going on until November.

Is the minister simply a figurehead parroting storylines in the House of Commons?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again I would point out that the department undertook an internal audit. The audit was not complete until late fall. It was brought to me with the completion of the review as well as a management response on November 17. When I reviewed it I insisted on a stronger management response. When that was completed, the whole thing was made public and now of course the rest is history.

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[Translation]

CANADA INFORMATION OFFICE

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, the following memo from Richard Mongeau is funny, but it is not a joke:

As agreed, we have reviewed the spelling and punctuation of the Quebec regional files. In addition, we have gone over the suggestions from certain departments with Linda Cameron. This was done so as to keep costs as low as possible, as discussed with Roger on Wednesday, December 10.

• (1435)

How does the minister explain that the CIO feels the need to hire a lawyer of the calibre of Richard Mongeau to correct the spelling and punctuation of its documents?

Some hon. members: Oh, oh.

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

Oral Questions

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I know that the Canada Information Office is creating problems for the Bloc—

Some hon. members: Oh, oh.

Hon. Alfonso Gagliano: It bothers them that the Canada Information Office tells Quebecers about everything the Canadian government is doing. At the same time, it is collecting information in order to be able to create programs that meet people's needs.

Now they are reduced to looking for commas and periods.

Some hon. members: Oh, oh.

Hon. Alfonso Gagliano: The question is completely absurd.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, we are not the ones looking for commas; Richard Mongeau is.

Yesterday, we saw that Michèle Tremblay, a friend of the minister, was paid twice. Today, we understand that Mr. Mongeau was also paid twice by the CIO, as a lawyer, as an editor, and as a press clipping officer.

Will the minister admit that the only thing Ms. Tremblay and Mr. Mongeau have in common is that they are friends of the minister, friends of contributors to the Liberal Party of Canada's coffers?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): No, Mr. Speaker. Every contract was awarded according to treasury board guidelines.

Certain contracts were put out to tender and I think that the CIO hired professionals according to needs and requirements.

I repeat, it bothers them, but we are going to continue telling Quebecers everything that the Government of Canada does, and why it is worth belonging to this great Canadian federation.

* * *

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, the minister said she took no action on the problems in her department because how could anyone know, the audit was incomplete, how could anyone taken any action?

The spin doctors in her own department in a document entitled "Communications Approach" knew about it. They said that there will be administrative shortcomings that will be revealed and they had better be up for that. And in what must be the best understatement of the year, they said that the report will indicate that the

administration of grants and contributions in her department could do with improvement.

If the communications department knew about it in August, how can the minister say that she cannot do anything until the audit is complete?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is talking about taking no action. What is clear is that party cannot accept the action that we have taken. That action included making the internal audit public. That action included talking with the auditor general to get the remedial plan just right. That action included a full review of all files in my department to ensure that the paperwork was there for the future.

As always that party remains stuck in the past talking about old news, trying to change the facts. None of its huffing and puffing will change the facts as they have been presented over the course of the last five months.

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, the amazing part is I wonder if she could explain which government was in charge of the boondoggle in the very beginning. When senior managers in her department found out, no changes were made. That was back in July. When her media consultants found out about the problems, nothing happened. When the deputy minister found out, got the word, no changes were made. When the Clerk of the Privy Council found out, nothing happened. I imagine even the janitor knew about it. Nobody made any changes.

The question is how can we trust the minister's administrative abilities when she does not do anything? Even after she found out on November 17, nothing else happened.

• (1440)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, perhaps the hon. member would do the local human resources office in his riding the courtesy of visiting it to see how much has happened.

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[Translation]

CANADIAN HERITAGE

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, we have already learned that Bell Canada Média served as a front for the program "Le Canada du millénaire". Now we learn that the "Heritage Minutes" of Heritage Canada have a link with the CR Bronfman Foundation.

My question is for the Minister of Canadian Heritage. Why is this government, which is so keen on gaining visibility most of the time, with the millennium scholarships for instance, hiding behind Bell Canada Média and the CR Bronfman Foundation?

Oral Questions

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I will follow the hon. member's suggestion to gain more visibility for Canada, and we will put our wordmark on this.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, the government has made use of Bell Canada Média and the CR Bronfman Foundation as fronts for the "Heritage Minutes".

Are we to understand that the government is using the frontman technique to disguise information that is, in reality, nothing but propaganda?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, allow me to say a few words about what is being called propaganda.

We have told the legend of Maurice "The Rocket" Richard. We have told people about the singer La Bolduc, about Paul-Émile Borduas and Joseph Casavant, not forgetting Jacques Plante and his innovative goalie face mask. Is that propaganda for Canada?

* * *

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, before the current HRDC minister was sworn in, departmental officials were in full spin mode over the billion dollar boondoggle. They held secret meetings and they hatched a plan on how to release this damaging information. Then the new minister arrived and it was business as usual. Between August and December under her watch HRDC spent almost \$500 million on grants and contributions.

Why did the minister continue to approve expenditures of nearly half a billion dollars when the interim audit clearly stated that there was a potential for internal or external fraud?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, clearly from all these questions, that party opposite wanted action taken. Clearly, those members should take the time instead of looking at drafts and bringing bits and pieces to the House and see that action has been taken. Why do they not spend time looking at the results of the last report to the standing committee that went through the 17,000 files, that improved the administration and identified quite clearly that no money was missing? Indeed it continues to be spent wisely and widely across Canada to help the citizens of this country.

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, the minister is absolutely right. The money was spent widely.

Some hon. members: Oh, oh.

The Speaker: Order, please.

Mr. Dale Johnston: Mr. Speaker, the minister asked us to look back at the record. We did and what we found was that from July to December, while the time bomb was still ticking away in her department, she denied that the problem even existed. There were more grants and contributions funded out of that office in November than in any other month in 1999. The minister has clearly put partisan politics ahead of her personal integrity.

Why would she abuse taxpayers' dollars in such a way?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again the members of that party opposite have not taken the time to understand the impact of these grants and contributions. Perhaps they should have come with me to Montreal where there, in partnership with the city, young people who were on the street—

Some hon. members: Oh, oh.

• (1445)

The Speaker: Order, please. The hon. Minister of Human Resources Development.

Hon. Jane Stewart: I was suggesting how nice it would be if members of that party opposite could have been with me in Montreal at a project where we are in partnership with a city where young people who have not been able to find their way are now working productively as amateurs in a park, providing historical background to those who choose to visit that park.

Perhaps they could have been with me in Winnipeg where young people who have not been able to succeed in the formal education system are now working in a very tough part of downtown Winnipeg in a 100 year old house on a lane that was called Murder Lane, refurbishing that house. They are actually connected to the world again.

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[Translation]

RADIO-CANADA

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, as he was investigating the matter of the "Heritage Minutes, the Bronfman foundation and Robert-Guy Scully", journalist Normand Lester of Radio-Canada has just been shunted off.

Mr. Scully, however, remains on the job, although he contravened journalistic standards and practices on advertising.

How else can such a difference in treatment be explained but by the fact that Robert Rabinovitch, now the president of the CBC, was still recently an associate of the Bronfman foundations?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I know the member for Rimouski—Mitis well, and I

Oral Questions

do not think she wants the government to meddle in matters relating to jobs at the CBC. At least, I hope so.

* * *

[English]

THE ENVIRONMENT

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, the government recognizes very much that water and air quality are vital priorities for Canadians. Recently the Canadian Federation of Municipalities has met with the minister wherein there was an announcement regarding infrastructure programs with an environmental component.

Could the President of the Treasury Board tell the House how the new infrastructure program will work and, more important, how it will improve air and water in Canada?

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as the Prime Minister said yesterday, nothing is more fundamental than to protect and preserve the quality of air and water.

Therefore the priority of the municipal infrastructure will be on green infrastructure, which includes water, the waste water system, solid waste management and public transit.

[Translation]

This choice of priorities arises from our discussions with the Federation of Canadian Municipalities and the Quebec coalition of municipalities. We hope therefore to have an opportunity to promote our air and water improvement objectives.

* * *

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, the HRDC boondoggle goes on and on. Witness the recent bungle in which HRDC raided an elderly widow's bank account of some \$8,400 because of an administrative error.

I understand the officials have apologized and the money has been returned, but my question goes back one step. Since when does HRDC have the authority to raid the bank accounts of private citizens?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, indeed I sincerely regret any difficulties in this circumstance created for the family in question.

I want to let the hon. member know that the circumstance has been reconciled, that an apology has been issued to the family, and that the apology has been accepted.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, as I said, I acknowledge that, but my question goes back one step. By what authority does HRDC reach into the bank accounts of private citizens? Every person who has money in a bank account deserves to know the answer to that question.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, in fact the appropriate approach would have been to deal with the family directly. As I have said, an apology has been issued to the family and the apology has been accepted.

* * *

TAXATION

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of National Revenue. Last week George Harris from Winnipeg won in the Federal Court of Appeal the right to challenge the legality of a tax break that was given to the Bronfman family trust.

• (1450)

The case involves a \$700 million tax break. The trust has given Revenue Canada the right to reassess its decision within a 10 year period that expires in 2001.

Given that this may end up in the supreme court and indeed may be brought by the federal government, will the minister now do the right thing and reassess his department's decision immediately so that Canadian taxpayers will not be shortchanged?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the decision was tabled not long ago. It has been received by the department. The department is going through the decision. It is analyzing the decision and then a course of action will be taken.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, Mr. Harris has now won two different court decisions, including one in the Federal Court of Appeal last Friday, June 2. This involves a \$700 million tax break. That is a lot of money in terms of fairness to the Canadian people.

Given that, could the minister now assure the House that he will not ask for an appeal to the Supreme Court of Canada, that he will not appeal this case?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the hon. member should know that we are talking about a case pending in court.

Oral Questions

The decision was rendered not long ago. The department will have a look at it and then we will take the normal course of action.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, Canada's current 13% capital gains tax disadvantage with the U.S. is hurting our high tech sector and is feeding the brain drain.

The Liberal dominated House of Commons industry committee as well as the Senate banking committee have both recommended reducing our capital gains tax burden to the U.S. levels or even lower.

Will the finance minister heed the advice of his own colleagues and reduce Canada's capital gains tax burden to U.S. levels or, even better, why not scrap Canada's personal capital gains tax altogether?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member will certainly note that in the last budget the government for the first time in a long time reduced the capital gains taxes.

I congratulate the industry committee, the finance committee before it and the Senate committee for the great work that they have done and are doing. The hon. member can rest assured that we will take the recommendations and give them every due consideration.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, even after the recent budget and the movement by the minister toward reducing Canada's capital gains tax burden, we still have a 13% disadvantage with the U.S., a 13% disadvantage in the hypercompetitive global economy.

We cannot afford to be a nanosecond behind. Why does the minister not help all Canadians, in particular the high tech sector, do the right thing and eliminate the unsound and unjust capital gains tax burden that is holding our high tech sector and all Canadians back?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member will note that whatever disadvantages may exist within the tax system they were introduced by the previous Tory government, but we have in every budget eliminated and reduced those taxes.

The member can rest assured that we will continue to eradicate the terrible, terrible mistakes that were inflicted upon the country by the Tory government.

* * *

FOREIGN AFFAIRS

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, many Canadians are concerned with irregularities in recent elections in Peru. Could the Parliamentary Secretary to the Minister of Foreign Affairs tell the House what action is being taken by Canada to bring greater levels of democracy to Peru?

[Translation]

Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, the OAS countries meeting in Windsor this week have unanimously agreed to send a high level mission to Peru. This mission will be headed by our Minister of Foreign Affairs and the secretary general of the OAS.

The aim of this mission will be to find ways to improve democracy in Peru, for example, through a reform of the election process, a reform of the law and constitutional courts and reinforcement of the freedom of the press.

* * *

• (1455)

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I want to follow up on the question of the member for Elk Island because HRDC has just helped itself to the bank account of a private citizen. I want a straight answer and not the apology. We know about that.

By what act or authority can HRDC reach into someone's bank account and help itself? That is the question. I do not want the apology. I want the answer to that question.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member will know that when overpayments are established the government has the authority to collect them. In this case, as I have said, an error was made in going directly to the bank and not to the family. I reiterate my apology to the family for that.

I want the hon. member to know that apologies, both verbal and written, have been offered to the family and have been accepted. I have directed the department to ensure that this does not happen again.

* * *

[Translation]

PARENTAL LEAVE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, today, the Quebec government introduced a bill that will allow Quebec parents, including self-employed workers, to benefit from a generous parental leave program accessible to all.

Will the minister pledge in this House to undertake negotiations as quickly as possible with her Quebec counterpart, to allow the quick implementation of that long awaited parental leave program in Quebec?

Oral Questions

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a few years ago, we tried to negotiate with the Quebec government regarding this issue, but it was not interested.

Since then, the Minister of Finance has decided to include in the budget parental leave benefits for all Canadians. These benefits will apply across Canada, including in Quebec.

I believe this is how things should work in Canada. Canadians who contribute to the employment insurance system must receive the same benefits everywhere in the country.

* * *

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I wish to thank the Canadian Alliance for paying attention to New Democratic Party press conferences. I also wish to thank the Minister of Human Resources Development for personally apologizing to Mrs. Parry of Ottawa when an HRDC official inadvertently dipped into her account.

I have a question for the minister. Those types of headlines scare seniors across the country. Can she assure members of the House of Commons and Canadians from coast to coast to coast that this was an isolated incident, that it is not a systematic problem throughout her department, and that it will never happen again?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, ensuring that we provide the best service to Canadians, particularly those who are on fixed incomes, has to be a priority, and it is for this government.

I want to recognize and thank the hon. member for his commentary and say that for me the approach that was taken here is unacceptable. To the best of my ability I will ensure it does not happen again.

* * *

FINANCE

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, my question is for the Minister of Finance. When the minister was in Newfoundland during the recent campaign, and I thank him for his help, he promised to look into the present equalization and clawback arrangements with the province. He said he would discuss the present formulas with the other provinces.

What progress has the minister made in ensuring that provinces such as Newfoundland can get on their feet by allowing them to benefit economically from the development of their own resources?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member has asked me this question and I told him that the matter was under discussion by officials.

It is under discussion by officials. Since he has asked me the question I have not had an opportunity to meet with my colleagues, the other ministers of finance, but as soon as I do so I will be able to provide him with their reaction.

* * *

HUMAN RESOURCES DEVELOPMENT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the minister still has not explained to Canadians how HRDC has access to private bank accounts.

Is it because each citizen has to give his or her SIN number to the department and it uses that to access bank accounts? How does the department know and how is it able simply to reach into a private citizen's bank account? I ask the minister to explain that.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again, the hon. member will know that the government has a responsibility to collect on overpayments. Indeed over the course of the issue of grants and contributions they have been demanding that.

In this particular case, however, an administrative error was made. Certainly we should have gone to the family first. I have said on a number of occasions already that we have talked to the family and it has accepted the apology. I am working hard to ensure that this does not happen again.

* * *

● (1500)

[Translation]

FORT-SAINT-JEAN CAMPUS

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the lease of the Fort-Saint-Jean campus, the old Collège militaire royal, expires on August 31, 2000, just two months from now. There are persistent rumours to the effect that officers will come back to the site of the former military college.

In light of this extremely tight timetable, when will the Minister of National Defence announce the signing of a new lease and does he intend to also announce, before the end of the current session, the return of officers to the former Collège militaire royal de Saint-Jean?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are developing an officer development program that could involve facilities in Saint-Jean. We have the

base in Saint-Jean, called the Megaplex, as well as the campus of the former military college, which is still used for various programs and could be used in an expanded way.

We have started discussions and negotiations with the operators of a campus for Saint-Jean. We hope to come to an agreement very shortly that will be satisfactory to both them and the Canadian Forces.

* * *

THE ENVIRONMENT

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, the Minister of the Environment recently said that our drinking water is in danger but he cannot do anything about it because it is a provincial responsibility. We now learn, in fact, that the Canada Water Act has been around for 30 years and gives the government all the authority it needs when water quality becomes a matter of urgent national concern.

If the quality of our drinking water is really a priority for the government, then I ask the Prime Minister why the government has not bothered to issue an annual report since 1996, as required by the Canada Water Act.

Ms. Paddy Torsney (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, the issue of safe drinking water is important to all Canadians. The ministers who met in Quebec City yesterday, who are meeting again today, have discussed the issue of water.

All of us express our sympathy to the people of Walkerton and hope that the provincial governments will fulfil their responsibility to Canadians to ensure that environmental standards are enforced.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of another of my brother Speakers in Canada, the hon. Kevin O'Brien, Speaker of the Legislative Assembly of Nunavut.

Some hon. members: Hear, hear.

* * *

• (1505)

BUSINESS OF THE HOUSE

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, I rise on a procedural matter.

I want to advise the House that discussions have taken place between all the parties and the hon. member for Calgary Southeast

Supply

concerning the taking of the division on Motion No. M-160, scheduled for the conclusion of Private Members' Business later today, and I believe you would find consent for the following motion:

That at the conclusion of today's debate on M-160, all questions necessary to dispose of the said motion be deemed put, a recorded division deemed requested and deferred until Wednesday, June 7, 2000, at the expiry of the time provided for Government Orders.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—HUMAN RESOURCES DEVELOPMENT

The House resumed consideration of the motion and of the amendment.

Mr. Rick Casson (Lethbridge, Canadian Alliance): Madam Speaker, I am glad I was able to be in the House to listen to the hon. member's earlier comments. She talked about cheap politics. Cheap politics is the fact that there was more money spent in the Prime Minister's riding through grants and contributions than was spent in the province of Alberta, Saskatchewan or Manitoba. To me, that is cheap politics. When they can build fountains in the Prime Minister's riding and then reach into a senior citizen's bank account to take money out of her account without her authority, that is cheap politics.

At the time when health care and education budgets were being cut, grants and contributions were going up. How can the hon. member stand in the House and justify that kind of action by the government?

Ms. Judy Sgro (York West, Lib.): Madam Speaker, I would remind the hon. member that one of the roles of HRDC is to get people off unemployment and back into the workforce, as well as to ensure that opportunities are there for the disabled, the handicapped and many other Canadians who look forward to a positive future.

The unemployment rate was reduced from 11% to 7% as a result of the work done through HRDC. I think that is very important.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Madam Speaker, I would like the hon. member to respond to what we know. We can go to any school of public administration at any university across the country and read

Supply

the literature. We know that this type of expenditure probably hurts more than it helps the Canadian economy. Study after study it shows that.

Why would the government continue in the face of the academic literature? Is it because it knows there is a payoff politically? Even though it is not efficacious to the economy, it may be helpful in the voters' eyes, and it could misspend the money and get away with it because in the short term it could buy votes.

Ms. Judy Sgro: Madam Speaker, my opportunity to sit on the HRDC committee and hear from the various agencies the great things they did with the help of HRDC grants flies in the face of the comments of the hon. member.

We all know that the intention of our government, the Government of Canada, and Canadian taxpayers is for people to be helped in society. Cutting taxes is not supposed to be the primary goal for anybody; it is to provide good services to the people of the country. That is exactly what we were doing with the HRDC grants.

• (1510)

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, one of the things the member stated in her speech was that she thought we were just bringing up over and over again needless and unfounded accusations against the government, or something to that effect.

I would like to point out in the comments part of my statement that this was first raised by no less than the Auditor General of Canada. He raised serious questions about mismanagement in the department. All we are doing is following up on what he started and trying to get some accountability.

I would like the member to respond to a very simple question. Is she really convinced that there is nothing wrong in HRDC, or will she admit that there is and that it needs to be fixed?

Ms. Judy Sgro: Madam Speaker, I would point out as a member of the committee that the committee held many, many meetings and heard lots of witnesses. We recognize that the recommendations in the report came from all of us; that we look at finding a way to make the department slightly smaller, modernizing the department and streamlining it. It is a very big department and it deals with huge amounts of money. All the recommendations in the report are there because we, the government, also wanted to see some change and some opportunities to stay on top of some of the issues. Those are the recommendations that came out of the HRDC committee.

Mr. Leon E. Benoit (Lakeland, Canadian Alliance): Madam Speaker, I am very pleased today to have a chance to speak to this important motion. To remind people of what the debate is about

today, the opposition motion put forth by the Canadian Alliance reads in part:

That this House call for the establishment of an independent commission of inquiry into the mismanagement of grants and contributions in the Department of Human Resources Development—

Anyone who watched question period today would understand that the motion should definitely be accepted by all members of the House. What we saw today was the minister responsible for HRDC avoiding direct questions from members of the opposition. Then, after she could no longer avoid the questions, she avoided answering the questions.

An extremely important and direct question was put by several members. The question was: What is the authority that the minister used to allow her to take money out of a private citizen's bank account? It was a very direct and straightforward question. The minister never provided an answer to the question. The reason the minister did not provide an answer is because there is not a good answer.

We must establish a private, independent commission of inquiry to look into issues such as that.

There are three reasons we should establish a commission of inquiry. The first is to serve the public interest to ensure that what is best for the taxpaying public will be what happens in the future. That would be the result of an inquiry which would look at all that is wrong, so much that is wrong, with the Department of Human Resources Development.

The second reason is to restore public confidence, not only in parliament, but to restore public confidence in the Government of Canada generally. What has happened in this department and what has happened in other departments has led Canadians to become even more cynical than before when it comes to trusting the way the government spends their hard earned tax dollars.

The third reason is to provide the Canadian public with answers for all of the unanswered questions that have come up as a result of issues being raised by opposition parties into what has gone on in that department.

These are the reasons for which we clearly must establish an independent inquiry. It should be obvious. A government which really wants to be responsible to the people of this country, knowing the reality of what has gone on, should on its own volition, on its own initiative, call for such an inquiry to clear the air.

• (1515)

When a government is under siege, like the Liberal government is on this issue, what possible reason could there be for not wanting to establish a public inquiry to clear the air? I would argue that the only reason would be that it has even more that it wants to hide.

This is an extremely serious issue. It is not going to go away. It has added to the cynicism of the general Canadian public toward government. They feel they cannot trust government, and I understand why. For the sake of trying to help re-establish some of that trust in government and in politicians generally, we need this inquiry. That is not too much to ask. That is what the Canadian public ask.

I will read some of the things that my constituents have said on this issue, but I first want to say that I will be splitting my time with the hon. member for Kootenay—Columbia.

I will quote a constituent from Vermilion who said:

I am, as many Canadians are, disgusted with the ongoing fiasco of our current government. Minister Jane Stewart and Prime Minister Chrétien insist there is no fire on their burning ship. No doubt they have cast their life boats out for themselves, but have no problem sending their bureaucrats off the plank to lighten the load.

I want say that it is wrong to blame the people working in the civil service for what has happened here. The fault lies with the government. The minister of that department and the government are responsible for how the departments are run. This constituent has expressed concern that the government is not respecting that responsibility.

My constituents are also pointing out that they are concerned that this minister and this government have tried to blame civil servants on several occasions for the problems in that department. That is just not right.

My constituent goes on to say:

Only a swift independent look at each "donation" that HRDC distributed and the roles played by the HMS Squander crew will put closure and accountability to this fiasco. It is sad though that we have to spend more taxpayer money to prove accountability. I paid a lot of taxes this year and my family looks to each pay cheque to keep afloat and to build a future. It's time the government admitted fault, fixed the problem and helped to start building Canadian's future rather than sinking its own ship and letting the taxpayer clean up the mess.

This is from one of my constituents who is responsible for supporting a family and who is fed up with the wasted spending and the lack of accountability.

My constituents are saying that they are accountable for their families and that it is very difficult to just stay afloat due to high tax levels. Wasted spending is a real concern to these individuals.

Another constituent from Lac La Biche sent me a copy of an e-mail he had sent to the Prime Minister. The e-mail reads:

Sir: You have to get rid of this albatross running the Human Resources Department of your government. . . One (or is it three?) billion dollars, is a staggering amount of money. She is obviously not up to the task of ensuring the taxpayers money is treated with the care and respect it deserves. Public officials. . . must remember, tax money doesn't grown on trees.

Supply

Elected people have a very important responsibility, no, a trust to guard against wasteful squandering of what should be considered a precious resource. I know there seems to be a shortage of common sense these days, but do we have to keep reminding you to maintain some restraint and accountability in your fiscal dealings?

This was sent to the Prime Minister from someone who is absolutely tired of the way tax money is being squandered.

Another one of my constituents from Ryley, Alberta says:

There appears to be between one to three billion dollars that was doled out to grant recipients without proper administration or following accepted accounting practices. . . The general public needs to have faith that the government agencies spend our tax dollars wisely and prudently. This controversy will only lower our perception of the federal government's ability.

● (1520)

This constituent is saying that proper accountability is critical to maintaining some sense of confidence in government, and that this problem is shattering what confidence is left.

A constituent from Vermilion wrote to me saying:

Dear Leon, I am very concerned about the billions of dollars that has gone missing while under Jane Stewart's keep. I just don't understand this system that seems to think—

The Acting Speaker (Ms. Thibeault): I must interrupt the hon. member. The hon. member knows very well that we do not refer to members of parliament by their names. Even if you are citing a letter, you must editorialize.

Mr. Leon E. Benoit: Madam Speaker, it just slipped my mind. Of course, I was talking about the Minister of Human Resources Development. I was reading from a letter I received from a constituent.

The constituent goes on to say:

I just don't understand this system that seems to think that it is okay to have a billion dollars that just goes missing. . . I am a mature woman who has been trying to get a degree. . . and I have had to borrow money under the guise of earning a university degree to have some income so that I can raise my 4 children. Maybe (the Minister of Human Resources Development) should try living on less than \$12,000 a year. She would soon learn how to keep track of every penny.

This is a letter from a mother of four who is trying to raise her children on \$12,000 a year while watching the Minister of Human Resources Development and the government squander money.

How do we expect people across the country to feel when their hard-earned tax dollars are being spent in such an irresponsible way?

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, listening always attentively to the comments and speeches opposite, I could not help but notice that as the member read the letter, the writer of the letter has come to believe that somehow a billion dollars has gone missing.

Supply

I was curious about whether or not the member himself believes that a billion dollars has gone missing, because I do not think that is factual. It may actually be the case of the adage, that if something that is not factual is repeated often enough, perhaps with the use of that rhetoric, people may be convinced that what is not factual may be the truth. It is regrettable when that type of rhetoric and exaggeration goes on but I suppose that is part of the political rhetoric of this place.

My question is for the member who just spoke and who just read that statement into the record as though it were factual. Maybe the hon. member is not prepared to answer the question, but does he believe that a billion dollars has gone missing or does he just want people to believe it because he says it might be so?

Mr. Leon E. Benoit: Madam Speaker, I was of course reading from correspondence sent by my constituents. Some of them did point out that they felt there had been no proper accounting for the money.

Roughly \$13 billion a year are given out in grants and contributions. Has a billion dollars gone missing? I cannot answer that because there has not been proper accounting. So many things have been done improperly that in fact we do not know what has really happened with the money.

Asking me to account for what certainly the member himself cannot account for, because there has been improper safekeeping of taxpayer money, is an odd thing to ask. I think the member ought to ask the Minister of Human Resources Development, the minister responsible for this department, and the ministers responsible for the other departments that make up this \$13 billion in spending. Hopefully, they will eventually arrive at the truth.

This independent public inquiry, a commission, would certainly go a long way to at least answering the questions with regard to the human resources department. Those are the answers we are looking for and those are the types of questions to which Canadians want answers.

• (1525)

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Madam Speaker, it is probably too much to ask my hon. colleague, but I do wish that members on all sides of the House would take the time to respond to their constituents and to put some of the facts out: the fact that there is not a billion dollar boondoggle; and, the fact that there is not \$1 billion missing. However, they take all their facts from their national tabloid which is under some other name on the news stand.

That same party and those same members talk about political interference. My question is, how can my colleagues stand in their

places and say that there is political interference when more than 50% of the funds from grants and contributions went to opposition ridings?

Mr. Leon E. Benoit: Madam Speaker, I think the hon. member knows that the money was spent leading up to elections in constituencies where the Liberal Party felt it had a legitimate chance to win. Many of them it did not win, and as a result these ridings are represented by opposition members.

However, I would suggest that it is improper to use taxpayer money to fund that type of election campaigning before an election is officially called. Part of the problem is that too much of this money has been allocated for political reasons rather than for the purpose of benefiting the whole country.

I hear the members opposite getting really excited. They should be because this issue and their complete disregard for proper accountability could lead them to lose the next election. I hope it does.

They can help their own cause by supporting the motion for a public inquiry to look into the issue with regard to HRDC. Let us get some of the answers to the questions and then we will all know what is going on.

Right now it is factual that billions of dollars have been spent in a way for which there has been no proper accounting. I and the general public want those answers.

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Madam Speaker, I would again just like to briefly read the motion before the House that we are presently debating. It reads:

That this House call for the establishment of an independent commission of inquiry into the mismanagement of grants and contributions in the Department of Human Resources Development, and into any attempts to control the disclosure of this mismanagement to the public.

Madam Speaker, you may recall an unfortunate incident that I was a part of in the House, where I ended up using an unparliamentary word to describe the assertions of the minister. I commit that I will not use that unparliamentary word again. It does not change the fact that indeed the minister's statements were factually inaccurate and incorrect. It is what has driven me to request the time to be able to speak to the House about this issue.

Before I get into the specific situation with respect to my own constituency, I would like to say that in taking a look at this entire issue, it has been quite revealing. If we were to take a look back in time, we would discover that the starting point of this entire debacle, at least the debacle of the minister constantly doing cover-ups and constantly attempting to deflect responsibility for her culpability in this issue, all started when the Canadian Alliance

asked for an access to information to her department with respect to an inquiry on an audit that had been conducted in her department.

Then, by some strange magic, the people of Canada were asked to believe that the day following our request for that audit information, the minister suddenly discovered that it was just about time that she revealed that information to Canadians.

Some of us found it rather un-credible that she would attempt to have Canadians believe that when we became aware of the audit and we asked for the audit, that the very next day, by some strange magical coincidence, that she was going to reveal the audit.

Right from the very beginning, right from that point forward, we have had the minister doing a constant deflection of responsibility.

I heard a Conservative member of the Chamber earlier today quoting the Prime Minister, who, at the time when he was the opposition leader in 1991, said that every one of his ministers would be accountable to the House, accountable to him and ultimately accountable to the people of Canada.

• (1530)

The Prime Minister's words that he gave Canadians in 1991 ring absolutely hollow. They are an absolute mockery of even the intent of the words he uttered in 1991. It is absolutely shameful that the Prime Minister would allow his government to have reached a point where the HRDC minister is constantly trying to deflect responsibility.

The whole parliamentary system of Canada is based upon the parliamentary system of Westminster. It is based upon accountability and responsibility of the ministers of the government and the minister is constantly trying to deflect responsibility.

Even today, as she was questioned about the fact that clearly there was an interim audit, going back to June the officials in her department at the time that she took over the department were fully aware of the implications of this audit, the implications that her department had fundamentally lost control of \$1 billion in spending. She would have us believe in spite of the fact that when she was advised of all the so-called hot issues in August 1999, when her officials had in hand an interim audit, that those officials chose to keep her in the dark.

She can play with words until she is blue in the face. She can stand up and perhaps factually tell us that she was not officially informed until November 17. But those words do not mean anything because it is not feasible, it is not possible, it is not credible that her officials would have kept her in the dark from August through September into October and until November when she was finally told. As has been pointed out by my colleagues in questions in the House, during that period of time she had a chequebook out of which she wrote almost half a billion dollars of Canadians' money to various projects.

Supply

Any responsible, reasonable Canadian looking at the way in which the minister is constantly trying to duck, weave, dodge and get around the facts as they are presented would see that it is not credible. The minister is not accepting her responsibility and not accepting her authority over her department.

The reason I became as upset and exercised about this issue as I did, and the reason I went to the extent of having the Speaker remove me from the House for using unparliamentary language, was that when the minister stood up in the Chamber, she did so as part of her process of deflection, as part of her way of getting around the responsibility that is only hers to have.

She said that I personally had been constantly in touch with her office in a way that would promote these grants and funding to my constituents. In fact, I have a very competent staff who advised me and made me fully aware that indeed members of parliament should not be doing that, because if members of parliament do that, they give up the arm's length basis of being able to hold the government accountable for the funds that it is in the process of disbursing.

What basically happened was that we were approached by a business in my community which had put in for a grant. I believe it was in the neighbourhood of half a million dollars. It was for retooling an operation. When it got to a particular point in the process, no matter what those people did, they could not get any information back from the department.

Doing the job that any good MP should do, my office contacted HRDC on my behalf, and I take full responsibility for that, and said that this business was having this difficulty and would they please converse with these people and inform them of exactly what is going on. A second time it was the same thing. It lurched a little forward from that point. Again that business came to us saying it could not get any information out of the department and would we give it a hand. In this instance we just left a message on the voice mail saying, "Would you please contact these people and let them know what is going on. Are the forms filled out correctly and we understand that they have been approved. What is happening?"

• (1535)

The president of the treasury board came to my constituency. I recall saying to her when she was in Cranbrook, "Madam Minister, the frustration for this company is that we keep on hearing that indeed leases have been approved. There are other capital expenditures that will be happening. I am not advocating that they be approved or not, but we are told that they are approved. Please simply inform this company what in the world is going on".

That is the position I took. That is the reason when the minister said I had been advocating, pushing, shoving or doing whatever it was that she said I was doing, I was so incensed because I had

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stayed within what I considered to be a very important boundary. Indeed the auditor general substantiates the position that I and my office have taken. I quote from an article:

Mr. Desautels said he feels MPs should not be involved in approving job creation grants to companies and groups in their own ridings, as they currently do under the transitional jobs fund and Canada jobs fund programs, because their participation blurs the lines of public accountability.

“If members of parliament are involved in the decision making process for [job creation grants], that blurs the line and makes it hard for them to play their oversight role of government”.

As the official opposition, we are holding the minister accountable. We are trying to get the facts from the minister, not the facts as constructed in the precise wording she is giving the House, but the facts as to her responsibility and the fact that she is not taking responsibility. That is clearly why every member of the House must vote in favour of our motion this evening, that the House call for the establishment of an independent commission of inquiry.

Hon. Andy Scott (Fredericton, Lib.): Madam Speaker, I have a simple question for the hon. member. If members on the government side make an inquiry on behalf of a constituent in exactly the same manner that the hon. member suggested, because those members throw around language about approvals and so on quite freely, the fact is that no member on this side approves these programs. We are asked our opinion or we make inquiries just like the hon. member suggests that he made.

However I can make such an inquiry and the member should be aware of that. Were that particular organization successful in whatever application it may be, and God forbid, were that organization to make a donation to my campaign, completely unrelated to this, as happens all the time, that would be a subject of considerable angst for hon. members opposite. I have heard it in the House all the time. It is unfair to the companies and so on. If the hon. member made an inquiry on behalf of a company in his constituency and it happened that the company made a donation to his campaign, would there be anything wrong with that?

Mr. Jim Abbott: Madam Speaker, it is very clear that I was making an inquiry as to process. I was inquiring as to where it was in the process. I requested that they report back to my constituent because my constituency did not understand and could not get the information. That is the job of a member of parliament.

What the member is talking about by contrast is a totally different issue. He is making an inquiry as an advocate for that business. That is the difference. The surprising coincidence of the level of contributions that occurred after those grants and funds were given by the government to the firm in the constituency of one of the members who happens to be in the House today is what raises eyebrows.

• (1540)

It is a very simple difference. I do not understand why the member and the minister do not understand. There is a total difference between inquiring as to process and inquiring as an advocate for the company.

Mr. Derrek Konrad (Prince Albert, Canadian Alliance): Madam Speaker, my hon. colleague said that every member must vote for this motion. I note that the Liberal member for Broadview—Greenwood is concerned that the power of the Prime Minister’s office has turned members into voting machines. In the ridings they are nothing but patronage machines. The member for Waterloo—Wellington said that MPs should roll up their sleeves and go to work and do whatever they can to effect change.

I would like my colleague to comment on what he thinks the chances are of those people living up to those kinds of commitments. Is it just all talk, talk, talk?

Mr. Jim Abbott: Madam Speaker, the whole issue of discipline on the part of the government is fairly chafing for many of the members on the back bench. The vote tonight will be yet another indication of just how much restraint and chafing there is. This is a worthy motion that clearly should have the approval of the House considering the gross mismanagement and the dodging and weaving the minister has done over this issue.

The minister must be held accountable. If the Prime Minister will not hold the minister accountable, then maybe the House could. However, as my colleague has pointed out, the Prime Minister has such restraints on the Liberal members in the House that realistically, I do not see any way that the motion will go forward.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Madam Speaker, I will be sharing my time with the member for Fredericton.

I feel compelled to speak to this very misguided motion. It talks about attempts to control the disclosure of the mismanagement to the public. I want to make clear to the House and certainly to the Canadian people that my approach in this whole affair has been to be fully transparent and open and to disclose to the Canadian public the issues that are within and about my department.

I would like to remind the House that it was on November 17 when I was briefed on the results of an internal audit which looked at all the programs and our grants and contributions and found that there was significant improvement needed in the management of our grants and contributions. I received the initial results; I received the results of the internal audit and the initial management response.

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Upon receiving that, I identified that I took this very seriously. I told the department that I wanted a stronger management response and I also indicated to them that we would be making the results of this internal audit public.

For me it is extraordinarily important that the government respect the people of Canada and that we let them know when we have problems. Certainly we let them know when times are good but we also let them know when we have problems. At the same time we would indicate to the Canadian public how we would fix the problem and when we would do that.

In January the work of the department was completed. The management response was fully reviewed and that is when we presented it. We made it public. The government made it public. This is very difficult for members of the Canadian Alliance to appreciate and to accept. From their point of view government should be managed behind closed doors. They think we should sweep things under the carpet. Clearly that is what they have been indicating over the course of questioning in these last months. From our point of view, that is not the appropriate way. That is why for me it was terribly important to make this information public.

That is not all we have done to disclose the information associated with this. To me, one of the best places to be questioned by parliamentarians, those who are here elected on behalf of Canadians, is at the standing committee.

● (1545)

Since Christmas I have been to the Standing Committee on Human Resources Development three times. Once was to talk about issues of disabilities and our support for Canadians who are disabled. I recognize my colleague who will speak after me for the work he has done in that regard. The work of the government builds on his study and his recommendations.

I went two other times to talk specifically and only about grants and contributions. Members from all parties, including members from the government side, had the freedom to ask me anything they wanted about grants and contributions. I gave them two complete opportunities to do that. To my way of thinking, that is about being transparent, about being open and about disclosing information.

If we look at some of the things that the standing committee members asked for, we see another example of how open and forthcoming we have been on this side with regard to this issue. Members talked about grants and contributions specifically. Certain members, not on this side but on that side of the House, talked about grants and contributions being found only in Liberal ridings. That is so false that nothing could be further from the truth.

The committee asked to see where the grants and contributions had been made. Out of respect for the committee, out of respect for Canadians and out of respect for disclosure, transparency and

openness, my department prepared over 10,000 pages of information that itemized line by line by line where the grants and contributions were made. We invest those moneys in support of Canadians with disabilities, Canadians who are learning to read and want to improve their literacy skills, and young Canadians who have not been able to find employment and want to find their way so they can contribute to this great country. If hon. members took the time to look at that paper they would see that grants and contributions are found not only in Liberal ridings but in ridings held by members of every political stripe.

Members of the opposition, those who present the motion today, continue to talk in the House about grants and contributions as something to be found only in Liberal ridings. The 10,000 pages of information we provided prove categorically that they are wrong. Have they stood and apologized? Have they disclosed their true motive, which was not to improve the system of grants and contributions but to undermine it? No, they have not. Instead they present misguided motions like the one we have in the House today.

Let us look at other ways that I have insisted on being open to the Canadian public. We worked with the auditor general on our six point plan. He gave advice on its efficacy and will make a report to the House in the fall on our grants and contributions. I note that there will be a review by an independent third party, an officer of the House. We already have that piece of the motion covered. In that six point plan we agreed that we would present to the Canadian people on a quarterly basis the results of our work.

I was fortunate enough to make a presentation on the first quarterly report to the standing committee. What was in that report? It was an explanation of the work of the department over the last few months focused totally on improving the administration of grants and contributions. It included a fulsome review of 17,000 active files across the country. What did that review find? It found that we had to improve our paperwork in those files. That is being done because they are active files.

It did not find, as that party opposite continues to indicate, that money was missing. It confirmed what we had said from the very beginning. This is not about money being lost. We know where the money is. It is in those grants and contributions itemized in the 10,000 pages we presented to the House of Commons. It is out in communities working to ensure that Canadians have the opportunity to participate in our increasingly fast and effective economy.

In my report to the standing committee I made it clear that we had reviewed these files and that we were on a go-forward basis in implementing our six point plan to ensure that the administration is strong. What I clearly indicated again, because I have done it so many times before, was that \$1 billion were not missing. In fact out of 17,000 active files we identified \$6,500 that have not been paid and that we will continue to try to obtain.

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• (1550)

It seems very strange to me that the members of that party opposite asked questions in the House month after month. Let us not forget that. My heavens, I am in the House virtually every day answering their questions, talking about the information that they want. Yet, no matter how often they question, the facts remain the facts. It was this side of the House that undertook the internal audit. It was this side of the House that made it public, disclosed the results of that audit to the Canadian public. It was this side of the House that implemented an action plan to ameliorate the difficulties in the department because on this side of the House we believe absolutely that the grants and contributions in which we invest are vital to the people of Canada.

What becomes clear in the questions from the opposite side is that this is not about improving the system. It is about getting rid of all grants and contributions. Members on that side of the House are not interested. Nor do they believe that the Government of Canada has a role to play in helping Canadians. If there is anything I want to make clear in this speech today, it is that they are wrong to suggest we are not forthcoming in disclosing the information Canadians want to have. They are wrong to suggest that grants and contributions are a waste of money, because they touch the lives of individuals.

I will stand here and defend against the simple minded, mob-like, nasty mentality of the members of that party opposite who are doing nothing but trying to undermine the institutions of Canada and undervalue the Canadian values of generosity, sharing, tolerance and diversity.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Madam Speaker, first I would like to ask for unanimous consent of the House to extend the time for the minister to answer questions on this important issue.

The Acting Speaker (Ms. Thibeault): Is there agreement in the House to extend the time?

Some hon. members: Agreed.

Some hon. members: No.

Mrs. Diane Ablonczy: Madam Speaker, it somehow does not surprise me that the Liberals want to limit the minister's exposure here. The minister has just talked at some length about the fact that she has made all this disclosure. Just in the short time I had, and I could not make a comprehensive list, there are five things the minister has not disclosed. I might think of more as I am speaking.

The 10,000 pages simply said that x number of dollars went to x company in x riding. It does not disclose what the dollars were intended to fund. It does not disclose whether the intended results for the expenditure of that money were obtained.

The minister hid the Deloitte & Touche criticism of her six point plan. Scores of access requests have been unlawfully delayed by her department, a department by the way that has over 20,000 employees but somehow cannot find the bodies to deliver the documents that are requested by law within 30 days to the opposition and other members of the public. In fact, the information commissioner told the committee that delay was actually deliberate.

There was no disclosure of the audit itself until the opposition put in an access request for it. There was no disclosure of the progress report of the six point plan to the committee until after the committee proceedings started. Then the minister said we had lots of time to ask her questions. We had not laid eyes on the report, but we were supposed to ask her searching questions about it. She had time to give it to the media.

She has not disclosed the investigation into the Conili grant that she said cleared the member for Ahuntsic and the department of any wrongdoing in this grant that did not create jobs, but she will not give us that report. She censored six pages of an Arthur Andersen audit of a grant that criticized her department.

The minister has a whole history of non-disclosure of important information, and these are only samples of what I am able to bring out in a short period of time. How can the minister have the nerve to stand in the House and pretend to Canadians that she is being honest and open when her record indicates otherwise?

• (1555)

Hon. Jane Stewart: Oh my goodness, Madam Speaker, where do I want to start? Let us go back to the myth that it was the Reform Party which forced our hand through access to information. Categorically that is wrong. I say again: I made this internal audit public.

The member talks about the 10,000 pages and about the itemization of grants and contributions. I wonder if the hon. member has taken the time to go to her local office and ask them about those individual projects, or maybe even to visit them and see the impact and the difference they make in the lives of Canadians. Somehow I doubt it when I read her comments in the press. She just ignores that as if this money is not about people at all. That is one of the most insulting things about the approach from that side.

They are basically telling Canadians who have been the beneficiaries of these grants and contributions that they are a waste. There is nothing that could be further from the truth. On this side of the House we believe in ensuring that every Canadian counts and that every Canadian has the opportunity to participate in this great country through grants and contributions.

Let me look at some of the other things the member talked about. She talked about access to information. Let me quote from the special report to parliament of the Information Commissioner of

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Canada tabled last month. Here is what he said about the Department of Human Resources Development Canada:

During the review period every access request received by HRDC was answered within 30 days—no extensions were claimed. This show of respect for the rights of Canadians to timely responses represents an outstanding feat of good leadership, good management and hard work. Kudos to HRDC are well deserved and unreservedly given by this Commissioner.

Let me point out that we have been inundated by access requests, given the grants and contributions question. We remain firmly committed and are working with the information commissioner to ensure that those requests are met because, as I pointed out, we are in this to ensure that we are disclosing information and that we are being transparent and open with the Canadian people.

[*Translation*]

Mr. Paul Crête: Madam Speaker, I rise on a point of order. I again seek the unanimous consent of the House to ask the Minister of Human Resources Development, who is responsible for this department, which has been in a state of crisis for several months now, to deign to give us five more minutes so that we can perform our duty as representatives of the public in this parliament.

[*English*]

The Acting Speaker (Ms. Thibeault): Is there agreement to extend the period provided for questions of the minister?

Some hon. members: Agreed.

Some hon. members: No.

Hon. Andy Scott (Fredericton, Lib.): Madam Speaker, I am pleased to join in this debate as it gives me an opportunity to add my support to those who recognize that there is absolutely nothing to be gained from an independent, politically motivated commission of inquiry as proposed by the official opposition.

We have been over this ground before. The opposition is a one trick pony on this file. We tell opposition members about the benefits that individual Canadians derive from HRDC programs, and they call for an inquiry. We tell them about how important HRDC programs are to strengthening the social fabric of the nation, something of which I am sure they know little, and they call for an inquiry. We read to them the letters and comments from Canadians from every part of Canada who support the government's approach to human resources development, and they call for an inquiry. Now we give them an opposition day to discuss the nation's business, and they call for an inquiry. That is the only line that party has.

The rest of us have moved on. Those of us on the government side have gone past inquiring. We are working on this issue. We have already agreed that problems were identified with the admin-

istration of HRDC grants and contributions. We have accepted that. We have already agreed that corrective action needed to be taken to address the problem. We are moving forward with the kinds of action that are needed to do just that. In fact, the government is taking this issue extremely seriously, as can be seen in the six point plan announced by the Minister of Human Resources Development in the House.

• (1600)

Let me quickly remind the House what the minister committed to do. The minister committed to ensure that the payments meet financial and program requirements; to check and correct the program files; to equip and support the staff, who are working tirelessly I might add; to ensure accountability; to get the best advice available; and to report on progress.

This is a comprehensive, responsible plan. It is a plan of action that has been endorsed by the auditor general, who is only quoted from the other side with criticism, but remember the quote "This action plan is a very thorough plan for corrective action". "A very thorough plan for corrective action" is what the auditor general said. That should be good enough to move forward.

The real question should be: What is being done to carry out this plan? We do not need an inquiry to answer that. We need to look at what is being done to address the deficiencies that have been identified.

Canadians want to know that they can continue to depend on these programs and they want their accounts to be properly administered. That is why the appearance of the minister before the standing committee was so important.

The minister used the occasion to bring committee members up to date on the progress being made in the implementation of that well received plan. During her appearance she tabled a report. It provided a wealth of important information for those who are genuinely concerned about this issue.

For example, the report confirms that all documentation for HRDC active grants and contributions is now in order. The minister pointed out that close to 17,000 active files were reviewed in addition to those audited. The total contract value was just over \$1.5 billion. Of that \$1.5 billion, a total of \$6,500 was owed to the Government of Canada. That is \$6,500 out of \$1.5 billion researched.

The work to clean up and review these files has been extraordinary. Many public servants have been working night and day, turning in a lot of extra effort for which they deserve our thanks. They have been going through file after file. I would point out that is because those dedicated public servants believe in programs around literacy and disability and young Canadians getting into the workforce.

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Much of the information in the past was not adequate. The government learned from that. We know that proper paperwork is central to the accountability of public funds. We have moved decisively to deal with these deficiencies in manners that are earning the praise of the auditor general. That is not all. The department is also making progress on other elements of the plan. For example, it is better equipping and supporting the staff who administer the programs. The minister has already called for more training of the staff at HRDC, and since January more than 3,000 program and finance employees have received training. A training strategy has been developed to ensure that all appropriate staff receive mandatory training on the delivery of grants and contributions.

The department has also improved its organizational accountability by restructuring so that it can better accommodate the challenge of balancing national standards with regional program delivery.

The Human Resources Investment Branch has been split in two. One branch is responsible for nationally delivered programs, and the second branch is responsible for those that are delivered regionally.

Departmental officials continue to draw on expert advice from the auditor general, as well as others, as required.

On every one of these aspects of the plan significant progress is being made.

The department is also being open and transparent in reporting on its work. The minister has stood in the House and answered questions for months. She has appeared before the standing committee. She has tabled a full report on the progress to date. In addition, she has undertaken to respond to all legitimate requests for information from members of parliament, so much so that when the information commissioner appeared before the Standing Committee on Justice and Human Rights he gave her an A+.

The privacy commissioner, to some extent on the other side, also told her that she was doing an extraordinarily good job on that side of the equation. It is not an easy balance to find.

● (1605)

There were 10,000 pages of project information tabled before the standing committee.

The government believes that the best interests of all Canadians are served when we strike an appropriate balance between clear accountability to taxpayers and getting results for Canadians. Indeed, this will always be a fundamental challenge of good governance. Obviously there have been weaknesses in the department, but they have been identified. We have established a plan to correct them and we are working to implement that plan.

As far as I am concerned, the process is working. I fail to see how a politically motivated inquiry such as that proposed by the opposition could add anything useful to this process at this stage and I will not be supporting it.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, from what my colleague says, a person would think Human Resources Development Canada was a model department.

Among the 10,000 sheets of paper we are supposed to have been sent, we asked for an invoice from Placeteco justifying the spending of \$1.2 million. The minister herself came to the committee to tell us everything is fine in the active files. But she said nothing about the inactive ones where it is not. We have asked repeatedly for records on Conili Star and Placeteco.

I will tell you why the Liberal majority does not want to change the rules of the game. In the next election, they will be able to take advantage of the same system they did the last time. That is the only reason they are refusing to hold an independent public inquiry.

They know full well that some of the funds were used for partisan purposes, particularly in the time of the predecessor of the present minister, who is now Minister for International Trade. He systematically put the funding program at the service of the Liberal Party of Canada.

Does the main responsibility for the poor image of the job creation projects not lie with the present Minister of Human Resources Development, who is herself in the process of taking away all credibility from programs which could be credible undertakings? Her behaviour is stripping them of all credibility.

I wish to ask the hon. member, who sat on the standing HRD committee, what he thinks of the attitude of a minister who, two hours after the release of a report, calls a scrum just to announce "I haven't read the report. I am not familiar with the recommendation for dismantling".

The minister is here, and the hon. member is here. Might we have his opinion on the dismantling of the department? He signed the report. What are his thoughts on the minister's response?

[*English*]

Hon. Andy Scott: Madam Speaker, I welcome the reference to my high regard for the minister because, ultimately, as a partisan, he may not recognize my being less than biased.

I am sure the comments of the information commissioner or the privacy commissioner, and the comments that have been made by those people who are in the business of keeping an eye on the government, and the fact that the minister scores so high on both fronts, is worthy of comment and I appreciate the opportunity to repeat it.

I have great regard for the member who asked the question. One of the reasons I have that regard is because I know he is effective in his riding in getting things for his constituency. Are the programs that are represented by this department not so important as to be tainted, perhaps not by this member but by others, by what is obviously a politically motivated assault on the kinds of programs that members across the way simply do not believe in? It is that simple.

I know that is not the case with the member across the way. I believe he supports these programs. We sat on the committee together for a long time. We have made great progress, particularly since this minister became the minister responsible for this department, and the member knows that. The report that was written by the committee was an important report. The member has been talking about the kinds of things which are in that report for many years.

It is important to recognize when progress is made, and progress has been made. I would ask the member if he does not fear that by being party to this politically motivated assault may have the effect of jeopardizing programs which I know have been very generous to him. I would want him to think about that.

• (1610)

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, it is unfortunate that not all opposition parties could put a question to the minister, but I will put a question to the hon. member who just spoke.

One of the real issues that needs to be addressed is to ensure that there is a code of conduct within all departments for the disbursement of grants and contributions to provide an assurance to Canadians that there is not partisan decision making.

Would the hon. member support something like that, to ensure that there is fairness, transparency and consistency of practice in the decision making process for grants and contributions?

Hon. Andy Scott: Madam Speaker, absolutely I would support it because it exists now. The problem with members opposite is that when I call it is political interference, but when members opposite call they are making an inquiry.

It is not fair. We are elected by the people of Canada to represent the interests of our constituents, the same as members opposite, and we have every bit as much right to make those calls of inquiry that have been supported on the other side.

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Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Madam Speaker, I will be sharing my time with the member for Calgary West.

It is a pleasure to rise to address this issue, calling for an independent inquiry into human resources development. It would be an understatement to say that the minister's handling of HRD has been a disaster. That does not come close to describing it.

After having heard the member for Fredericton speak, I am not surprised it has been the disaster it has been. I just heard him compliment a member from the Bloc, saying—and this would be a high Liberal compliment I guess—that he is very effective at getting things for his riding. Government is Santa Claus to the Liberals. It is this endless pit of money.

Is it any wonder that they have made this great contribution to driving our debt to its present height of \$577 billion. It is not surprising at all.

I want to talk about what actually happened. The whole modus operandi of the member who just spoke, the minister and the Liberal government has been to cover up this issue, and then when they get exposed they downplay it.

Let me run through what has happened. We heard the minister in the House today trying to justify how it was that months after her own officials knew about the disaster at HRD she was merrily writing cheques to the tune of half a billion dollars on a program that was so fundamentally broken that the internal audit had shown that about a billion dollars had been issued without proper accounting, in some cases without records indicating what the money was to be used for and without grant applications. It was a nightmare.

Between the time when this was first exposed by the interim audit and officials in the government knew about it, and three months later when the minister acknowledged that she knew about it, and even after she knew about it, she continued to write cheques, even though there were no controls in place. The money poured out.

As we mentioned today in question period, the most money poured out in the month of November, the month that she allegedly knew about this for the first time. There was \$165 million which poured out in that month and there were no proper controls. It is unbelievable.

When we raised these things, of course the government said that it had been transparent. I want to hit that on the head right now. The truth is that the government had no intention of releasing anything until such time as the official opposition, the Canadian Alliance, at that time the Reform Party, submitted an access to information request on January 17. Lo and behold, on January 19 the government called a hasty news conference to say there were problems in human resources development. It said that there had been an audit and there were problems.

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That is exactly what we asked for in our access request, a copy of any internal audits. Amazingly, this turned up two days later. The government was trying to do damage control.

• (1615)

The minister said she had been transparent all along. Why was it that she got the full briefing on November 17 but nothing was released until January 19 if she wanted to be completely transparent? Why did it take those two intervening months? I do not understand that if she was completely transparent. We have documents that show that the spin doctors in the minister's department were saying that nothing should be released until such time as someone thought to ask for the information through an access to information request.

When she says that she is fully transparent, that is only true in one sense. The sense is that we can see right through her when she says that.

The truth is the minister was not transparent. She is still not transparent. The member for Calgary—Nose Hill, the official opposition critic for human resources development, did an outstanding job of providing case after case after case to show that the minister is anything but transparent.

We are seeking all kinds of information that is completely relevant to this \$1 billion mismanagement, this boondoggle, that the Liberals will not release. It was a misrepresentation both by the member for Fredericton and the minister when they said that all the access to information requests were being processed. Then they got up and read something from the privacy commissioner saying that everything has been done on time. That was before the audit was released.

Ever since then all of our access to information requests get submitted and it takes longer and longer to get information back. I am sure that the strategy is to put it off at least until the summer, to try to get to the summer so the Liberals can get this issue off the front burner and on to the back burner.

It is disingenuous, insincere talk that we get from the government about how transparent it is. The opposite is the case.

There are 20 police investigations. I heard the minister say that this was about \$6,500. If that is not the most ridiculous laughable statement that I have heard in this place today, I do not know what is. The truth is that there are now 20 police investigations probing what has gone on in HRD. That tells us a little bit about how serious this situation is.

There are four investigations in the Prime Minister's riding alone. There are all kinds of accusations about money being used improperly and there are many questions about the Prime Minister's office skipping normal procedures to ensure that money went

to people he favoured. It is unbelievable. The Liberals have somehow brushed this off: it is only \$1 billion with which all this mismanagement is occurring so why be concerned?

Then the Liberals move into downplay mode. Now that the cover-up has been exposed, they want to downplay it. They say it is ancient history, that was before and they are looking to the future. In truth, if the government is to be the least bit responsible, people have to be held accountable for this type of incompetence on one hand and blatant political pork-barrelling on the other hand. If there is to be any sense of justice in this place, then people who have made major mistakes have an obligation to own up to them and to be punished for them.

In the private sector people do not escape these things. I would argue that in situations like this people would go to jail. And here we have that kind of unbelievable negligence with the public's tax dollars to the tune of \$1 billion. It is unbelievable.

The time has long passed for the government to accept that there were major, major problems in this department, but it continues to stonewall. The Liberals want to look forward. The most interesting example of that was when the Prime Minister was in Germany the other day. He said that he wanted the upcoming election to be about ideologies. It was obvious by what was not said, that he did not want to talk about the record.

If the Liberals talk about the record, they will have to talk about probably one of the worst scandals in terms of government misspending that we have ever seen under their watch. There are 20 police investigations and \$1 billion has been poured out the door plus another \$500 million in the months since August and in some cases there is absolutely no accounting for it. This is unbelievable.

• (1620)

The Liberals do not want to talk about their record and who could blame them. We would be happy to take them on on the issue of ideology, but the trouble is they would have to find one. Their party does not seem to stand for anything except trying to get elected.

What we have seen in HRDC is a perfect example of the situation when we talk about the administration process. The transitional jobs fund is a clear attempt by the Liberals to lever themselves back into power by pouring money into certain key ridings hoping that the public will be bought off by political pork-barrelling. It is to the point where the HRD committee itself has recommended that the department be broken up without fully saying that it is the result of this boondoggle.

We must have an independent inquiry. What we have seen so far is stonewalling from the government. The Canadian public deserves some answers.

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[*Translation*]

The Acting Speaker (Ms. Thibeault): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Mississauga South, International Trade.

[*English*]

Mr. Rob Anders (Calgary West, Canadian Alliance): Madam Speaker, my colleague has done a lot today to open people's eyes with regard to the type of swindle that is going on particularly in places like Shawinigan. I would like to ask him about some businesses that I know get funding out of HRDC and whether or not he thinks that is appropriate.

I happen to shop at Wal-Mart. It gets a lot of my money and I know it gets a lot of other people's money too. That company makes enough money from Canadians by what they voluntarily choose to buy. I do not think it is fair that Wal-Mart gets subsidies from HRDC but that is exactly what is going on. It is not just Wal-Mart because the list goes on.

In my riding alone the list includes Shoppers Drug Mart, another profitable company that is getting HRDC funds, taxpayer money. There are private accounting firms in my riding that have access to these government funds. Canada Safeway is another profitable company that has access to HRDC funds. These big companies are getting access to HRDC funds.

Canadians who may not be making much money are paying taxes so that the government can subsidize these private corporations. What does the hon. member think of Canadian taxpayer dollars subsidizing private companies with HRDC funds as the Liberals are doing?

Mr. Monte Solberg: Madam Speaker, I share my colleague's concern about what is happening with these funds.

I remind the House that in Canada today the Liberal government takes \$7 billion a year in income tax from people making less than \$20,000 a year. Then it turns around and funnels that money through HRDC and puts it back into funding friends of the Liberal Party and members of the Liberal government. In some cases the money goes to huge corporations. That is fundamentally wrong. I cannot believe members on that side of the House would stand for it.

In Canada today under the Liberal government, taxpayers pay income tax after they have earned \$7,031. That money goes to the finance minister and then over to the human resources development minister who in turn sends it to companies.

I applaud my friend for pointing out that there are people in his riding who are getting this money. I applaud him for exposing this.

It is quite unlike the member for Fredericton who thinks that government is Santa Claus and the purpose of government is to distribute goodies. That is not the purpose of government.

● (1625)

Government should be there in a limited way, not to interfere in the economy. We all agree that government should be there to keep the peace to ensure that we have criminal courts and decent defence for our country. Those are the things the government should do. It should not try to micromanage the economy. I cannot believe that at the beginning of the 21st century the government still thinks the role of government is to try to pick winners in the economy, when all of history shows it simply cannot be done.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, my colleague can ramble on for the whole day, but the agenda of that political party is to get rid of government support for people in high unemployment areas. I want him to stand and tell 30,000 Canadians who are in high unemployment areas that he wants to cancel programs and assistance that are provided to the private sector to create jobs. I want him to tell the 15,000 Canadians with disabilities who have benefited from these programs that he wants to cancel them. I want him to tell the over 300,000—

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt the hon. member so the hon. member for Medicine Hat can respond.

Mr. Monte Solberg: Madam Speaker, there is the difference in the vision. The Liberals want to hand out grants. We want to get people jobs, opportunity and a future. That is the big difference between the Canadian Alliance and the Liberal Party. The Liberals seem to think the only way they can help people is to cut a cheque. Shame on them.

Mr. Rob Anders (Calgary West, Canadian Alliance): Madam Speaker, for the folks back home I want to make sure they clearly understand what we are talking about. We are talking about human resources development and the massive boondoggle that the whole department is.

All the opposition parties have requested an independent inquiry into the ongoing at HRDC. I would like to add that the first committee I sat on when I was elected to the House of Commons barely three years ago was human resources development. Often-times I sat there with my jaw to the floor when I recognized exactly where taxpayers' funds were going in that \$57 billion monster. I came to this job thinking there were problems in government, but when I sat on the HRDC committee I got a bigger shock than I was expecting.

There have been 20 different investigations with regard to what has been going on with HRDC. The worst part of it is that it is

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thickest among the benches of the cabinet ministers. There are four investigations in the Prime Minister's riding alone.

There is a system right now whereby things are being rubber stamped for the Prime Minister and other cabinet ministers' ridings or in ridings where the Liberals think they have the possibility of losing a seat. Right before elections and during elections they are pumping untold sums of money into those ridings so they can salvage them. They are doing it with taxpayer dollars. They are trying to buy votes. It is the most blatant abuse we could possibly imagine.

All of the opposition parties have been calling for an investigation into this blatant vote buying by the Liberals with taxpayer dollars. They should be ashamed of themselves.

The Canadian Alliance put out a dissenting opinion with regard to HRDC and the grants and contributions on Thursday, June 1. It was pointed out that there has been a lack of transparency with regard to the HRDC fiasco and the Liberal boondoggle and waste. There has been insistence that there be an audit and that it be made public.

• (1630)

The minister and her officials wanted to wait. They said that the audit would be made public. That is what they told us. That is what the minister said. She said that it would be a public audit and that everyone would have a look at it. However, when the audit was done did they make it public? Did the minister make it public even though that is what she promised to do? No. She broke her promise.

Instead, the minister waited until an access for information request had to pry it from her fingers. That is exactly what the minister did. She was trying to cover up the audit, even though she said that it would be a public audit.

It gets worse. An opposition MP finally received a copy of the audit dated October 5, 1999. When he got a copy of the audit he was asked to destroy it. Can we believe it? He was asked to destroy a copy of the audit and to accept a copy that was dated later in January 2000.

Let me trace the chain of events one more time. The minister said the audit would be made public, but when the audit was finally done she and her officials sat on it. Only because of access to information was that audit finally released. When the audit was finally released, the opposition members who got copies of it through access to information were told that they should destroy them and not use them. They were asked if they would be willing to accept one that was done later. If that is not a blatant cover-up, I do not know what is. That is what the Liberals are up to.

It goes on. I wish the story ended there but it does not. When members of parliament asked for details of HRDC grants by riding

we were told they did not exist. The minister stood in her place in the House and said day after day that we as members of parliament could not get riding by riding breakdowns with regard to HRDC.

We were asking simple questions in the House with regard to what was happening in our individual ridings. We were told that we would have to go through access to information. That was it, that was the way we had to go.

The minister well knows that many times with access to information it means that money out of our budgets has to be spent, just because we were asking for a riding by riding analysis which the minister refused to provide even though she could. Or, we were told to put something on the 45 day order paper process rather than receive information directly from the minister. That is type of stuff we have been putting up with.

There has been a very clear cover-up of evidence of mismanagement with regard to HRDC, but there is more yet. It goes on. An employee of HRDC in New Brunswick received a phone call from Ottawa and was told that if there was anything missing in the HRDC files she was to review them, fill them out and backdate them.

The minister knew that there were problems with the files. She was denying it, standing day after day in the House of Commons and saying that there were no problems. However, she had the gumption, the public relations savvy, to phone the offices across the country, namely one in New Brunswick. She knew there were things missing from the files. We were asking questions about it. They knew there were things missing from the files. What did they do? They looked to cover it up. Once again it was another case of cover-up.

These employees were ordered to review them, fill them out and backdate the files. In a sense they were told to misrepresent and go ahead and alter the documents so that the real public record would not be known. That is what the Liberals were up to.

It goes on beyond that because there was a very blatant contradiction. The minister stood in the House of Commons on December 16 and said "No moneys flowed until the appropriate approvals were in place".

• (1635)

It sounds so noble for the minister to say that no moneys flowed until the appropriate approvals were in place. How does that statement fit with the statement "there was anything missing in these files, review them, fill them out and backdate them?" That clearly indicates a contradiction.

The minister and her officials knew that there were things missing. They knew that those forms were not filled out. They knew that indeed those things would be backdated and that they were ordering their employees to do so. However the minister had

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the gall to stand in the House and say that no moneys flowed until the appropriate approvals were in place. How could the appropriate approvals be in place when she was ordering her officials to backdate the files, fill them out and review them? That is a pretty obvious abuse. I would say that is a pretty clear contradiction.

If we have a contradiction between what the minister is saying and what her employees are being ordered to do, it means that one person is telling the truth and the other person is telling something else. That is exactly what that means. It is something other than the truth.

I would side with the employee rather than with the minister in this case. We have \$22 billion spent as grants and contributions in HRDC, a disingenuous communication strategy on the part of the government, and an absolute absence of controls and documentation. This reminds me of what happened with regard to APEC. We heard a member over there ballyhoo much about that, but he knows all too well there was a cover-up in that regard. He paid a price. He lost his job for that. He is no longer a cabinet minister.

It was not only APEC. It was also Somalia. The government did a cover-up with that when it got a little too close. That is exactly what it is doing with this. It knows it has problems and it does not want to admit that it is misusing taxpayer funds to buy votes with HRDC money.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, my colleague stood to attack government programs in areas of high unemployment. He stood to attack the government for assisting people with disabilities. He stood to attack the government for assisting first nations people. He stood to attack the government for trying to assist over 300,000 young Canadians across the country who benefit from government services and programs.

All the rumbling that has taken place from my colleagues on the other side has nothing to do with the issue at hand. It has to do with the mere fact that they wanted to shut down government operations when it comes to the government trying to assist those who are in need. They wanted to shut down the programs, and they are on the record as saying that over and over. The bottom line is there is a philosophical difference between what we stand for and what they stand for.

The House of Commons is the best public inquiry in the country. It is right here where for over eight months they had the floor of the House of Commons to make their case day after day after day.

There is no case. They have nothing to show. Of all these allegations that \$1 billion were missing, there were in fact six overpayments totalling \$3,229 in the 16,971 projects that were reviewed and of this amount \$803 have been recovered to date. We are talking about approximately \$2,500 being missing. Frankly my colleagues should be ashamed of themselves for standing on the floor of the House of Commons to request a public inquiry into

something that has already been in the public domain for eight months and more. Now they want to spend \$20 million as we have spent on other inquiries.

At the end of the day the conclusion is fairly clear that no one has benefited from these programs except the people who need it the most, the disabled, young Canadians and people who are unemployed in different parts of the country. The bottom line is that these guys do not want to see the government functioning. They do not want to see the government assisting people who are in need.

• (1640)

Mr. Rob Anders: Madam Speaker, the hon. Liberal member across the way has asked who is needy. That is basically the nature of the question. I would like to make a list of some of the people who have received HRDC funding. I would like the taxpayers to determine whether or not this is list of needy individuals. That is the question the Liberals have posed. Are these people needy?

Is Wal-Mart needy of taxpayer subsidy? Is Canada Safeway needy of taxpayer subsidy? Is Shoppers Drug Mart needy of taxpayer subsidy? How about private accounting firms? Do they deserve hard earned tax dollars? What about the 20 police investigations that have gone on? Surely 20 police investigations with HRDC would indicate the police have questions about whether or not HRDC fund recipients were needy as the Liberal member likes to ask.

Were fountains in Shawinigan needy? Taxpayer funding of golf courses, is that what the Liberals call needy? How about hotels in the Prime Minister's riding of Shawinigan, ones where the funds went to foreigners and lined the pockets of businessmen in Belgium, people who had track records and histories of doing improper things with funds? Is that needy? Is it needy when a businessman who has a bad track record with funds was getting taxpayer subsidy? Is that the Liberal definition of needy?

Is it needy to go ahead and set up a database that can raid the bank accounts of the elderly? Is that what the government calls needy, taking somebody who is retired, going into the person's bank account and stripping it dry by taking out thousands of dollars? Is that needy? Does the government need the thousands of dollars in an elderly person's bank account? Does it really need them?

Shame on the government for raising the question of need. The Liberals know nothing about need. They only know about a lack of priorities and buying votes.

[*Translation*]

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, thank you for this opportunity to speak to the motion by the hon. member for Calgary—Nose Hill regarding the administration of grants and contributions programs.

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The hon. member would like to see a commission of inquiry into the grants and contributions in Human Resources Development Canada. I do not really understand her reasons, because we know today, after what we have heard, that she does not really have any. This is just a political game which began in the House in October.

The auditor general is looking into the administration of grants and contributions programs. The Standing Committee on Human Resources Development and the Status of Persons with Disabilities is also looking into the grants and contributions programs. The department itself has called upon the best expertise available from outside, independent resources to look into these programs.

All that this investigation is finding, and will find, is the truth—the truth that has already been laid out in detail by the department and by the Minister of Human Resources Development, i.e. the truth that was told by the minister when she first disclosed the results of the internal audit which was commissioned by her own department and which she herself chose to make public, as she has already stated in the House on more than one occasion.

The minister has appeared three times before the standing committee and, each time, she has answered all questions. During Oral Question Period in the House, she has answered the same questions. This has been going on since October.

The truth that this motion chooses to ignore is that the file-by-file review of 17,000 grants and contributions projects across Canada and the review of all the audited files, having a total dollar value of \$1,581,000, revealed an outstanding debt to the government of \$6,500.

• (1645)

I want to make a point of repeating this, because I think it is important. The opposition's criticism over HRDC's grants and contributions programs has an air of absurdity that is expressed by that figure—\$6,500. When all is said and done, once again, the amount outstanding is \$6,500, and not \$1 billion, as members of the Canadian Alliance have always maintained.

As the original audit found, and as the minister openly stated, documentation was clearly inadequate. And this was pointed out by everyone in the House. The department moved to devise and implement a corrective action plan. The department is working with the auditor general on these corrective measures. The department has consulted and continues to seek expert input.

This week, we received the committee's report and recommendations. The minister has said that she will examine the recommendations and give her response to the committee's report.

Does the hon. member for Calgary—Nose Hill really believe she can justify to her constituents the burden of an independent inquiry

in addition to the already considerable resources of the auditor general, the treasury board, independent expertise and the Department of Human Resources Development itself? How much more expertise is required to shed light on truth that is already known to the House and to all members?

[English]

Today I want to talk about my riding because I think it is important. Innuendos and all sorts of things have been said in the House about my riding and I would like to tell the Canadian public what my riding is all about and what a member of parliament does in his or her riding.

A member of parliament visits non-governmental agencies, small and medium size businesses and speaks with the people who run those businesses. The member looks at the needs of the people.

For those who do not know, my riding of Ahuntsic has the largest textile manufacturing sector in Montreal. That used to be where most of the textile and most of the clothing manufacturing businesses were situated.

Because of the free trade agreement a lot of these companies had to look for funding to do research and buy high tech equipment. These same businesses went out to financial institutions in the private sector and looked for funding so they could become competitive and able to participate in exports and in other developments within their sector. These companies spoke to me about their needs.

When the Canada jobs fund was created it responded to the needs of 15 manufacturers in my riding. They received over \$1 million under the jobs fund. What did these companies do with that money which the opposition says has been lost because they did not create jobs? In my riding of Ahuntsic 488 jobs were created through this fund, jobs that would not have existed if the fund did not exist. The private sector was able to give those manufacturers and businesses part of their financing, but not all of it. The rest came from government grants.

Those companies created jobs, but they did more than that. One company developed a fabric for bathing suits that is considered to be the best in the world.

From a small basement in one section of my riding, a manufacturer now distributes his product all over the world. With the money he received he bought high tech equipment worth \$500,000 in order for him to be competitive and sell his Canadian products overseas. This is what these business people did with the money that was given to them with the grants.

I repeat for the Canadian public that 50% of the financing came from financial institutions in the private sector for each one of these files. I am convinced that those 488 jobs which were created in Ahuntsic would not have existed if it were not for the fact that

they received grants from HRD. Those people would have been unemployed at the present time, and those manufacturers would not have been able to compete or to export Canadian products overseas.

• (1650)

Let us not forget something that the opposition members continue to neglect. Whenever a member of parliament is elected, he or she is elected to represent the needs of constituents. Those were some of the needs in my riding, but there were other needs as well.

Under HRD there are non-governmental agencies in my riding that work with the handicapped. Recently the minister and I had an opportunity to visit one of the projects that does recycling. That project, by the way, recycles all of the paper in all of the schools in Montreal. What did this project accomplish? Eight young people, many of whom were illiterate and had no skills, were trained in recycling paper so that later on they would be able to find jobs.

Of those young people, about 90% are now employed. Because of contributions made through HRD young people find jobs, handicapped people manage to work, and during the summer students are able to work because of a job creation program for students.

I am very proud to be able to support those projects in my riding, to continue to work with the business community, to work with the non-governmental organizations and to be able to provide them with the assistance they need to help ordinary Canadians.

Another thing I want to put on the record is something that the member for Medicine Hat continues to say. Of course, he is only one of a number of members on the Reform side who keep alluding to votes being bought.

I take great offence to that. I do not think the Canadian public can be bought. No one on this side of the House believes the Canadian public can be bought. I believe the Canadian public is intelligent enough to make a decision and elect the best member to represent them in this House of Commons.

I am very proud to say that the constituents of Ahuntsic and the constituents of Saint-Denis elected me to represent their interests. I take great objection to the fact that members on the other side seem to feel that when one is a good member of parliament, one is buying votes. The fact is that those constituents and those businesses decide in the end who they will support as their member of parliament.

I also want to put on the record that I find it very abusive of the right of privilege that we enjoy in the House for members opposite to make innuendoes and accusations about members of parliament. The member for Medicine Hat was asked outside the House about certain allegations and innuendoes he made about me inside the House. I quote an article that appeared in the *Montreal Gazette*:

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But Solberg admitted his party had no evidence that Bakopanos or any of her supporters had demanded the donation in exchange for her support for the grant.

Members opposite use their cloak of immunity in the House all the time. When they are put on record outside the House they withdraw those allegations.

Mr. Speaker, I thank the Canadian public for actually knowing that in this place there are members of parliament who work very, very hard to ensure that their constituents do get grants that lead to creating jobs in their ridings and lead to allowing the unemployed, the handicapped and other constituents to be productive members of Canadian society.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I listened with interest to the member for Ahuntsic. I think that, had she had a few more minutes, she might have convinced me of what she was saying.

Unfortunately, she fools no one here. Even the Liberals on the other side of the House do not agree on the figures. Earlier, the member for Ottawa Centre said on this subject that there had been a minor fraud or that there was an imbalance of \$2,500. The hon. member just said it was \$6,500.

I would ask the hon. member, who values the work of the member, and I am well aware of that, if she is comfortable with the 20 criminal investigations currently being conducted by the RCMP. How is it that these investigations are not in the ridings of the members of the opposition, but are nearly all concentrated in the ridings of the members of the government?

I understand that they must represent their electors and must give them satisfaction, but, when they do so out of the employment fund solely for the benefit of their constituents and to the detriment of the population as a whole, which has contributed to the fund and which never benefits from it because it did not vote for this gang, where do their morals lie in this case? This is my question for the hon. member.

• (1655)

[*English*]

The Acting Speaker (Mr. McClelland): Just before the member answers the question, let us try to keep the questions impersonal in their nature.

[*Translation*]

Ms. Eleni Bakopanos: Mr. Speaker, there are several subquestions to the hon. member's question.

First, I want to tell him that the role of a member of parliament is to represent everyone. We simply cannot represent only a specific group among our fellow citizens, as the member said at the end of

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his speech. I represent everyone in my riding, those who voted for me and those who did not. This is the first thing I wanted to say.

Second, I believe that everyone on this side of the House thinks like me. What is happening now—and I think the minister already said it—is that the RCMP is conducting investigations. We welcomed these investigations. After all, we are the ones who asked for them. The minister asked for these investigations. We welcome them, precisely because we want to make sure that the truth will come out. Again, out of all the files reviewed, less than 1% are problematic.

[English]

Mr. Derrek Konrad (Prince Albert, Canadian Alliance): Mr. Speaker, we understand that the hon. member who just spoke got quite likely up to 10% of her war chest from a company centred in her riding. What we are wondering is how that helps the hon. member's riding.

Is she so terribly necessary to the solution of problems in her riding that it is better to take money from the poor and give it to the wealthy to ensure that the wealthy have jobs in this country? Or, is there some other motive that she can ascribe to it?

Surely one would not believe that her motives were so pure that accepting money from a company that had received a big donation from the federal government by way of the fund, meant to shovel money into ridings for the purpose of buying votes, would benefit her riding.

Ms. Eleni Bakopanos: Mr. Speaker, I believe I have already answered that question, but I will repeat exactly what I said earlier.

The member for Medicine Hat, who first raised that question in the House, was asked outside the House about it. I will read exactly what was written in the article:

But Solberg admitted his party had no evidence that Bakopanos or any of her supporters had demanded the donation in exchange for her support for the grant.

That is not what a member of parliament does. Members of parliament do their jobs and when election time comes, if any constituent or company, under Elections Canada, wants to give a donation, those donations are audited by Elections Canada, not by the member of parliament.

Elections Canada declared that I was duly elected as a member of parliament to represent Ahuntsic. Again it was non-partisan.

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, the official opposition's motion calls for an independent commission of inquiry into grants and contributions in the Department of Human Resources Development Canada. Even before a rebuttal opportunity had been given to the government side, the

same official opposition amended its own motion to add "that the commission be required to lay before the House of Commons a final report no later than December 11, 2000".

Why would the official opposition, the Canadian Alliance, amend its own main motion as though its own two members of parliament did not communicate with each other before the main motion was tabled? Was there gimmickry behind it? I leave the answer to Canadians listening to this debate.

One other opposition member in the New Democratic Party claims that all opposition parties are united behind the amended motion on the basis that "outside authorities should investigate HRDC mismanagement", as stated in a written dissenting opinion to the final report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, entitled "Seeking a Balance", which was issued this past June 1.

The HRDC committee, over the last four months, did precisely that. It investigated this issue in full. Is the opposition party trying to discount the months of hard work, time and money that was put into the committee? Are we now hearing that the committee's work, in which all opposition parties participated fully, was an exercise in futility simply because the allegations and assumptions were not for the most part substantiated by the witnesses who appeared before the committee?

• (1700)

Most of the witnesses were recommended by the opposition parties. To my recollection not one witness, whether individually or as a group, called for an additional public inquiry. Only the opposition did. Witness after witness testified before the committee that we on that committee should ensure a balance when addressing the administrative and management problems identified.

In his caution against overreacting to the 1999 internal audit, the Auditor General of Canada told the committee, "It would not make sense for necessary changes to lead to excessive tightening of the system and unnecessary red tape. HRDC has a varied set of programs to deliver. A balance will need to be established to meet the demands of recipients, ensure adequate controls, assess risk, and deliver results for taxpayers".

Yet the opposition seems bent not only on not heeding this advice from an independent officer of parliament, but also on detracting from or paralyzing the work of the department for purely partisan purposes.

The diagnosis of mismanagement was arrived at by the internal audit, ordered and released on its own by the department itself. The department promptly acknowledged the audit's findings of fact. These are serious administrative issues but not money lost. There-

after it issued the overall management response. The auditors themselves acknowledged that the management response “comprehensively addresses these issues”. The opposition believed the report of the internal audit but would not believe it later on.

Let me add that the minister of HRDC, in her appearance just before the committee concluded its work, once again acknowledged the management problems that were identified in the audit and presented the up to date response of the department based on a six point action plan.

I could not recall any difficulty on the part of the opposition as to the adequacy of the department’s response to date.

What we have seen today is a department which has admitted its mistakes of whatever size as compared to the total benefits of the grants and contributions and the total value of the program to Canadians. It has taken the necessary steps to correct the mistakes and prevent their recurrence in the future. This is boldness. This is humility.

On the contrary, members of the opposition have not acknowledged they have made a mistake in their grandiose assumption of the gravity of the problem. Worse, they have offered no specific constructive approach. If this is allowed to continue, it is a sad commentary on our parliamentary system.

While the opposition members would only imagine a seemingly grievous malady, they fail to consider the whole patient. Have we heard them speak of the value and importance of the HRDC grants and contributions? Have they said they are about supporting Canadians in their aspirations for economic prosperity and social equality? Have they said that there is a definite role for the Government of Canada in the lives of the citizens of our nation by helping people train and retrain, giving equal opportunities to those with disabilities and those burdened with the absence of literary skills, and creating job experience for youth?

This is the very purpose of HRDC. The very essence of its being is to advance the dignity of every individual citizen so that collectively they can make our nation stronger and enduring.

The purpose of any inquiry or investigation is to identify the problem and to suggest solutions. The problems have already been identified. The extent is 16,971 grants and contributions files with a total value of \$1.581 billion examined and \$6,500 in outstanding debt to be reclaimed by the department. That is less than a mini-fraction of the total and not \$1 billion as alleged by the opposition.

• (1705)

The six point plan of action has been implemented and a progress report satisfactory to the committee has been presented by

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the minister. I quote from the final report of the standing committee, “The committee commends HRDC for developing and commencing the implementation of its six point plan of action”. Time will not allow me to detail the six point plan.

Are these six steps not good enough for members of the opposition? From the lips of the Auditor General of Canada, the committee heard, “This action plan is a very thorough plan for corrective action to address the immediate control problems that were identified. Some longer term actions are also included that further strengthen the approach”. The auditor general continued, “As we conduct our own audit in HRDC, we intend to assess the department’s progress in implementing the plan”.

Not only will the auditor general audit the department’s progress with respect to its action plan, but his audit will include a value for money component. I remind the House, in particular the so-called united opposition, that the Auditor General of Canada is an independent officer of parliament who conducts an external, unbiased, non-partisan audit and reports directly to parliament. May I remind all opposition parties, who may have already forgotten the testimony of the auditor general before the standing committee on March 23, barely 10 weeks ago, that his office intends to report on the results of his audit this coming October.

For faith in his work, the Government of Canada has annually budgeted for the auditor general’s office as called for in our law. Are the opposition parties united as well in wanting to duplicate the work of the auditor general and thereby spend additional taxpayers’ money? Are they united as well in undermining his forthcoming report and in professing lack of faith in his office?

There is no need for the motion before us nor for the amendment to the motion. What is needed is vision, not blindness on the part of the opposition, and we can anticipate a stronger and greater Canada. What is needed is a dose of humility, not arrogance, and we can anticipate progress and greatness. There is strength in humility on the part of the government. There is only weakness in arrogance on the part of the opposition.

I therefore urge the House and appeal to the conscience of this institution for the sake of our citizens and country to defeat the amended motion before us. Then we shall have done our duty to Canadians as their loyal servants.

Mr. Derrek Konrad (Prince Albert, Canadian Alliance): Madam Speaker, I get really offended when people such as the hon. member who just spoke talk about people who are handicapped being the beneficiaries of this program or other things. They use it like people in wars who use women and children as human shields.

That program that is run by HRDC is rightly being criticized. It is right that we call for an independent investigation. For members

Supply

opposite to say it benefits women, it benefits children, it benefits the poor, it benefits the handicapped, so we cannot possibly ask the government even a question about it is completely offensive. I would like the hon. member, the minister, the parliamentary secretary, the chair of the committee and all Liberals to understand that when they run a program that spends billions of Canadian taxpayers' dollars it is subject to scrutiny. If they deny it, the Canadian public will have the last word on it.

Mr. Rey D. Pagtakhan: Madam Speaker, the member was not listening at all to my debate. The scrutiny had been done not once but more than once.

When I heard the member speaking about handicapped Canadians, I was reminded of ignorance of knowledge. We no longer in this century call people handicapped Canadians. We call them Canadians with disabilities. They are not handicapped. This is the member's type of knowledge. When this happens I feel sad. It is a sad commentary for our parliamentary system.

• (1710)

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I want to make sure I clearly understand the member for, I believe, Winnipeg North Centre. He says that through its grants, Human Resources Development Canada has helped the needy, people with disabilities and others.

Were the people at Placeteco handicapped? Were those who received \$720,000 to change the name of their sewing business people with disabilities? Will the fountain in Shawinigan benefit people with disabilities? Were those who moved their business from the riding of Rosemont to the riding of Shawinigan people with disabilities?

I realize that the member, who, I believe, is a doctor, may have his own definition of people with disabilities, but in this case, was not the biggest handicap of these people the fact that they were well-known Liberals?

[*English*]

Mr. Rey D. Pagtakhan: Madam Speaker, the member from the Canadian Alliance used terminology and I corrected him. He indicated to me his apologies. He has a member of his family with a disability. I apologize for being very straightforward in wanting to correct the terminology. I did it in the context of recent times.

The member of the Bloc addressed me as the member for Winnipeg North Centre. Again, I will make a correction. I am the member for Winnipeg North—St. Paul. It is a minor correction but it has to be corrected. If we are careless in what we say, we can be careless in many things. The Latin saying is, falsus in unus, falsus in omnibus.

Now to the point of the question. Have we always helped all Canadians with disabilities and all Canadians who need help? I guarantee that we have tried at all times to help all Canadians with disabilities and those who need help. Whether we have succeeded 100% of the time, humility dictates that we cannot claim that. There is still a challenge for this government and that we shall continue to address.

Ms. Paddy Torsney (Parliamentary Secretary to Minister of the Environment, Lib.): Madam Speaker, I wonder if the member might comment on whether or not he thinks it is intellectually dishonest for the members to come here and pretend that they are concerned about the paperwork administration. They go on about boondoggles instead of specifically talking about what these programs do.

In fact, are they not a bit intellectually challenged themselves when they do things like deny students jobs in the riding of Calgary West and do not approve funds for student jobs? They have internal fights among themselves. The local Conservative MLA agreed with the minister who had to override the stupidity of the member opposite in not allowing young people in our ridings to get the very jobs they need to get that start in the world.

Mr. Ken Epp: Madam Speaker, I rise on a point of order. I am certain that it is unparliamentary to refer to another member of the House as having the characteristic of stupidity.

The Acting Speaker (Ms. Thibeault): I understand the hon. member's point of view. It may not be unparliamentary but I am sure the parliamentary secretary would withdraw the word.

Ms. Paddy Torsney: Madam Speaker, I would be happy to withdraw the word stupidity. I am sure ignorance would also qualify.

Mr. Rey D. Pagtakhan: Madam Speaker, the parliamentary secretary was talking about ignorance and my only comment is that sometimes ignorance is bliss. But when it is ignorance about facts and about points of debate, there is no excuse.

When one tries to exploit the situation, it reminds me of one who said let us not exaggerate the death of a being because one day that being will be the continuing leader of the nation.

• (1715)

[*Translation*]

The Acting Speaker (Ms. Thibeault): It being 5.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): All those in favour of the amendment 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.

Some hon. members: On division.

The Acting Speaker (Ms. Thibeault): I declare the amendment lost.

(Amendment negatived)

The Acting Speaker (Ms. Thibeault): 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 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.

• (1745)

[*English*]

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

(*Division No. 1334*)

YEAS

Members

Abbott
Alarie

Ablonczy
Anders

Asselin
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok
Blaikie
Breitkreuz (Yellowhead)
Brien
Cadman
Casey
Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Duceppe
Earle
Forseth
Gilmour
Godin (Acadie—Bathurst)
Gouk
Guay
Hanger
Hart
Hearn
Hill (Prince George—Peace River)
Johnston
Konrad
Laurin
Lill
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Martin (Winnipeg Centre)
McDonough
Mercier
Mills (Red Deer)
Muisé
Penson
Plamondon
Proctor
Reynolds
Robinson
Schmidt
St-Jacques
Stoffer
Tremblay (Rimouski—Mitis)
Venne
White (North Vancouver)

Supply

Bachand (Saint-Jean)
Benoit
Bernier (Bonaventure—Gaspé—
Bigras
Borotsik
Breitkreuz (Yorkton—Melville)
Brison
Cardin
Casson
Crête
de Savoye
Desjarlais
Dockrill
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Dumas
Epp
Gauthier
Girard-Bujold
Godin (Châteauguay)
Gruending
Guimond
Harris
Harvey
Hill (MacLeod)
Jaffer
Keddy (South Shore)
Lalonde
Lebel
Loubier
Lunn
Mancini
Mark
Mayfield
Ménard
Meredith
Morrison
Nyström
Perron
Price
Ramsay
Riis
Rocheleau
Solberg
Stinson
Strahl
Turp
Wasylcia-Leis
Williams—99

NAYS

Members

Adams
Assad
Augustine
Bakopanos
Beaumier
Bélanger
Bennett
Bevilacqua
Bonin
Boudria
Bryden
Byrne
Calder
Caplan
Catterall
Chamberlain
Cloutier
Collenette
Copps
DeVillers
Dion
Dromisky
Easter
Finlay
Fontana
Godfrey
Graham
Harb
Hubbard
Anderson
Assadourian
Baker
Barnes
Bélair
Bellemare
Bertrand
Blondin-Andrew
Bonwick
Brown
Bulte
Caccia
Cannis
Carroll
Cauchon
Charbonneau
Coderre
Comuzzi
Cullen
Dhaliwal
Discepola
Duhamel
Eggleton
Folco
Gagliano
Goodale
Guarmieri
Harvard
Ianno

Government Orders

Iftody	Jackson	Augustine	Bachand (Saint-Jean)
Jennings	Jordan	Baker	Bakopanos
Karetak-Lindell	Karygiannis	Barnes	Beaumier
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)	Bélair	Bélanger
Knutson	Kraft Sloan	Bellehumeur	Bellemare
Lastewka	Lavigne	Bennett	Bergeron
Lee	Leung	Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Bevilacqua
Limoges	Lincoln	Bertrand	Blondin-Andrew
Longfield	MacAulay	Bigras	Bonin
Mahoney	Malhi	Bonin	Bonwick
Maloney	Manley	Boudria	Brien
Marleau	Martin (LaSalle—Émard)	Brown	Bryden
Mathews	McCormick	Bulte	Byrne
McGuire	McKay (Scarborough East)	Caccia	Calder
McLellan (Edmonton West)	McTeague	Cannis	Caplan
McWhinney	Mifflin	Cardin	Carroll
Mills (Broadview—Greenwood)	Mitchell	Catterall	Cauchon
Murray	Myers	Chamberlain	Charbonneau
Normand	O'Brien (Labrador)	Chrétien (Frontenac—Mégantic)	Clouthier
O'Reilly	Pagtakhan	Coderre	Collette
Paradis	Parrish	Comuzzi	Copps
Patry	Peric	Crête	Cullen
Peterson	Phinney	de Savoye	Debien
Pickard (Chatham—Kent Essex)	Pillitteri	Desrochers	DeVillers
Pratt	Proud	Dhaliwal	Dion
Proulx	Provenzano	Discepola	Dromisky
Redman	Reed	Dubé (Lévis-et-Chutes-de-la-Chaudière)	Duceppe
Richardson	Robillard	Duhamel	Dumas
Rock	Saada	Easter	Eggleton
Scott (Fredericton)	Sekora	Finlay	Folco
Sgro	Shepherd	Fontana	Gagliano
Speller	St. Denis	Gauthier	Girard-Bujold
St-Julien	Steckle	Godfrey	Godin (Châteauguay)
Stewart (Brant)	Stewart (Northumberland)	Goodale	Graham
Szabo	Telegdi	Guarnieri	Guay
Thibeault	Torsney	Guimond	Harb
Ur	Vanclief	Harvard	Hubbard
Wappel	Whelan	Ianno	Iftody
Wilfert	Wood—136	Jackson	Jennings

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Speaker: I declare the motion lost.

* * *

IMMIGRATION AND REFUGEE PROTECTION ACT

The House resumed from June 1 consideration of the motion that Bill C-31, an act respecting immigration to Canada and the granting of refugee protection to persons who are displaced, persecuted or in danger, be read the second time and referred to a committee.

The Speaker: Pursuant to order made on Thursday, June 1, the House will now proceed to the taking of the recorded division on the motion at the second reading stage of Bill C-31.

● (1755)

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

(Division No. 1335)

YEAS

Members

Adams
Anderson
Assadourian

Alarie
Assad
Asselin

Augustine
Baker
Barnes
Bélair
Bellehumeur
Bennett
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)
Bertrand
Bigras
Bonin
Boudria
Brown
Bulte
Caccia
Cannis
Cardin
Catterall
Chamberlain
Chrétien (Frontenac—Mégantic)
Coderre
Comuzzi
Crête
de Savoye
Desrochers
Dhaliwal
Discepola
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Duhamel
Easter
Finlay
Fontana
Gauthier
Godfrey
Goodale
Guarnieri
Guimond
Harvard
Ianno
Jackson
Jordan
Karygiannis
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lastewka
Lavigne
Lee
Limoges
Longfield
MacAulay
Malhi
Manley
Marleau
McCormick
McKay (Scarborough East)
McTeague
Ménard
Mifflin
Mitchell
Myers
Normand
O'Reilly
Paradis
Patry
Perron
Phinney
Pillitteri
Pratt
Proulx
Redman
Richardson
Rocheleau
Saada
Sekora
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Tremblay (Rimouski—Mitis)

Bachand (Saint-Jean)
Bakopanos
Beaumier
Bélanger
Bellemare
Bergeron
Bevilacqua
Blondin-Andrew
Bonin
Bonwick
Brien
Bryden
Byrne
Calder
Caplan
Carroll
Cauchon
Charbonneau
Clouthier
Collette
Copps
Cullen
Debien
DeVillers
Dion
Dromisky
Duceppe
Dumas
Eggleton
Folco
Gagliano
Girard-Bujold
Godin (Châteauguay)
Graham
Guay
Harb
Hubbard
Iftody
Jennings
Karetak-Lindell
Keyes
Knutson
Lalonde
Laurin
Lebel
Leung
Lincoln
Loubier
Mahoney
Maloney
Marchand
Mathews
McGuire
McLellan (Edmonton West)
McWhinney
Mercier
Mills (Broadview—Greenwood)
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Peterson
Pickard (Chatham—Kent Essex)
Plamondon
Proud
Provenzano
Reed
Robillard
Rock
Scott (Fredericton)
Sgro
Speller
St-Julien
Stewart (Brant)
Szabo
Thibeault
Tremblay (Lac-Saint-Jean)
Turp

Private Members' Business

Ur
Venne
Whelan
Wood—172

Vanclief
Wappel
Wilfert

● (1805)

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

NAYS

Members

Abbott
Anders
Blaikie
Breitkreuz (Yellowhead)
Brison
Casey
Davies
Dockrill
Earle
Forseth
Godin (Acadie—Bathurst)
Gruending
Harris
Harvey
Hill (Macleod)
Jaffer
Keddy (South Shore)
Lill
Lunn
Mancini
Martin (Winnipeg Centre)
McDonough
Mills (Red Deer)
Muisé
Penson
Proctor
Reynolds
Robinson
Solberg
Stoffer
Wasylcia-Leis
Williams—63

Ablonczy
Benoit
Borotsik
Breitkreuz (Yorkton—Melville)
Cadman
Casson
Desjarlais
Doyle
Epp
Gilmour
Gouk
Hanger
Hart
Hearn
Hill (Prince George—Peace River)
Johnston
Konrad
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Mark
Mayfield
Meredith
Morrison
Nystrom
Price
Ramsay
Riis
Schmidt
Stinson
Strahl
White (North Vancouver)

(Division No. 1336)

YEAS

Members

Anders
Beaumier
Bonin
Breitkreuz (Yorkton—Melville)
Bryden
Calder
Casson
Dockrill
Easter
Forseth
Hearn
Hubbard
Keddy (South Shore)
Marleau
McTeague
Muisé
Penson
Proctor
Schmidt
St-Jacques
Szabo
Wappel

Assad
Benoit
Borotsik
Brison
Caccia
Casey
Comuzzi
Doyle
Epp
Harvey
Hill (Macleod)
Karygiannis
MacKay (Pictou—Antigonish—Guysborough)
Mayfield
Morrison
Murray
Price
Ramsay
Solberg
Stinson
Telegdi
White (North Vancouver)—44

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Citizenship and Immigration.

(Bill read the second time and referred to a committee)

PRIVATE MEMBERS' BUSINESS

[English]

ACCESS TO INFORMATION ACT

The House resumed from May 11 consideration of the motion that Bill C-206, an act to amend the Access to Information Act and to make amendments to other acts, be read the second time and referred to a committee.

The Speaker: Pursuant to order made on Friday, June 2, the House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-206 under Private Members' Business.

NAYS

Members

Ablonczy
Anderson
Asselin
Bachand (Saint-Jean)
Bakopanos
Bélair
Bellehumeur
Bennett
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)
Bertrand
Bigras
Blondin-Andrew
Boudria
Brien
Bulte
Cannis
Cardin
Catterall
Chamberlain
Chrétien (Frontenac—Mégantic)
Coderre
Copps
Cullen
de Savoye
Desjarlais
DeVillers
Dion
Dromisky
Duceppe
Dumas
Eggleton
Folco
Gagliano
Gilmour
Godfrey
Godin (Châteauguay)
Graham
Guay
Hanger
Harris
Harvard
Iftody
Jaffer

Alarie
Assadourian
Augustine
Baker
Barnes
Bélanger
Bellemare
Bergeron
Bevilacqua
Blaikie
Bonwick
Breitkreuz (Yellowhead)
Brown
Byrne
Caplan
Carroll
Cauchon
Charbonneau
Clouthier
Collenette
Crête
Davies
Debien
Desrochers
Dhaliwal
Discepola
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Duhamel
Earle
Finlay
Fontana
Gauthier
Girard-Bujold
Godin (Acadie—Bathurst)
Goodale
Guarnieri
Guimond
Guimond
Harb
Hart
Hill (Prince George—Peace River)
Jackson

Government Orders

Jennings	Johnston
Jordan	Karetak-Lindell
Keys	Kilger (Stormont—Dundas—Charlottenburgh)
Knutson	Konrad
Kraft Sloan	Lalonde
Lastewka	Laurin
Lavigne	Lebel
Lee	Leung
Limoges	Lincoln
Longfield	Loubier
Lowther	Lunn
MacAulay	Mahoney
Malhi	Maloney
Mancini	Manley
Marchand	Martin (LaSalle—Émard)
Martin (Winnipeg Centre)	Matthews
McDonough	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McWhinney	Ménard
Mercier	Meredith
Mifflin	Mills (Broadview—Greenwood)
Mitchell	Myers
Nault	Normand
Nystrom	O'Brien (Labrador)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Perron
Peterson	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Plamondon	Pratt
Proud	Proulx
Provenzano	Reed
Reynolds	Richardson
Riis	Robillard
Robinson	Rocheleau
Rock	Saada
Scott (Fredericton)	Sekora
Sgro	St. Denis
St-Julien	Steckle
Stewart (Brant)	Stewart (Northumberland)
Stoffer	Strahl
Thibeault	Torsney
Tremblay (Lac-Saint-Jean)	Tremblay (Rimouski—Mitis)
Turp	Ur
Vanclief	Venne
Wasylcia-Leis	Whelan
Williams	Wood—178

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Speaker: I declare the motion lost.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 2000

The House resumed from June 5 consideration of the motion that Bill C-32, an act to implement certain provisions of the budget tabled in parliament on February 28, 2000, be read the third time and passed.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill C-32.

Mr. Bob Kilger: Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting yea.

The Speaker: Is there agreement to proceed in such a fashion?

Some hon. members: Agreed.

Mr. Jay Hill: Mr. Speaker, Canadian Alliance members this evening will be voting against this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, members of the Bloc Québécois oppose this motion.

Mr. Yvon Godin: Mr. Speaker, the members of the New Democratic Party will vote no on this motion.

[*English*]

Mr. Norman Doyle: Progressive Conservative members, Mr. Speaker, will be voting no to this motion.

[*Translation*]

Mr. André Harvey: Mr. Speaker, I will vote no on this motion.

[*English*]

Mr. Jack Ramsay: I will be voting no, Mr. Speaker.

• (1810)

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, I would simply draw to your attention—

Some hon. members: Oh, oh.

The Speaker: Order, please. There are three points of order I want to hear.

Mr. Stéphane Bergeron: Mr. Speaker, I would simply point out that the leader of the Bloc Québécois and member for Laurier—Sainte-Marie, and our colleague from Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok were obliged to be withdrawn for this vote.

[*English*]

Mr. Jim Abbott: Mr. Speaker, as I did not vote on the previous motion I wish to have my vote recorded as opposed on this vote.

Ms. Wendy Lill: Mr. Speaker, I would like to be registered as voting no on this bill.

Government Orders

Mr. Dennis Gruending: Mr. Speaker, as I did not vote on the last motion I would like to be recorded as voting no on this one.

Mr. Jim Gouk: Mr. Speaker, I also did not vote on the previous motion but I want to be recorded as opposed on this one.

Mr. Chuck Cadman: Mr. Speaker, as I did not vote on the previous motion I want to be recorded as opposed on this motion.

Mr. Peter Adams: Mr. Speaker, I also did not vote on the previous motion and I want to be recorded as voting with the government on this motion.

Mr. Janko Perić: Mr. Speaker, I did not vote on the previous motion and I want to be recorded as voting with the government on this motion.

Mr. Alex Shepherd: Mr. Speaker, I did not vote on the previous motion and I wish to vote in favour and vote with the government on this one.

Mr. Tony Ianno: Mr. Speaker, I also did not vote on the last motion and I want to have my vote recorded with the government on this motion.

Mr. Larry McCormick: Mr. Speaker, as chair of the subcommittee on Private Member's Business I did not vote on the last bill but I need to vote with the government on this one.

The Speaker: Is there anyone else who did not vote? Please stand so that I can do this in an orderly fashion.

Mr. Bob Speller: Mr. Speaker, I wish to vote with the government.

Mrs. Karen Redman: Mr. Speaker, I too did not vote in the last vote and would like to vote with the government on this one.

Mr. Bryon Wilfert: Mr. Speaker, I did not vote on the last vote and would like to be recorded as voting with the government on this one.

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

(Division No. 1337)

YEAS

Members

Adams
Assad
Augustine
Bakopanos
Beaumier
Bélangier
Bennett
Bevilacqua
Bonin
Boudria
Bryden

Anderson
Assadourian
Baker
Barnes
Bélaïr
Bellemare
Bertrand
Blondin-Andrew
Bonwick
Brown
Bulte

Byrne
Calder
Caplan
Catterall
Chamberlain
Clouthier
Collenette
Copp
DeVillers
Dion
Dromisky
Easter
Finlay
Fontana
Godfrey
Graham
Harb
Hubbard
Iftody
Jennings
Karetak-Lindell
Keyes
Knutson
Lastewka
Lee
Limoges
Longfield
Mahoney
Maloney
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Proud
Provenzano
Reed
Robillard
Saada
Sekora
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Vanclief
Whelan
Wood—137

Caccia
Cannis
Carroll
Cauchon
Charbonneau
Coderre
Comuzzi
Cullen
Dhaliwal
Discepola
Duhamel
Eggleton
Folco
Gagliano
Goodale
Guarnieri
Harvard
Ianno
Jackson
Jordan
Karygiannis
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lavigne
Leung
Lincoln
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mitchell
Myers
Normand
O'Reilly
Paradis
Patri
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Redman
Richardson
Rock
Scott (Fredericton)
Sgro
Speller
St-Julien
Stewart (Brant)
Szabo
Thibeault
Ur
Wappel
Wilfert

NAYS

Members

Abbott
Alarie
Asselin
Bellehumeur
Bergeron
Blaikie
Breitkreuz (Yellowhead)
Brien
Cadman
Casey
Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Dumas
Epp
Gauthier

Ablonczy
Anders
Bachand (Saint-Jean)
Benoit
Bigras
Borotsik
Breitkreuz (Yorkton—Melville)
Brison
Cardin
Casson
Crête
de Savoye
Desjarlais
Dockrill
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Earle
Forseth
Gilmour

Government Orders

Girard-Bujold	Godin (Acadie—Bathurst)	Breitkreuz (Yorkton—Melville)	Cadman
Godin (Châteauguay)	Gouk	Davies	Desjarlais
Gruending	Guay	Dockrill	Earle
Guimond	Hanger	Epp	Forseth
Harris	Hart	Gilmour	Godin (Acadie—Bathurst)
Harvey	Hearn	Gouk	Gruending
Hill (MacLeod)	Hill (Prince George—Peace River)	Hanger	Harris
Jaffer	Johnston	Hart	Hill (MacLeod)
Keddy (South Shore)	Konrad	Hill (Prince George—Peace River)	Jaffer
Lalonde	Laurin	Johnston	Konrad
Lebel	Lill	Lill	Lowther
Loubier	Lowther	Mancini	Mark
Lunn	MacKay (Pictou—Antigonish—Guysborough)	Martin (Winnipeg Centre)	Mayfield
Mancini	Marchand	McDonough	Meredith
Martin (Winnipeg Centre)	Mayfield	Mills (Red Deer)	Nystrom
McDonough	Ménard	Penson	Proctor
Mercier	Meredith	Reynolds	Riis
Morrison	Muise	Robinson	Schmidt
Nystrom	Penson	Stinson	Stoffer
Perron	Plamondon	Strahl	Wasylycia-Leis
Price	Proctor	Williams—45	
Ramsay	Reynolds		
Riis	Robinson		
Rocheleau	Schmidt		
Solberg	St-Jacques		
Stinson	Stoffer		
Strahl	Tremblay (Lac-Saint-Jean)		
Tremblay (Rimouski—Mitis)	Turp		
Venne	Wasylycia-Leis		
White (North Vancouver)	Williams—96		

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

* * *

• (1815)

**CAPE BRETON DEVELOPMENT CORPORATION
DIVESTITURE AUTHORIZATION AND DISSOLUTION
ACT**

The House resumed from June 5 consideration of Bill C-11, an act to authorize the divestiture of the assets of, and to dissolve, the Cape Breton Development Corporation, to amend the Cape Breton Development Corporation Act and to make consequential amendments to other acts, as reported (without amendment) from the committee.

The Speaker: The House will now proceed to the taking of the deferred recorded divisions at report stage of Bill C-11. The first question is on Motion No. 1 in Group No. 1.

• (1820)

(The House divided on Motion No. 1, which was negated on the following division:)

(Division No. 1338)

YEAS

Members

Abbott	Ablonczy	Adams	Alarie
Blaikie	Breitkreuz (Yellowhead)	Assad	Assadourian
		Asselin	Augustine
		Bachand (Saint-Jean)	Baker
		Bakopanos	Barnes
		Beaumier	Bélar
		Bélangier	Bellehumeur
		Bellemare	Bennett
		Benoit	Bergeron
		Bertrand	Bevilacqua
		Bigras	Blondin-Andrew
		Bonin	Bonwick
		Borotsik	Boudria
		Brien	Brisson
		Brown	Bryden
		Bulte	Byrne
		Caccia	Calder
		Cannis	Caplan
		Cardin	Carroll
		Casey	Catterall
		Cauchon	Chamberlain
		Charbonneau	Chrétien (Frontenac—Mégantic)
		Clouthier	Coderre
		Collenette	Comuzzi
		Copps	Crête
		Cullen	de Savoye
		Debien	Desrochers
		DeVillers	Dhaliwal
		Dion	Discepola
		Doyle	Dromisky
		Duhamel	Dumas
		Easter	Eggleton
		Finlay	Folco
		Fontana	Gagliano
		Gauthier	Girard-Bujold
		Godfrey	Godin (Châteauguay)
		Goodale	Graham
		Guarmieri	Guay
		Guimond	Harb
		Harvard	Harvey
		Hearn	Hubbard
		Ianno	Iftody
		Jackson	Jennings
		Jordan	Karetak-Lindell
		Karygiannis	Keddy (South Shore)
		Keys	Kilger (Stormont—Dundas—Charlottenburgh)
		Knutson	Kraft Sloan
		Lalonde	Lastewka
		Laurin	Lebel
		Lee	Leung
		Limoges	Lincoln
		Longfield	Loubier
		Lunn	MacAulay
		MacKay (Pictou—Antigonish—Guysborough)	Mahoney

NAYS

Members

Government Orders

Malhi
Manley
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mercier
Mills (Broadview—Greenwood)
Morrison
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Peterson
Pickard (Chatham—Kent Essex)
Plamondon
Price
Proulx
Redman
Richardson
Rocheleau
Saada
Sekora
Shepherd
Speller
St-Jacques
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Tremblay (Rimouski—Mitis)
Ur
Venne
Whelan
Wood—183

Maloney
Marchand
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Ménard
Mifflin
Mitchell
Muise
Myers
Normand
O'Reilly
Paradis
Patry
Perron
Phinney
Pillitteri
Pratt
Proud
Provenzano
Reed
Robillard
Rock
Scott (Fredericton)
Sgro
Solberg
St. Denis
St-Julien
Stewart (Brant)
Szabo
Thibeault
Tremblay (Lac-Saint-Jean)
Turp
Vanclief
Wappel
Wilfert

Konrad
Lunn
Mark
Mayfield
Meredith
Morrison
Proctor
Riis
Schmidt
Stinson
Strahl
White (North Vancouver)

Lill
Mancini
Martin (Winnipeg Centre)
McDonough
Mills (Red Deer)
Nystrom
Reynolds
Robinson
Solberg
Stoffer
Wasylcia-Leis
Williams—48

NAYS

Members

Adams
Assad
Asselin
Bachand (Saint-Jean)
Bakopanos
Beaumier
Bélangier
Bellemare
Bergeron
Bevilacqua
Blondin-Andrew
Bonwick
Boudria
Brisson
Bulte
Caccia
Cannis
Cardin
Casey
Cauchon
Charbonneau
Clouthier
Collenette
Copps
Cullen
Debien
DeVillers
Dion
Doyle
Duhamel
Easter
Finlay
Fontana
Gauthier
Godfrey
Goodale
Guarnieri
Guimond
Harvard
Hearn
Ianno
Jackson
Jordan
Karygiannis
Keyes
Knutson
Lalonde
Laurin
Leung
Lincoln
Loubier
MacKay (Picou—Antigonish—Guysborough)
Malhi
Manley
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mercier
Mills (Broadview—Greenwood)
Muise
Myers

Alarie
Assadourian
Augustine
Baker
Barnes
Bélair
Bellehumeur
Bennett
Bertrand
Bigras
Bonin
Borotsik
Brien
Brown
Byrne
Calder
Caplan
Carroll
Catterall
Chamberlain
Chrétien (Frontenac—Mégantic)
Coderre
Comuzzi
Crête
de Savoye
Desrochers
Dhaliwal
Discepola
Dromisky
Dumas
Eggleton
Folco
Gagliano
Girard-Bujold
Godin (Châteauguay)
Graham
Guay
Harb
Harvey
Hubbard
Iftody
Jennings
Karetak-Lindell
Keddy (South Shore)
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lastewka
Lee
Limoges
Longfield
MacAulay
Mahoney
Maloney
Marchand
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Ménard
Mifflin
Mitchell
Murray
Nault

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare Motion No. 1 lost.

The next question is on Motion No. 2.

• (1830)

(The House divided on Motion No. 2, which was negated on the following division:)

(Division No. 1339)

YEAS

Members

Abbott
Anders
Blaikie
Breitkreuz (Yorkton—Melville)
Davies
Dockrill
Epp
Gilmour
Gouk
Hanger
Hart
Jaffer

Ablonczy
Benoit
Breitkreuz (Yellowhead)
Cadman
Desjarlais
Earle
Forseth
Godin (Acadie—Bathurst)
Gruending
Harris
Hill (Prince George—Peace River)
Johnston

Government Orders

Normand
O'Reilly
Paradis
Patry
Peterson
Pickard (Chatham—Kent Essex)
Plamondon
Price
Proulx
Redman
Richardson
Rocheleau
Saada
Sekora
Shepherd
St. Denis
St-Julien
Stewart (Northumberland)
Telegdi
Torsney
Tremblay (Rimouski—Mitis)
Ur
Venne
Whelan
Wood—175

O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Pratt
Proud
Provenzano
Reed
Robillard
Rock
Scott (Fredericton)
Sgro
Speller
St-Jacques
Steckle
Szabo
Thibeault
Tremblay (Lac-Saint-Jean)
Turp
Vanclief
Wappel
Wilfert

Price
Reynolds
Robinson
Solberg
Stinson
Strahl
Tremblay (Rimouski—Mitis)
Venne
White (North Vancouver)

Proctor
Riis
Rocheleau
St-Jacques
Stoffer
Tremblay (Lac-Saint-Jean)
Turp
Wasylcia-Leis
Williams —86

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare Motion No. 2 lost.

The next question is on Motion No. 3.

• (1835)

(The House divided on Motion No. 3, which was negated on the following division:)

(Division No. 1340)

YEAS

Members

Abbott
Anders
Bachand (Saint-Jean)
Benoit
Bigras
Borotsik
Brien
Cadman
Casey
Crête
de Savoye
Desjarlais
Dockrill
Dumas
Epp
Gauthier
Girard-Bujold
Godin (Châteauguay)
Gruending
Guimond
Hart
Hearn
Jaffer
Keddy (South Shore)
Lalonde
Lill
Lunn
Mancini
Mark
Mayfield
Ménard
Meredith
Morrison
Nystrom

Ablonczy
Asselin
Bellehumeur
Bergeron
Blaikie
Breitkreuz (Yorkton—Melville)
Brisson
Cardin
Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Earle
Forseth
Gilmour
Godin (Acadie—Bathurst)
Gouk
Guay
Hanger
Harvey
Hill (Prince George—Peace River)
Johnston
Konrad
Laurin
Loubier
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Martin (Winnipeg Centre)
McDonough
Mercier
Mills (Red Deer)
Muise
Plamondon

Adams
Assadourian
Baker
Barnes
Bélanger
Bennett
Bevilacqua
Bonin
Brown
Byrne
Calder
Caplan
Catterall
Chamberlain
Clouthier
Collenette
Coppes
DeVillers
Dion
Dromisky
Easter
Finlay
Fontana
Godfrey
Graham
Harvard
Hart
Ifody
Jennings
Karetak-Lindell
Keys
Knutson
Lastewka
Leung
Lincoln
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mitchell
Myers
Normand
O'Reilly
Paradis
Patry
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Redman
Richardson
Rock
Scott (Fredericton)
Sgro
Speller
St-Julien
Stewart (Northumberland)
Telegdi
Torsney
Vanclief
Whelan
Wood—129

NAYS

Members

Assad
Augustine
Bakopanos
Beaumont
Bellemare
Bertrand
Blondin-Andrew
Bonwick
Bulte
Caccia
Cannis
Carroll
Cauchon
Charbonneau
Coderre
Comuzzi
Cullen
Dhaliwal
Discepolo
Duhamel
Eggleton
Folco
Gagliano
Goodale
Harb
Hubbard
Jackson
Jordan
Karygiannis
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lee
Limoges
Longfield
Mahoney
Maloney
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Proud
Provenzano
Reed
Robillard
Saada
Sekora
Shepherd
St. Denis
Steckle
Szabo
Thibeault
Ur
Wappel
Wilfert

Government Orders

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare Motion No. 3 lost.

The next question is on Motion No. 4.

● (1845)

(The House divided on Motion No. 4, which was negated on the following division:)

(Division No. 1341)

YEAS

Members

Abbott	Ablonczy
Anders	Asselin
Bachand (Saint-Jean)	Bellehumeur
Benoit	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Borotsik
Bigras	Borotsik
Breitkreuz (Yorkton—Melville)	Brien
Brison	Cadman
Cardin	Casey
Chrétien (Frontenac—Mégantic)	Crête
de Savoye	Debien
Desrochers	Doyle
Duceppe	Dumas
Epp	Forseth
Gauthier	Gilmour
Girard-Bujold	Godin (Châteauguay)
Gouk	Guay
Guimond	Hanger
Harris	Hart
Harvey	Hearn
Hill (Prince George—Peace River)	Jaffer
Johnston	Keddy (South Shore)
Konrad	Lalonde
Laurin	Lebel
Loubier	Lowther
Lunn	MacKay (Pictou—Antigonish—Guysborough)
Marchand	Mark
Mayfield	Ménard
Mercier	Meredith
Mills (Red Deer)	Morrison
Muise	Perron
Plamondon	Price
Reynolds	Rocheleau
Solberg	St-Jacques
Stinson	Strahl
Tremblay (Lac-Saint-Jean)	Tremblay (Rimouski—Mitis)
Turp	Venne
White (North Vancouver)	Williams—75

Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Cauchon	Chamberlain
Charbonneau	Clouthier
Coderre	Collenette
Comuzzi	Copps
Cullen	Davies
Desjarlais	DeVillers
Dhaliwal	Dion
Discepolo	Dockrill
Dromisky	Duhamel
Earle	Easter
Eggleton	Folco
Gagliano	Godfrey
Godin (Acadie—Bathurst)	Goodale
Graham	Gruending
Harb	Harvard
Hubbard	Iftody
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keyes
Kilger (Stormont—Dundas—Charlottenburgh)	Knudson
Kraft Sloan	Lastewka
Lee	Leung
Lill	Limoges
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Mancini	Manley
Marleau	Martin (LaSalle—Émard)
Martin (Winnipeg Centre)	Mathews
McCormick	McDonough
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mills (Broadview—Greenwood)
Mitchell	Murray
Myers	Nault
Normand	Nyström
O'Brien (Labrador)	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Peric	Peterson
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Proctor	Proud
Proulx	Provenzano
Redman	Reed
Richardson	Riis
Robillard	Robinson
Rock	Saada
Scott (Fredericton)	Sekora
Sgro	Shepherd
Speller	St. Denis
St-Julien	Steckle
Stewart (Brant)	Stewart (Northumberland)
Stoffer	Szabo
Telegdi	Thibeault
Torsney	Ur
Vanlief	Wappel
Wasylcia-Leis	Whelan
Wilfert	Wood—144

PAIRED MEMBERS

NAYS

Members

Adams	Anderson
Assad	Assadourian
Augustine	Baker
Bakopoulos	Barnes
Beaumier	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Blaikie	Blondin-Andrew
Bonin	Bonwick
Brown	Bulte

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Speaker: I declare Motion No. 4 lost.

The next question is on Motion No. 5.

Government Orders

● (1850)

(The House divided on Motion No. 5, which was negated on the following division:)

*(Division No. 1342)***YEAS**

Members

Blaikie
Desjarlais
Earle
Grueiding
Mancini
McDonough
Proctor
Robinson
Wasylcia-Leis—17

Davies
Dockrill
Godin (Acadie—Bathurst)
Lill
Martin (Winnipeg Centre)
Nystrom
Riis
Stoffer

NAYS

Members

Abbott
Adams
Anders
Assadourian
Augustine
Baker
Barnes
Bélangier
Bellemare
Benoit
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)
Bevilacqua
Blondin-Andrew
Bonwick
Breitkreuz (Yorkton—Melville)
Brisson
Bulte
Caccia
Calder
Caplan
Carroll
Cauchon
Charbonneau
Clouthier
Collenette
Copp
Cullen
Debien
DeVillers
Dion
Doyle
Duceppe
Dumas
Eggleton
Folco
Forseth
Gauthier
Girard-Bujold
Godin (Châteauguay)
Gouk
Guay
Hanger
Harris
Harvard
Hearn
Hubbard
Jaffer
Johnston
Karetak-Lindell
Keddy (South Shore)
Knutson
Kraft Sloan
Lastewka
Lebel
Leung

Ablonczy
Alarie
Anderson
Asselin
Bachand (Saint-Jean)
Bakopanos
Beaumier
Bellehumeur
Bennett
Bergeron
Bigras
Bonin
Borotsik
Brien
Brown
Byrne
Cadman
Cannis
Cardin
Casey
Chamberlain
Chrétien (Frontenac—Mégantic)
Coderre
Comuzzi
Crête
de Savoye
Desrochers
Dhaliwal
Discepola
Dromisky
Duhamel
Easter
Epp
Fontana
Gagliano
Gilmour
Godfrey
Goodale
Graham
Guimond
Harb
Hart
Harvey
Hill (Prince George—Peace River)
Jackson
Jennings
Jordan
Karygiannis
Keyes
Konrad
Lalonde
Laurin
Lee
Limoges

Lincoln
Loubier
Lunn
MacKay (Pictou—Antigonish—Guysborough)
Malhi
Manley
Mark
Martin (LaSalle—Énard)
Mayfield
McGuire
McLellan (Edmonton West)
McWhinney
Mercier
Mifflin
Mills (Red Deer)
Morrison
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Patri
Perron
Phinney
Pillitteri
Price
Proulx
Redman
Reynolds
Robillard
Rock
Scott (Fredericton)
Sgro
Solberg
St-Jacques
Steckle
Stewart (Northumberland)
Szabo
Torsney
Tremblay (Rimouski—Mitis)
Ur
Venne
Whelan
Wilfert
Wood—196

Longfield
Lowther
MacAulay
Mahoney
Maloney
Marchand
Marleau
Matthews
McCormick
McKay (Scarborough East)
McTeague
Ménard
Meredith
Mills (Broadview—Greenwood)
Mitchell
Muisse
Myers
Normand
O'Reilly
Parrish
Peric
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Proud
Provenzano
Reed
Richardson
Rocheleau
Saada
Sekora
Shepherd
St. Denis
St-Julien
Stewart (Brant)
Strahl
Thibeault
Tremblay (Lac-Saint-Jean)
Turp
Vanclief
Wappel
White (North Vancouver)
Williams

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare Motion No. 5 lost.

The next question is on Motion No. 12.

● (1900)

(The House divided on Motion No. 12, which was negated on the following division:)

*(Division No. 1343)***YEAS**

Members

Abbott
Alarie
Asselin
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok
Borotsik
Brisson
Cardin

Ablonczy
Anders
Bachand (Saint-Jean)
Benoit
Bernier (Bonaventure—Gaspé—
Blaikie
Brien
Cadman

Government Orders

Casey
Crête
de Savoye
Desjarlais
Dockrill
Duceppe
Earle
Gauthier
Girard-Bujold
Godin (Châteauguay)
Gruending
Guimond
Harris
Harvey
Hill (Prince George—Peace River)
Johnston
Konrad
Laurin
Loubier
Lunn
Mancini
Mark
Mayfield
Ménard
Meredith
Morrison
Nystrom
Proctor
Riis
Rocheleau
St-Jacques
Stoffer
Tremblay (Lac-Saint-Jean)
Turp
Wasylcia-Leis
Williams —87

Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Dumas
Epp
Gilmour
Godin (Acadie—Bathurst)
Gouk
Guay
Hanger
Hart
Hearn
Jaffer
Keddy (South Shore)
Lalonde
Lill
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Martin (Winnipeg Centre)
McDonough
Mercier
Mills (Red Deer)
Muisse
Perron
Reynolds
Robinson
Solberg
Stinson
Strahl
Tremblay (Rimouski—Mitis)
Venne
White (North Vancouver)

McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mitchell
Myers
Normand
O'Reilly
Paradis
Patry
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Redman
Richardson
Rock
Scott (Fredericton)
Sgro
Speller
St-Julien
Stewart (Brant)
Szabo
Thibeault
Ur
Wappel
Wilfert

McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Proud
Provenzano
Reed
Robillard
Saada
Sekora
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Vanclief
Whelan
Wood—132

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare Motion No. 12 lost.

Mr. Bob Kilger: Mr. Speaker, I believe you would find consent to apply the results of the vote just taken to Motions Nos. 6 and 7.

The Speaker: I want to make sure I understand. If the question had been on Motion No. 6, this would also apply to Motion No. 9. Is the government whip aware of this?

Mr. Bob Kilger: I think we have an agreement to apply.

Some hon. members: Agreed.

(The House divided on Motion No. 6, which was negated on the following division:)

(Division No. 1344)

YEAS

Members

Abbott
Alarie
Asselin
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok)
Borotsik
Brison
Cardin
Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Dumas
Epp
Gilmour

Ablonczy
Anders
Bachand (Saint-Jean)
Benoit
Bernier (Bonaventure—Gaspé—
Blaikie
Brien
Cadman
Casey
Crête
de Savoye
Desjarlais
Dockrill
Duceppe
Earle
Gauthier
Girard-Bujold

NAYS

Members

Adams
Assad
Augustine
Bakopanos
Beaumier
Bellemare
Bertrand
Blondin-Andrew
Bonwick
Brown
Bulte
Caccia
Cannis
Carroll
Cauchon
Charbonneau
Coderre
Comuzzi
Cullen
Dhaliwal
Discepola
Duhamel
Eggleton
Fontana
Godfrey
Graham
Harvard
Ianno
Jackson
Jordan
Karygiannis
Knutson
Lastewka
Leung
Lincoln
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)

Anderson
Assadourian
Baker
Barnes
Bélangier
Bennett
Bevilacqua
Bonin
Boudria
Bryden
Byrne
Calder
Caplan
Catterall
Chamberlain
Clouthier
Collenette
Copp
DeVillers
Dion
Dromisky
Easter
Folco
Gagliano
Goodale
Harb
Hubbard
Ifody
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lee
Limoges
Longfield
Mahoney
Maloney
Marleau
Matthews

Government Orders

Godin (Acadie—Bathurst)
Gouk
Guay
Hanger
Hart
Hearn
Jaffer
Keddy (South Shore)
Lalonde
Lebel
Loubier
Lunn
Mancini
Mark
Mayfield
Ménard
Meredith
Morrison
Nystrom
Proctor
Riis
Rocheleau
St-Jacques
Stoffer
Tremblay (Lac-Saint-Jean)
Turp
Wasylcia-Leis
Williams —88

Godin (Châteauguay)
Gruending
Guimond
Harris
Harvey
Hill (Prince George—Peace River)
Johnston
Konrad
Laurin
Lill
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Martin (Winnipeg Centre)
McDonough
Mercier
Mills (Red Deer)
Muise
Perron
Reynolds
Robinson
Solberg
Stinson
Strahl
Tremblay (Rimouski—Mitis)
Venne
White (North Vancouver)

Richardson
Rock
Scott (Fredericton)
Sgro
Speller
St-Julien
Stewart (Brant)
Szabo
Thibeault
Ur
Wappel
Wilfert

Robillard
Saada
Sekora
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Vanclief
Whelan
Wood—132

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

(The House divided on Motion No. 7, which was negated on the following division:)

NAYS

Members

Adams
Assad
Augustine
Bakopanos
Beaumier
Bellemare
Bertrand
Blondin-Andrew
Bonwick
Brown
Bulte
Caccia
Cannis
Carroll
Cauchon
Charbonneau
Coderre
Comuzzi
Cullen
Dhaliwal
Discepola
Duhamel
Eggleton
Fontana
Godfrey
Graham
Harvard
Ianno
Jackson
Jordan
Karygiannis
Knutson
Lastewka
Leung
Lincoln
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mitchell
Myers
Normand
O'Reilly
Paradis
Pary
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Redman

Anderson
Assadourian
Baker
Barnes
Bélanger
Bennett
Bevilacqua
Bonin
Boudria
Bryden
Byrne
Calder
Caplan
Catterall
Chamberlain
Cloutier
Collenette
Coppes
DeVillers
Dion
Dromisky
Easter
Folco
Gagliano
Goodale
Harb
Hubbard
Iftody
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lee
Limoges
Longfield
Mahoney
Maloney
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Proud
Provenzano
Reed

(Division No. 1345)

YEAS

Members

Abbott
Alarie
Asselin
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok
Borotsik
Brison
Cardin
Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Dumas
Epp
Gilmour
Godin (Acadie—Bathurst)
Gouk
Guay
Hanger
Hart
Hearn
Jaffer
Keddy (South Shore)
Lalonde
Lebel
Loubier
Lunn
Mancini
Mark
Mayfield
Ménard
Meredith
Morrison
Nystrom
Proctor
Riis
Rocheleau
St-Jacques
Stoffer
Tremblay (Lac-Saint-Jean)
Turp
Wasylcia-Leis
Williams —88

Ablonczy
Anders
Bachand (Saint-Jean)
Benoit
Bernier (Bonaventure—Gaspé—
Blaikie
Brien
Cadman
Casey
Crête
de Savoye
Desjarlais
Dockrill
Duceppe
Earle
Gauthier
Girard-Bujold
Godin (Châteauguay)
Gruending
Guimond
Harris
Harvey
Hill (Prince George—Peace River)
Johnston
Konrad
Laurin
Lill
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Marchand
Martin (Winnipeg Centre)
McDonough
Mercier
Mills (Red Deer)
Muise
Perron
Reynolds
Robinson
Solberg
Stinson
Strahl
Tremblay (Rimouski—Mitis)
Venne
White (North Vancouver)

Government Orders

NAYS

Members

Adams	Anderson
Assad	Assadourian
Augustine	Baker
Bakopanos	Barnes
Beaumier	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Boudria
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Carroll	Catterall
Cauchon	Chamberlain
Charbonneau	Clouthier
Coderre	Collenette
Comuzzi	Copps
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Dromisky
Duhamel	Easter
Eggleton	Folco
Fontana	Gagliano
Godfrey	Goodale
Graham	Harb
Harvard	Hubbard
Ianno	Ifody
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Kilger (Stormont—Dundas—Charlottenburgh)
Knutson	Kraft Sloan
Lastewka	Lee
Leung	Limoges
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Matthews
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Mifflin	Mills (Broadview—Greenwood)
Mitchell	Murray
Myers	Nault
Normand	O'Brien (Labrador)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Proud
Proulx	Provenzano
Redman	Reed
Richardson	Robillard
Rock	Saada
Scott (Fredericton)	Sekora
Sgro	Shepherd
Speller	St. Denis
St-Julien	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Thibeault	Torsney
Ur	Vanclief
Wappel	Whelan
Wilfert	Wood—132

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Speaker: I declare Motions Nos. 6 and 7. Therefore Motions Nos. 9 and 10 are lost.

[*Translation*]

Mr. Ghislain Lebel: Mr. Speaker, I was absent during the last vote. I wish to be recorded as voting in favour, along with the other members of my party.

The Speaker: The next question is on Motion No. 8. The vote on this motion also applies to Motion No. 11.

• (1910)

[*English*]

(The House divided on Motion No. 8, which was negated on the following division:)

(*Division No. 1346*)

YEAS

Members

Ablonczy	Alarie
Anders	Asselin
Bachand (Saint-Jean)	Bellehumeur
Benoit	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Blaikie
Bigras	Brien
Borotsik	Cadman
Brisson	Carroll
Cardin	Chrétien (Frontenac—Mégantic)
Casey	Davies
Crête	Debien
de Savoye	Desrochers
Desjarlais	Doyle
Dockrill	Earle
Dumas	Gauthier
Epp	Girard-Bujold
Gilmour	Godin (Châteauguay)
Godin (Acadie—Bathurst)	Gruending
Gouk	Guimond
Guay	Harris
Hanger	Harvey
Hart	Hill (Prince George—Peace River)
Hearn	Johnston
Jaffer	Konrad
Keddy (South Shore)	Laurin
Lalonde	Lill
Lebel	Lowther
Loubier	MacKay (Pictou—Antigonish—Guysborough)
Lunn	Marchand
Mancini	Martin (Winnipeg Centre)
Mark	McDonough
Mayfield	Meredith
Mercier	Muise
Mills (Red Deer)	Perron
Nystrom	Reynolds
Proctor	Robinson
Riis	St-Jacques
Solberg	Stoffer
Stinson	Tremblay (Lac-Saint-Jean)
Strahl	Turp
Tremblay (Rimouski—Mitis)	Wasylcia-Leis
Venne	Williams—85
White (North Vancouver)	

Government Orders

NAYS

Members

Adams	Anderson
Assad	Assadourian
Augustine	Baker
Bakopanos	Barnes
Beaumier	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Boudria	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Caplan
Catterall	Cauchon
Chamberlain	Charbonneau
Clouthier	Coderre
Collette	Comuzzi
Copps	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Duhamel
Eggleton	Folco
Fontana	Gagliano
Godfrey	Goodale
Graham	Harb
Harvard	Hubbard
Ianno	Ifody
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Kilger (Stormont—Dundas—Charlottenburgh)
Knutson	Kraft Sloan
Lastewka	Lee
Leung	Limoges
Lincoln	Longfield
MacAulay	Mahoney
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Matthews
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Mifflin	Mills (Broadview—Greenwood)
Mitchell	Murray
Myers	Nault
Normand	O'Brien (Labrador)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Proud
Proulx	Provenzano
Redman	Richardson
Robillard	Rock
Saada	Scott (Fredericton)
Sekora	Sgro
Shepherd	St. Denis
St-Julien	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Thibeault	Torsney
Ur	Vanclief
Wappel	Whelan
Wilfert	Wood—126

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Speaker: I declare Motion No. 8 lost. I therefore declare Motion No. 11 lost.

The next question is on Motion No. 16.

● (1915)

(The House divided on Motion No. 16, which was negated on the following division:)

(Division No. 1347)

YEAS

Members

Ablonczy	Alarie
Anders	Asselin
Bachand (Saint-Jean)	Bellehumeur
Benoit	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Blaikie
Bigras	Brisson
Brien	Cardin
Cadman	Casey
Carroll	Crête
Chrétien (Frontenac—Mégantic)	de Savoye
Davies	Desjarlais
Debien	Dockrill
Desrochers	Duceppe
Doyle	Earle
Dumas	Gauthier
Epp	Girard-Bujold
Gilmour	Godin (Châteauguay)
Godin (Acadie—Bathurst)	Gruending
Gouk	Hanger
Guay	Hart
Harris	Hearn
Harvey	Jaffer
Hill (Prince George—Peace River)	Keddy (South Shore)
Johnston	Lalonde
Konrad	Lebel
Laurin	Loubier
Lill	Lunn
Lowther	Mancini
MacKay (Pictou—Antigonish—Guysborough)	Mark
Marchand	Mayfield
Martin (Winnipeg Centre)	Ménard
McDonough	Meredith
Mercier	Muise
Mills (Red Deer)	Perron
Nystrom	Proctor
Plamondon	Riis
Reynolds	Rocheleau
Robinson	St-Jacques
Solberg	Stoffer
Stinson	Tremblay (Lac-Saint-Jean)
Strahl	Turp
Tremblay (Rimouski—Mitis)	Wasylcia-Leis
Venne	Williams—87
White (North Vancouver)	

NAYS

Members

Adams	Anderson
Assad	Assadourian
Augustine	Baker
Bakopanos	Barnes
Beaumier	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Brown
Bryden	Bulte
Byrne	Caccia

*Government Orders**(Division No. 1348)*

Calder
Catterall
Chamberlain
Clouthier
Collenette
Copp
DeVillers
Dion
Dromisky
Eggleton
Gagliano
Goodale
Harb
Hubbard
Iftody
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lee
Limoges
Longfield
Mahoney
Maloney
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Murray
Nault
O'Reilly
Paradis
Patry
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Redman
Robillard
Saada
Sekora
Shepherd
St. Denis
Steele
Stewart (Northumberland)
Telegdi
Torsney
Vanclief
Whelan
Wood—125

Caplan
Cauchon
Charbonneau
Coderre
Comuzzi
Cullen
Dhaliwal
Discepola
Duhamel
Folco
Godfrey
Graham
Harvard
Ianno
Jackson
Jordan
Karygiannis
Knutson
Lastewka
Leung
Lincoln
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mitchell
Myers
Normand
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Proud
Provenzano
Richardson
Rock
Scott (Fredericton)
Sgro
Speller
St-Julien
Stewart (Brant)
Szabo
Thibeault
Ur
Wappel
Wilfert

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Speaker: I declare Motion No. 16 lost.

The next question is on Motion No. 13 in Group No. 3.

• (1925)

[*Translation*]

(The House divided on Motion No. 13, which was negated on the following division:)

Abbott
Benoit
Brisson
Casey
Desjarlais
Doyle
Epp
Godin (Acadie—Bathurst)
Gruending
Harris
Harvey
Hill (Prince George—Peace River)
Johnston
Konrad
Lowther
Mancini
Martin (Winnipeg Centre)
McDonough
Mills (Red Deer)
Nystrom
Proctor
Riis
Solberg
Stinson
Strahl
Williams—51

YEAS

Members

Ablonczy
Blaikie
Cadman
Davies
Dockrill
Earle
Gilmour
Gouk
Hanger
Hart
Hearn
Jaffer
Keddy (South Shore)
Lill
MacKay (Pictou—Antigonish—Guysborough)
Mark
Mayfield
Meredith
Muise
Price
Reynolds
Robinson
St-Jacques
Stoffer
Wasylcia-Leis

NAYS

Members

Adams
Anderson
Assadourian
Augustine
Baker
Barnes
Bélanger
Bellemare
Bergeron
Îles-de-la-Madeleine—Pabok)
Bevilacqua
Blondin-Andrew
Bonwick
Brown
Bulte
Caccia
Caplan
Carroll
Cauchon
Charbonneau
Clouthier
Collenette
Copp
Cullen
Debien
DeVillers
Dion
Dromisky
Duhamel
Eggleton
Gagliano
Girard-Bujold
Godin (Châteauguay)
Graham
Harb
Hubbard
Iftody
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lastewka
Lee
Limoges

Alarie
Assad
Asselin
Bachand (Saint-Jean)
Bakopanos
Beaumier
Bellehumeur
Bennett
Bernier (Bonaventure—Gaspé—
Bertrand
Bigras
Bonin
Brien
Bryden
Byrne
Calder
Cardin
Catterall
Chamberlain
Chrétien (Frontenac—Mégantic)
Coderre
Comuzzi
Crête
de Savoye
Desrochers
Dhaliwal
Discepola
Duceppe
Dumas
Folco
Gauthier
Godfrey
Goodale
Guay
Harvard
Ianno
Jackson
Jordan
Karygiannis
Knutson
Lalonde
Laurin
Leung

Government Orders

Lincoln
Loubier
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Ménard
Mifflin
Mitchell
Myers
Normand
Pagtakhan
Parrish
Peric
Peterson
Pillitteri
Pratt
Proulx
Redman
Robillard
Saada
Sekora
Speller
St-Julien
Stewart (Brant)
Szabo
Torsney
Tremblay (Rimouski—Mitis)
Ur
Venne
Whelan
Wood—155

Longfield
Lunn
Mahoney
Maloney
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mercier
Mills (Broadview—Greenwood)
Murray
Nault
O'Reilly
Paradis
Patry
Perron
Phinney
Plamondon
Proud
Provenzano
Richardson
Rock
Scott (Fredericton)
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Tremblay (Lac-Saint-Jean)
Turp
Vanclief
Wappel
Wilfert

Gouk
Guay
Harris
Harvey
Hill (Prince George—Peace River)
Keddy (South Shore)
Lalonde
Lebel
Loubier
MacKay (Pictou—Antigonish—Guysborough)
Mark
Mayfield
Ménard
Meredith
Muisé
Perron
Price
Reynolds
Robinson
Stinson
Strahl
Tremblay (Rimouski—Mitis)
Venne
White (North Vancouver)

Gruending
Hangar
Hart
Hearn
Johnston
Konrad
Laurin
Lill
Lowther
Mancini
Martin (Winnipeg Centre)
McDonough
Mercier
Mills (Red Deer)
Nystrom
Plamondon
Proctor
Riis
St-Jacques
Stoffer
Tremblay (Lac-Saint-Jean)
Turp
Wasylcia-Leis
Williams—82

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Acting Speaker (Ms. Thibeault): I declare Motion No. 13 lost.

[*English*]

The next question is on Motion No. 14.

• (1930)

[*Translation*]

(The House divided on Motion No. 14, which was negated on the following division:)

(*Division No. 1349*)

YEAS

Members

Abbott
Alarie
Asselin
Bellehumeur
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)
Bigras
Brien
Cadman
Casey
Crête
de Savoye
Desjarlais
Dockrill
Duceppe
Earle
Gauthier
Girard-Bujold
Godin (Châteauguay)

Ablonczy
Anders
Bachand (Saint-Jean)
Bergeron
Blaikie
Brisson
Cardin
Chrétien (Frontenac—Mégantic)
Davies
Debien
Desrochers
Doyle
Dumas
Epp
Gilmour
Godin (Acadie—Bathurst)

Ablonczy
Anderson
Assadourian
Baker
Barnes
Bélanger
Bennett
Bertrand
Blondin-Andrew
Bonwick
Brown
Bulte
Caccia
Caplan
Catterall
Chamberlain
Clouthier
Collenette
Cullen
Dhaliwal
Discepola
Duhamel
Folco
Godfrey
Graham
Harvard
Ianno
Jackson
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Kraft Sloan
Lee
Limoges
Longfield
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McKay (Scarborough East)
McTeague
Mifflin
Mitchell
Myers
Normand
O'Reilly
Paradis
Patry
Peterson
Pickard (Chatham—Kent Essex)
Pratt

NAYS

Members

Adams
Assad
Augustine
Bakopanos
Beaumier
Bellemare
Benoit
Bevilacqua
Bonin
Boudria
Bryden
Byrne
Calder
Carroll
Cauchon
Charbonneau
Coderre
Comuzzi
DeVillers
Dion
Dromisky
Eggleton
Gagliano
Goodale
Harb
Hubbard
Itody
Jaffer
Jordan
Karygiannis
Knutson
Lastewka
Leung
Lincoln
Lunn
Mahoney
Maloney
Marleau
Matthews
McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Murray
Nault
O'Brien (Labrador)
Pagtakhan
Parrish
Peric
Phinney
Pillitteri
Proud

Government Orders

Proulx
Redman
Richardson
Rock
Scott (Fredericton)
Sgro
Solberg
St-Julien
Stewart (Brant)
Szabo
Torsney
Vanclief
Wilfert

Provenzano
Reynolds
Robillard
Saada
Sekora
Shepherd
St. Denis
Steckle
Stewart (Northumberland)
Telegdi
Ur
Whelan
Wood—130

PAIRED MEMBERS

Bradshaw
Lefebvre

Kilgour (Edmonton Southeast)
Nunziata

The Acting Speaker (Ms. Thibeault): I declare Motion No. 14 lost.

The next question is on Motion No. 15.

[*English*]

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:

• (1940)

[*Translation*]

Before the Clerk announced the result of the vote:

The Acting Speaker (Ms. Thibeault): Order, please. I am concerned that Progressive Conservative members have voted twice.

Some hon. members: Oh, oh.

The Acting Speaker (Ms. Thibeault): I am going to have to ask them—

Some hon. members: Oh, oh.

[*English*]

The Acting Speaker (Ms. Thibeault): At this point I will have to ask the hon. members to indicate how they want to vote.

Mr. Peter MacKay: Madam Speaker, we voted yes both times.

(The House divided on Motion No. 15, which was negated on the following division:)

(*Division No. 1350*)

YEAS

Members

Abbott	Ablonczy
Alarie	Anders
Asselin	Bachand (Saint-Jean)
Bellehumeur	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Blaikie
Bigras	Brisson
Brien	Cardin
Cadman	Chrétien (Frontenac—Mégantic)
Casey	Davies
Crête	Debien
de Savoye	Desrochers
Desjarlais	Doyle
Dockrill	Dumas
Duceppe	Epp
Earle	Gilmour
Gauthier	Godin (Acadie—Bathurst)
Girard-Bujold	Gouk
Godin (Châteauguay)	Guay
Gruending	Harris
Hanger	Harvey
Hart	Hill (Prince George—Peace River)
Hearn	Keddy (South Shore)
Johnston	Lalonde
Konrad	Lebel
Laurin	Loubier
Lill	MacKay (Pictou—Antigonish—Guysborough)
Lowther	Mark
Mancini	Mayfield
Martin (Winnipeg Centre)	Ménard
McDonough	Meredith
Mercier	Muise
Mills (Red Deer)	Perron
Nystrom	Price
Plamondon	Reynolds
Proctor	Robinson
Riis	Stinson
St-Jacques	Strahl
Stoffer	Turp
Tremblay (Rimouski—Mitis)	Wasylcia-Leis
Venne	Williams —81
White (North Vancouver)	

NAYS

Members

Adams	Anderson
Assad	Assadourian
Augustine	Baker
Bakopanos	Barnes
Beaumier	Bélangier
Bellemare	Bennett
Benoit	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick
Boudria	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Caplan
Carroll	Catterall
Cauchon	Chamberlain
Charbonneau	Clouthier
Coderre	Collenette
Comuzzi	Copps
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Dromisky
Duhamel	Eggleton

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Folco	Gagliano
Godfrey	Goodale
Graham	Harb
Harvard	Hubbard
Ianno	Iftody
Jackson	Jennings
Jordan	Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)	Knutson
Kraft Sloan	Lastewka
Lee	Leung
Limoges	Lincoln
Longfield	Lunn
MacAulay	Mahoney
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Matthews
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Mifflin	Mills (Broadview—Greenwood)
Mitchell	Murray
Myers	Nault
Normand	O'Brien (Labrador)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Proud
Proulx	Provenzano
Redman	Richardson
Robillard	Rock
Saada	Scott (Fredericton)
Sekora	Sgro
Shepherd	Solberg
Speller	St. Denis
St-Julien	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Torsney	Ur
Vanclief	Whelan
Wilfert	Wood—128

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Acting Speaker (Ms. Thibeault): I declare Motion No. 15 lost.

Hon. Ralph E. Goodale (Minister of Natural Resources, Lib.) moved that the bill be concurred in.

• (1945)

The Acting Speaker (Ms. Thibeault): 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:

• (1950)

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

(Division No. 1351)

YEAS

Members

Adams	Anderson
Assadourian	Augustine
Baker	Bakopanos
Barnes	Beaumier
Bélangier	Bellemare
Bennett	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick
Boudria	Brisson
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Carroll
Casey	Catterall
Cauchon	Chamberlain
Charbonneau	Cloutier
Coderre	Collenette
Comuzzi	Copp
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Doyle
Dromisky	Duhamel
Eggleton	Folco
Gagliano	Godfrey
Goodale	Graham
Harb	Harvard
Harvey	Hearn
Hubbard	Ianno
Iftody	Jennings
Jordan	Karetak-Lindell
Keddy (South Shore)	Kilger (Stormont—Dundas—Charlottenburgh)
Knutson	Kraft Sloan
Lastewka	Lee
Leung	Limoges
Lincoln	Longfield
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Mahoney	Malhi
Maloney	Manley
Marleau	Martin (LaSalle—Émard)
Matthews	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Mills (Broadview—Greenwood)	Mitchell
Muise	Murray
Myers	Nault
Normand	O'Brien (Labrador)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Price
Proud	Proulx
Provenzano	Redman
Richardson	Robillard
Rock	Saada
Scott (Fredericton)	Sekora
Sgro	Shepherd
Speller	St. Denis
St-Jacques	St-Julien
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Telegdi	Torsney
Ur	Vanclief
Whelan	Wilfert
Wood—133	

*Adjournment Debate***NAYS**

Members

Abbott	Ablonczy
Alarie	Anders
Asselin	Bachand (Saint-Jean)
Bellehumeur	Benoit
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bigras
Blaikie	Brien
Cadman	Cardin
Chatters	Chrétien (Frontenac—Mégantic)
Crête	Davies
de Savoye	Debien
Desjarlais	Desrochers
Dockrill	Duceppe
Dumas	Earle
Epp	Gauthier
Gilmour	Girard-Bujold
Godin (Acadie—Bathurst)	Godin (Châteauguay)
Gouk	Gruending
Guay	Hanger
Harris	Hart
Hill (Prince George—Peace River)	Jaffer
Johnston	Konrad
Lalonde	Laurin
Lebel	Lill
Loubier	Lowther
Lunn	Mancini
Mark	Martin (Winnipeg Centre)
Mayfield	McDonough
Ménard	Mercier
Meredith	Mills (Red Deer)
Nystrom	Perron
Proctor	Reynolds
Riis	Robinson
Solberg	Stinson
Stoffer	Strahl
Tremblay (Rimouski—Mitis)	Turp
Venne	Wasylcia-Leis
White (North Vancouver)	Williams—75

PAIRED MEMBERS

Bradshaw	Kilgour (Edmonton Southeast)
Lefebvre	Nunziata

The Acting Speaker (Ms. Thibeault): I declare the motion carried.

[*Translation*]

I wish to inform the House that, because of the delay, the hour set aside for Private Members' Business will not take place this evening. The order is therefore deferred to a future sitting.

ADJOURNMENT PROCEEDINGS

[*English*]

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

INTERNATIONAL TRADE

Mr. Walt Lastewka (St. Catharines, Lib.): Madam Speaker, I am pleased this evening to have the opportunity to call on the

Minister for International Trade to take action on the market access to Canadian wines.

Canada has been proactive on export issues. We work one on one with Canadian businesses through team Canada trade missions. We actively participate in world trade issues and we provide financial and other support for businesses. The results have been positive with a record \$410 billion trade surplus last year. Not only was that a record but it was an 11.3% increase over the year before.

While we have had overall success with exports we have not experienced the same success with wine exports. We have serious market access problems with trade imbalances. At a time when Canadian wines are winning international awards and being enjoyed by wine lovers the world over, we have some serious export shortfalls. Let me be more specific.

In 1999 Canada imported more than \$565 million worth of wine from Europe. At the same time Canada's exports to the European market were just over \$400,000.

• (1955)

We are allowing a huge amount of EU wines into Canada. In fact the LCBO in Ontario is the world's largest export market for French wines. Unfortunately we are not getting equal access to their markets. We have a huge trade imbalance of over one million to one. That is unacceptable.

Let us look at another example. In 1992 the GATT panel ruled against the United States on its anti-importation barriers for wine. The panel said that the U.S. discriminated against imports at both the federal and state levels.

Today most of these barriers still exist. A recent report from foreign affairs and international trade says that there are new trade distorting measures affecting Canadian exports that have been added by American states since the GATT panel ruling of eight years ago, all of this while Canada remains the largest export market for American wine. This is not a record we can take pride in.

At a time when exports are high, our trade surplus is larger than ever. Canadian wineries are making excellent products. We have been unable to break into two of the most important markets, the United States and the EU.

This debate is about helping businesses to succeed. It is about providing Canadian entrepreneurs, farmers and business people with the best possible chance for success, and that means access to markets, increased exports and jobs.

Canada's wine industry is a growing, thriving success. Canadian wineries have outdone themselves in creating excellent products in a very short amount of time. Our industry is new but it is excellent. This growth has happened without the huge subsidization which

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occurs in Europe and even in the United States. Now we need to give our wine industry the chance to grow and export around the world.

Earlier this year a vintner's enterprise study was completed on the wine industry in Niagara called "Jazzin' in the Vineyard". I would like to summarize my remarks with a quote from that study. It says:

If the wine industry is to become internationally competitive, it needs a level playing field in which to participate.

I think that sums it up nicely. I urge the Minister for International Trade to give this issue his full attention and make it a number one priority.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade Lib.): Mr. Speaker, on behalf of wine producers of Ontario I thank the member for his tough stands on the issue. He always lets us know the views of his constituents, in particular wine producers in Ontario.

Canadian wine producers are making world class wines, as the member would know. We are exporting many of these wines to the United States and Europe. They are very important markets for us.

With respect to market access to the European Union, let me assure the hon. member that this is a priority of the Government of Canada. We are making every effort to obtain improved access to European markets for Canadian wines, including ice wines from his region.

I am fully aware of the frustration which exists in the industry and at the provincial level about the significant imbalance of market access. We are making every effort to address this situation.

The Minister for International Trade raised this issue directly with many ministers of trade in the European Union and will continue to do so. At the departmental level over the past few months we have been discussing both wine and spirits issues with the European commission to determine the possibility of reaching a bilateral agreement that would be beneficial to these producers.

Officials addressed such subjects as how both sides make wine and improving the protection of geographical indications. The latest meeting in March showed that there were significant differences between our two jurisdictions on the issue. We remain optimistic that agreements can be reached if we focus our efforts on a limited, realistic agenda.

• (2000)

We will continue to consult with the industry and provinces in an effort to develop possible ways to bridge the existing differences between the two sides.

Canadian wines, I might add, are doing well in the United States. Exports have grown to \$2.7 million in 1999, an increase of some 200% over the last two years. The Americans are waking up to the great wines we have here in Canada.

The wine, beer and spirit sector tends to be more regulated than most others and is marked by a myriad of rules and regulations governing the trade, sale and distribution of these products. Some of these rules and regulations fall within the scope of Canada's trade agreements, others do not. For example, some states have technical and labelling requirements. These are often beyond the reach of trade agreements as they apply equally to in state and out of state as well as imported wines. As well, it is normal for subnational jurisdictions, provinces or states, to create local regulations on access and handling, typically relenting to revenue protection and social responsibility.

I want to thank the hon. member by recognizing the hard work of the hon. member on behalf of the wine industry. I assure him, on behalf of the Government of Canada, that we take this issue very seriously and we will continue to fight on behalf of these producers.

[*Translation*]

The Acting Speaker (Mr. McClelland): Pursuant to order made earlier today, the motion to adjourn the House now is deemed to have been withdrawn, and the House will now proceed to consideration of Bill C-11 at third reading.

GOVERNMENT ORDERS

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION DIVESTITURE AUTHORIZATION AND DISSOLUTION ACT

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.) moved that Bill C-11, an act to authorize the divestiture of the assets of, and to dissolve, the Cape Breton Development Corporation, to amend the Cape Breton Development Corporation Act and to make consequential amendments to other acts, be read the third time and passed.

He said: Mr. Speaker, I am happy to have the opportunity to open the third reading debate on Bill C-11 pertaining to the Cape Breton Development Corporation.

As this debate has proceeded over the last number of days and indeed over the last number of months, I have been monitoring it

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very carefully through all of its stages. Much has been said sometimes with a great deal of passion and no doubt that will continue tonight.

I very much respect the deep convictions of all of those who have taken part in this discussion. At the same time I hope that our final debate this evening can steer clear of personal attacks or unwarranted invectives. While we may differ with each other honestly and sincerely on the most appropriate course for public policy to take, I hope we can all agree at least that each member in this House, in the government or in the opposition, is trying to do the very best possible job her or she can in dealing with what everybody agrees is a very difficult problem for the people of Cape Breton.

What I seek is not to criticize or vilify any other member because he or she happens to disagree with my approach. Instead I am focused and the government is focused on meaningful solutions that are as good and as effective as they can be in the reality of the circumstances that we all have to face.

As I have said before the Standing Committee on Natural Resources and Government Operations and also in this House, the key elements of the government's approach to Devco and the circumstances in Cape Breton are really threefold. First is the successful sale of Devco's assets to be able to maintain a viable coal operation and the associated jobs on a sound footing in the private sector. Second is a fair and reasonable human resources adjustment package to assist those who cannot remain in the coal sector. Third is new economic development initiatives which are community based and contribute new dimensions to the Cape Breton economy and way of life.

• (2005)

On that latter point, in January 1999 the government announced as part of its overall package of proposals with respect to Devco a \$68 million fund to invest in long term sustainable growth in Cape Breton's future. The province of Nova Scotia later added another \$12 million to that amount to make a total of \$80 million available for these future investments to build the Cape Breton economy. Consultations on how to invest this funding were recently completed. A strategy for the delivery of the appropriate funds is now under development and it should be in place very shortly.

I would like to make reference to the report of the consultative panel who went to work on this issue to hear firsthand from the people of Cape Breton what their hopes and aspirations would be for the use of that funding for the future. The consultative panel was chaired by Mr. Michael Kelly and included six other very distinguished people who have very deep roots in Cape Breton and a keen understanding of the circumstances in that important part of Canada.

The report which they have produced and which was released a short time ago is a very interesting description of the circumstances

on Cape Breton. More than that, more than looking backward, the report offers a breath of fresh air, a new look toward the future at what could be if certain circumstances come about and if the \$68 million from the Government of Canada and the \$12 million from the Government of Nova Scotia are properly invested.

The report is a summary of discussion themes that were brought forward through presentations and written submissions during the consultation process on economic renewal. Sessions were held throughout Cape Breton Island in November and December 1999. In total, 214 presentations were made and 210 written submissions were received. Hundreds of Cape Bretoners from all walks of life attended meetings from New Waterford, Glace Bay, Sydney, Sydney Mines, Baddeck, Port Hawkesbury, Petite-de-Grat, Chéticamp and Ingonish. They contributed ideas and suggestions on how to grow a new economy for the island.

The report is a result of all of that consultation. It emphasizes the importance of taking advantage of the growth potential of certain key sectors, facilitating the impact of established industries, enriching Cape Breton Island's investment climate, fostering trade to grow wealth and the opportunities associated with exciting decisions on new government services and programs.

For any members who are sincerely interested in this crucial issue of revitalizing and changing the direction of Cape Breton's economy, I would certainly recommend a very close reading of that report from the consultative panel. The panel members did their job well. On behalf of the Government of Canada I want to thank them for the enormous effort they made to make sure that the voices of Cape Bretoners were heard in this process.

Consistent with the work of the panel and the thrust of its report, we have already begun to invest. Some \$7 million has been allocated to a new EDS customer service centre in Sydney, Nova Scotia. This undertaking has the potential to generate up to 900 new jobs on Cape Breton Island within a five year period. As the member for Sydney—Victoria and many others have noted publicly, this will be helpful in building a better future and there will be more to come.

With respect to the workforce adjustment package, the basic proposal worth \$111 million was originally announced in January 1999. In full compliance with all existing collective agreements, that original package provided a combination of early retirement incentives and severance and training payments and was predicated on certain practical assumptions.

• (2010)

One of those assumptions was the continuation of coal mining operations in the Phalen mine on Cape Breton through all of 1999 and most of 2000. As we all know, that assumption did not come to fruition. In fact for the most compelling of geological and safety reasons, Phalen had to close about a year sooner than had been expected.

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Last year with the announcement that Phalen would have to close prematurely, we immediately indicated that parts of the original human resources package would need to be re-evaluated to take into account this unexpected change in circumstances. That evaluation was under way when in January of this year the union leadership at Devco renewed its request for a formal joint planning committee process to resolve all outstanding human resources issues under the full terms and conditions of the Canada Labour Code.

The process under the Canada Labour Code involved several defined steps which were meticulously followed as the unions had requested. This included the selection of Mr. Bruce Outhouse, an eminent arbitrator who was well qualified and fully acceptable to all sides.

As members of the House know, the joint planning committee process was taken through to its final stages with the binding arbitration decision published on June 2. The decision has expanded the eligibility for the early retirement incentive program and has provided medical benefits for those who receive a severance and training package, as well as a number of other features.

Devco indicates that in addition to the previous 340 miners, an additional 249 employees will now be eligible for an early retirement incentive.

The government and Devco will address the financial implications of the decision of the arbitrator. These are considerable, in the range of about \$50 million, in addition to the \$111 million that was announced in January 1999.

I will now turn to the sales process. As I have said in the House before, Bill C-11 relates to the sales process. It is very straightforward and its purpose is simple. It satisfies the necessary legal requirements to authorize the sale of Devco's assets including those requirements that are contained in the Financial Administration Act as passed by the Parliament of Canada.

In June 1999 Devco hired BMO Nesbitt Burns Inc. as its financial adviser to manage the sales process. Last August the first task for Nesbitt Burns was to review the sales process at public meetings in Cape Breton with community and stakeholder groups and to obtain their input. Beginning in October 1999 Nesbitt Burns contacted 60 prospective purchasers. In December, Devco on the advice of Nesbitt Burns identified a short list of prospective purchasers who were invited then to submit definitive proposals. Such proposals were received by the Devco board.

Devco is now at the stage of evaluating and clarifying one of the proposals with a view to finalizing the broad terms and conditions of a potential sales agreement, perhaps as early as later this month. Negotiations concerning a final detailed purchase and sale agreement would then follow. A final deal is subject to both Devco board and Government of Canada approval.

The prospects for transferring the assets of Devco to the private sector and for maintaining coal mining jobs in a viable private sector commercial operation for the future are very real. It is important that we move forward with this opportunity. That is what this legislation is all about.

This bill was first introduced in the House on October 27, 1999. Second reading debate took place last fall and this spring. Over 25 members have spoken to the bill during House and committee proceedings.

• (2015)

It is our strong conviction that passage of the bill and the establishment of a commercial operation is the very best way to try to ensure that coal mining will continue to provide jobs and contribute in the long term to the economy of Cape Breton. This is an important step in reshaping and revitalizing Cape Breton's future prospects and it needs to be kept in the context that I have described. It is not a sale all on its own.

In addition, there is the \$68 million economic development fund provided by the Government of Canada to which the province of Nova Scotia has added a further \$12 million. Through that funding and through the regular funding of the Atlantic Canada Opportunities Agency, Enterprise Cape Breton Corporation and Human Resources Development Canada, our government will continue to work with Cape Bretoners on a wide variety of fronts to diversify their economy beyond the coal sector, which we hope to preserve through the private sector transaction that this legislation is all about.

Of course, in addition to the sale, in addition to the economic development initiatives, in the short term a solution has also been found to the contentious and difficult human resources issues. That was done through the independent work of a distinguished arbitrator who was approved in advance by the unions, and in fact put into place at the unions' request.

Despite how difficult and contentious the issues surrounding Devco have been and continue to be, I hope that we can all now turn our attention to using all available resources, all available talent and brain power, all available commitment and dedication to maximize Cape Breton's future potential to turn the corner toward something that can be much better in the future, to do the very best we humanly can to ease the burden and to smooth the way.

I want to thank all members of the House, whether they agree with the government or not on this issue. I believe very sincerely that they have approached this issue in a conscientious way, in a passionate way, and I thank them for their contributions to the debate as it has unfolded.

I would particularly like to acknowledge the very good work that the committee chair, the member for Eglinton—Lawrence, has done and all of the members of the committee. I would also like to acknowledge the very good work of the member for Algoma—

Manitoulin, who is my parliamentary secretary and who has assiduously worked every step of the way on this important bill.

I also want to acknowledge and thank members of the opposition, particularly the members of the New Democratic Party who represent the area most affected by this legislation. Again, while we may be on opposite sides in some of the debates, I hope at the bottom line we share a common desire to try very hard to do the right thing to improve the quality of life of the people of Cape Breton.

Mrs. Michelle Dockrill: Mr. Speaker, I rise on a point of order. I would like to ask for the unanimous consent of the House to have the opportunity to question the minister on such an important piece of legislation.

The Acting Speaker (Mr. McClelland): The member for Bras d'Or—Cape Breton has asked for unanimous consent to provide for a period of questions. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, I rise once again to speak to Bill C-11. I listened with great interest to the minister's speech. My mother used to coin a phrase that I thought was very applicable in this instance. While the minister's speech was very conciliatory and praised everyone involved, my mother used to say that actions speak louder than words. In this case I think that is most applicable.

This issue was brought before the House in October 1999. I first spoke at second reading on the bill in early November 1999. The whole thing sat gathering dust until very recently. Then it came forward again, we finished second reading and it went to committee.

• (2020)

There was a fairly substantial list of witnesses at committee who had interests in this bill and the issues around it. Some of those witnesses were given less than 24 hours to appear before the committee. They had to rearrange family affairs, job schedules and all of those things.

They were brought in, four or five witnesses at a time who were not truly connected in their issues. They sat down to participate in what was termed a round table discussion at committee, which did not give either the witnesses an adequate opportunity to present their case or opposition members an opportunity to question them at any length to get to the bottom of the issues they were bringing forward.

On top of that, my colleagues on the committee introduced two amendments to the legislation. I believe the NDP introduced about

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five amendments. None of the amendments introduced by either party would have substantively changed the bill. I support the concept of privatization. It is a good idea and it should have been done sooner. However, there were ways to do it.

Had the government really been looking for some co-operation on the bill, it could have accepted every one of the amendments introduced by my party and the NDP. My amendments, hopefully, would have brought some clarity and accountability to this deal after it was done, respecting commercial confidentiality, but having the auditor general a year from the date of the sale examine the whole sale and its terms and conditions and report back to the House. Certainly the NDP had some good amendments in the interests of the miners and the workers involved that would have protected their interests by guaranteeing certain membership on the Devco board and the pensioners' adjustment board and all of those things.

It would have been a marvellous sign of good faith for the government to simply accept those amendments and it would have been a good strategy in my opinion. If the government had accepted those NDP amendments, which were not substantive, then I do not see how either my party or the NDP could have continued to oppose the bill, but I may be being too optimistic.

It seems to me that there is some kind of agenda going on here. In committee when I asked the minister if at some point Canadians could see the terms and conditions of the sale so as to understand the terms for whoever buys Devco, the minister himself said that he would have no problem with that. Then one of his officials whispered in his ear. I have no idea what he whispered, but certainly very quickly the minister said that perhaps the parties to the sale would not accept that clarity or accountability. That is a real shame.

After the conciliatory speech of the minister I do not want to be mean-spirited, but one has only to look at the history of the government and how it has operated in the time since I have been here. I refer to some of the activities around grants and contributions in Human Resources Development Canada. I simply do not trust the government to act in the best interests of Cape Bretoners or Canadians. I demand accountability and clarity to assure that those things are met because I do not believe that they will be.

When I was in Cape Breton I heard rumours from miners, the unions and prospective buyers. The story I heard was that the government intends to sell the assets of Devco to an American company which is already importing South American coal to Cape Breton. That bothers me.

• (2025)

We have coal miners in Cape Breton. We have an industry that has been operating in Cape Breton for some 300 years. We have

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some of the best mining expertise in the world in Cape Breton. We have a guaranteed market for the coal which is mined, and we have all kinds of coal to be mined.

For the Canadian government to abandon those coal miners and that industry in Cape Breton in favour of giving it to an American company to bring American or South American coal to Cape Breton is wrong. I cannot help but think it is very wrong.

It seems to me that it perhaps has something to do with a former environment minister who stood in the House and said that the coal industry was an environmentally dirty industry and that her government intended to phase out coal mining in Canada. I cannot help but think that is part of the agenda. I do not know how else one might explain the absolute refusal of Nesbitt Burns, in co-operation with the chairman of the board of Devco, who reviewed the bids which were coming in, to accept or consider Canadian bids.

I met with two groups when I was in Cape Breton, both of whom submitted bids for Devco, both of whom told me that Nesbitt Burns had phoned them, had refused to give them anything in writing that they could pass on to myself, to members of the NDP or others, and told them that their bids would not be accepted for consideration.

Coming into the committee process, I asked that one of those private sector Nova Scotia bidders be allowed to come to committee to tell the story. The spokesman for that group was not even phoned and asked to come before the committee to present the story. I think that is wrong.

Of course, the other group which also had a local bid in for the assets of Devco just happens to have a lawsuit against the Government of Canada for renegeing on its commitment to the company in conjunction with Donkin Mine. Again, I do not see how the government could possibly sell Donkin Mine, which is part of Devco's package of assets. How could it sell when the whole thing is tied up in litigation before the courts?

I do not think that could be done. Certainly if I was part of that group I would very quickly get an injunction to stop the sale before it took place.

There are all kinds of issues. There are issues of mismanagement, on which the parliamentary secretary would not allow questions in committee. I think there is a long history of mismanagement around the operation of Devco and there continues to be today.

I am not a miner or a mining engineer, but when I accessed the yearly financial statements of the corporation I could see for myself, and certainly others in Cape Breton pointed out to me, that for some time there has been a management regime in place that appears to be bent on putting Devco out of business and putting Devco's financial statements in the red. There was a deliberate

attempt to wind down Devco through mismanagement and lack of capital investment, lack of maintenance, and all of those things.

We were not allowed to discuss those issues by the government, through the parliamentary secretary. The parliamentary secretary is a person I have come to have a lot of respect for over the years in which I have sat on the natural resources committee. I think that he has bent over backward to be fair on many occasions when he was chairman of the committee and I have a lot of respect for him. I can understand what was going on in committee and around this bill, but that does not make me any less disappointed about what took place. We were repeatedly told that the committee was a legislative committee dealing with a bill and that we were only allowed to deal with issues arising out of the bill, not the issues that are connected to the sale of Devco but are not actually part of the bill.

● (2030)

As the witnesses appeared before the committee, after short notice, they were asked to sit down three, four and five at a time and told that they had 10 minutes between them to present their case. In some instances we had a minute or less to ask them questions. I do not think that we were able to adequately explore any of the issues around the sale of Devco and the implications for the people of Cape Breton.

I am convinced that there was a Canadian solution. I know there was but the government for whatever reason did not seem prepared to look at that. I think it would have been humane and the right thing to do if the government had done something to offset the impact to the miners. That goes right back to 30 years ago when Devco was put in place. It was partly an effort to offset the human resources liability of the Dominion Steel and Coal Company that went bankrupt and had left miners without pensions, severance pay and all those things.

It was the government's responsibility, rightly so then as it is now, to wind down Devco. However, because of the commitment in the Devco bill that the government made to the people of Cape Breton, it would have been only right for the government to accept the human resource liability and offset it in whatever way it could.

In fact section 17 of the old act says that the corporation shall adopt all reasonable measures to reduce to the fullest extent possible any economic hardship or unemployment that may result from the closing of any coal mine operated by the corporation. The government of the day committed to doing that and that obligation is certainly upon this government to fulfil it.

Part of Bill C-11 is to eliminate that clause. If some time in the next months ahead we discover that the government sold the assets of Devco to an American company that closed the coal mines in Cape Breton, the government would be in breach of its own commitment, in fact in breach of the legislation that is in place

today until this bill comes into force and that particular clause is eliminated.

I can understand why the government wants to remove that clause. It certainly would be liable if it did not. However, there were ways. The government has gone a long way through the injection of the money that the minister talked about for the economy of Cape Breton and the diversification of that economy. Those things could and should be done but that liability cannot be tied to the new owners of Devco. The liability of the miners, the families and the environmental liability of the Dominion Steel and Coal Company was what for so many years made Devco unprofitable. That was where Devco lost money.

We have heard members in the House, certainly the NDP members and others, say again and again that the coal mining operation of Devco was a profitable operation. It was mining coal at a price, when sold to the market that they had, where it was making money. It was the liability that the government had saddled Devco with so many years ago that made it unprofitable.

If the government intends to saddle the new owners with that liability I do not visualize anyone buying Devco. We will never know because it will be under the terms and conditions of sale. We cannot see the government insisting that the new owners of Devco take on the responsibility for the human resources liability, such as the union contracts, the union liabilities and all the things that go with it, plus the huge environmental liability that exists there today. The minister did not talk about who would be responsible for the environmental liability.

I was down there. The liability cost of decommissioning the two mines, the coal wash plant and all the rest of it, not to mention the mess at the Sydney tar ponds and the slag pile from the Sydney Steel mills, is huge. There is no question in my mind that the people of Canada will be stuck with that cost. No company, either local, American or foreign, will buy Devco if it has to accept that liability.

• (2035)

Since we will be stuck with that liability anyway, why would the government not accept both the human resource liability and the environmental liability? It could then consider the local bids from the key people of Nova Scotia and Cape Breton who are willing to operate not only the Prince mine but the Donkin mine and perhaps even the Phalen mine. They could operate them locally, employ local people, sell the coal to Nova Scotia Power and use the international pier to feed extra coal into the export market. Cape Bretoners were willing to do that and this government would not even have a look at or accept their bids. That was wrong.

On that basis, there is no way that I can recommend to my party that we support the bill. It is not because we do not agree that coal

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mining in Cape Breton could not operate profitably under the private sector, and should operate under the private sector, but simply because of the way this deal is being handled, the secrecy surrounding it and the refusal of the government to tell the House and Canadians that it has at least made a commitment to the terms and conditions of sale and that whoever buys the assets of Devco has to operate the mine for a particular length of time.

I simply cannot support the bill and will recommend to my party that we vote against it, as I have at every other stage. I believe there is a viable coal mining industry in Cape Breton. There is a Canadian solution available that will put Cape Bretoners to work. The government has been negligent in not considering the Canadian solution, and that is a shame.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, we have just finished the report stage of Bill C-11. We have just voted on the various motions introduced by the New Democratic Party, and of course the people behind those motions were the hon. members for Sydney—Victoria and for Bras-d'Or—Cape Breton.

These amendments were given overall support by the Bloc Québécois because they addressed certain elements affecting employees and former employees and their future.

We in the Bloc Québécois agree with the principle of privatization even if, on occasion, the positions are not always readily obvious. On the one hand, we are told it is not profitable and that they want to sell it, and on the other that it could be privatized profitably, because the local people could operate it. This is a pretty unclear situation, and a number of questions need to be asked.

First of all, we know that the future of the coal industry is not clear. From the strictly environmental point of view, we know what results it can have. From the operational point of view, more and more people are trying to use alternative energies. There are questions to be asked about the coal industry per se.

But the minister tells us it is not cost-effective. Moreover the president of the Cape Breton Economic Development Corporation came before the committee to also tell us it was not cost-effective. So the question needs to be asked. If it is not cost-effective, if the government was not able to make it cost-effective when it was in charge, how can it manage to be so as a private enterprise? What is hidden behind all this? Is the government putting Devco up for sale merely to get rid of its responsibility?

• (2040)

One thing struck me in this matter. Since the government got involved in the Cape Breton Development Corporation in 1967, some \$2.5 billion has been spent, in money for the coal division or the industrial development division or for investments already

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made or about to be made in economic development. This is a lot of money.

When the government got involved in 1967 and committed itself to spending this \$2.5 billion, imagine the regional and economic development this sum could have provided had it not all been invested in coal alone.

In general terms, the Bloc Québécois supports privatization, but also supports employee protection. We support almost all the amendments proposed, especially those of the NDP.

The Bloc Québécois opposes all positions taken by the federal government, which meddles in areas of provincial responsibility. Clause 5 of the bill provides that, even if the federal government disposes of Devco assets, it remains responsible for all work related matters, including the CSST, labour standards and labour relations.

It is for this reason primarily that we cannot support the bill. Another reason is the government's refusal to support the NDP amendments. And we can see in this whole matter the government's inability to provide solid regional development for everyone.

The Bloc Québécois will therefore vote against Bill C-11.

[*English*]

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, I rise to speak to the bill at third reading, as I have risen to speak to it when it was introduced, as I have spoken to it in committee, as I have spoken to it at second reading and as I voted tonight on the amendments put forward by our party and by the Bloc.

I listened to the minister's words this evening. He approached the debate with a respectful tone. I think I should tell him that I know this has been a difficult process for him. It has not been an easy battle for any of us who have had to fight it.

There are some things however that need to be said and some items that need to be clarified with respect to the minister's statement.

First, he did come to Cape Breton in January 1999. Prior to his arrival, I wrote to him, the member for Bras d'Or—Cape Breton wrote to him, and the provincial MLA for Cape Breton—The Lakes and the current MLA for Cape Breton Centre, Frank Corbett, wrote a joint letter on, I think, December 31 outlining that we understood that the government was moving in a direction. There had been rumours of that and documents that subsequently indicated that this plan had been in place for some time. We wrote indicating we understood the complexity of this. I remember the letter because we said that the pension plans in particular had to be looked at carefully because the current formula would not be fair.

The government announced a package in January. I will not go through the history. I have spoken to this bill many times. I have spoken to it passionately, as the minister has acknowledged. However, the package that was announced in January was never changed.

• (2045)

The minister indicated that in January of this year the unions requested a joint planning committee. Indeed there was an illegal strike. The miners went into the mine and held up production. There was a question as to whether or not Nova Scotia Power would be able to provide continued power to Nova Scotians.

Only then did the government agree to the process that resulted in binding arbitration. That arbitrator's award subsequently said that the miners and the employees of the Cape Breton Development Corporation were shortchanged with the government's offer. They were entitled to more money and a different package. I think it is important to clarify that.

There are unanswered questions. This is unfinished business. The member from the Canadian Alliance referred to the question of the Donkin mine. Whether or not that mine will be subject to a sale remains unclear.

I heard today from people in my community and from miners who have lined up outside the general mining building requesting their severance package. They were told that they would not be eligible for a severance package because they would be in the workforce when the new owner took possession of the assets.

The member for Bras d'Or—Cape Breton and I attended the meeting with Nesbitt Burns held in the community and said that the men had been told they would get either a pension or a severance package or employment. We asked how they could guarantee employment.

There is still unfinished business. These men do not know if they qualify for a severance package, simply by virtue of the fact that they work for the corporation, or whether they have to hope there will be a job with the new company.

Other issues need explanation. In the middle of the provincial election campaign the Prime Minister of the country wrote to a woman in Glace Bay, Edna Budden, in a letter that she made public. This was in July and he said that she should not worry, that the government would review the package. He was confident that it would be improved.

That letter needs to be explained. It needs to be explained by the Prime Minister. It needs to be explained as to why it was sent and why the government only improved the package when it was forced

to by an arbitrator. Those are unfinished pieces of business, which I suppose will be the job of historians to explain.

I feel tonight a bit the way I used to feel when I practised family law. Spouses would come to see me after a long marriage and say that they did not know what happened but the other parties were not interested any more.

A covenant was made in the Chamber 33 years ago, almost to the day, in June 1967. The then Liberal government made a covenant with the people of Nova Scotia and the people of Cape Breton, in particular through the Cape Breton Development Corporation, recognizing that the economy of Cape Breton had to be diversified.

These are not just my words. Let me read from an editorial in my community's newspaper this morning. It is entitled "The covenant is nearly at an end". It talks about Bill C-11 and whether or not it will get through the Senate. It says:

Yet the Senate, that chamber of second sober thought, is perhaps the best place to debate the passing of the historic relationship between Ottawa and Cape Breton that has flowed in large part from the 1967 Devco act.

The arbitrator referred to the act and the historic covenant in his report. He quoted Jean-Luc Pepin. Ironically he quoted the New Democratic Party MP at that time for York South and a Conservative member. It is surprising that the Conservative Party voted in favour of this bill. Senator Bob Muir, who at that time was a member of parliament representing the mining community, and the New Democrats wanted the government to ensure employment for miners.

The government of the day said that it did not have to ensure that because of section 17 of the Devco act, which has already been referred to. I have referred to that section on numerous occasions and I do not want to use up my time saying what I have already said. It said that all reasonable measures to reduce as far as possible any unemployment or economic hardship that could be expected to result would be taken by the government.

• (2050)

After 33 years one of the parties to the accord, as in a marriage, came in and said it is tired of the covenant. They have been together through some tough times and some good times. Certainly the people of Cape Breton have supported the Liberals throughout those 33 years.

In 1995 or thereabouts the government began having second thoughts about the covenant. In 1999 it served notice. Like a divorce paper, the notice was delivered. The parties went to court through the arbitrator and an award was made. I have no question that the covenant will be broken tomorrow night when the House passes the bill and it goes to the Senate.

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Those kinds of breakups are always hard because both parties have invested. The people of Cape Breton have invested heavily with faith in their government. The government has invested heavily in Cape Breton. I do not diminish that. Like the spouse who is tired, the government has said it is time for them to go their separate ways.

Unfortunately the people of Cape Breton are like the spouses that end up impoverished. They are the ones who end up without the house. The kids are gone. There is not money in the bank account. They are told to get by the best way they can. There is a \$68 million alimony payment over five years to replace the \$300 million in the economy.

I used to advise those spouses that they did have to get on, that there was no point in bitterness or that at the end of the day they would waste more time than they had already wasted. I refer to the same editorial where it says:

Section 17, which will be expunged from the amended act, sets out obligations to the workforce and the general economy in the event of coal industry downsizing or the closure—

Those words sound almost anachronistic in today's more Darwinian economic and political climate. Perhaps the words have become little more than empty marks on paper, but their official eraser from the law of the land should at least provide an occasion to pause and consider where Cape Breton goes from here.

I spent many hours on the floor of the House condemning the government for what it has done, but the editorial is right. We have to look at where we go. We are a tough people. We are proud people. We are people who will rise from this. We are a people who will move on. We are a people who will accept the challenge. I will offer to the government tonight some suggestions. I hope it listens because it challenged us from time to time to say what it should do.

The minister referred to the report tabled by the economic panel. The one thing I was waiting to hear, which nearly every group that presented before the panel talked about, was decentralization. We now accept that we are in a crisis. The government has walked away. I suggest the first thing the government should do is look at decentralizing some of the very wealthy departments that exist in this very wealthy city and move them to areas of high unemployment.

I had a motion in the House to that effect. The Standing Committee on Fisheries and Oceans has said that the department should be moved out of Ottawa to either coast. In an area of 50% unemployment it is time for the government to act on that recommendation.

There are other things the government could do. The Department of Citizenship and Immigration is currently in Cape Breton. It provides some spinoff economy. As has been referred to earlier, there is also a need for remediation work. The mines have to be

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remediated. That is a legal obligation on the part of the Cape Breton Development Corporation. The miners who are out of work or who will not qualify for pensions or benefits ought to be provided with an opportunity to remediate those mines. That will provide some lasting employment for those individuals and some training in that regard.

• (2055)

It has been mentioned that we have the Tar Ponds site. There is no better place in the country for a centre of environmental excellence than the island of Cape Breton. We are a beautiful island but we have environmental problems. I would ask the government to invest, if it is serious about its commitment, in the island of Cape Breton to create a centre of environmental excellence.

Other companies are looking at investing and growing the technology. Let us be clear that we have to clean up the environment or we simply will not have a world. There are sites around the world that need remediation. Cape Bretoners are hard workers. With the right training we could develop a technology that we could export around the world.

In the short term these would be most welcome announcements from the government: that it plans to decentralize, that it plans to set up a centre of environmental excellence and that it plans to remediate the mining sites. Indeed it has to remediate the Sydney Tar Ponds. All of these create jobs. All of these create knowledge. All of these create some wealth.

There is in my riding the Canadian Coast Guard College. It is a fact that there is currently in the law a requirement that everyone who ships oil on the ocean has to employ individuals who are trained in ocean cleanup. There may be one centre in the country where we can train people in that regard. The Canadian Coast Guard College on the ocean is a perfect place for the government to begin training individuals in ocean cleanup, in oil spills. That too could become a centre of environmental remediation for teaching individuals in that regard.

Cape Breton has a history of being an energy centre. I note that the Minister of Finance provided money in the budget this year for clean coal research and clean coal development. We have the miners. We have the coal. We have a history of providing energy. The government should invest and ensure that clean coal technology is developed in Cape Breton.

Cape Breton can also be a centre of sustainable energy development. In Europe, Denmark and Alberta wind power is seen as the energy source of the future. There are no greater winds than those that come off the north Atlantic. We could provide sustainable energy, not just for Nova Scotia but for much of the eastern seaboard.

Clean coal technology, wind power and environmental excellence would all provide opportunities. I have been asked to tour

these plants. I am told that wind powered generator plants are like airplane manufacturing companies. There is all kinds of work for electricians, for the skills people in Cape Breton have developed working in the mines.

I spoke to the Minister of Natural Resources personally the other day. I commend him for finally appointing an arbitrator to help determine the dispute between Newfoundland and Nova Scotia in terms of who shares in the Laurentian offshore. There is a real opportunity, if we seize it and if the government assists us, to make a petroleum industry in Cape Breton. We should be the supply base for any kind of offshore development. The skills of the workforce of the Cape Breton Development Corporation would be best suited to do that kind of work. It is dangerous work we know, but we are up to the task. It requires training but we are intelligent. The sooner we can develop the Laurentian Basin, the sooner we can see some economic growth.

The minister mentioned high tech and the call centre. With the greatest respect, I was happy to see the announcement and I welcomed it but those 900 jobs would be considered in any other part of the country secondary income jobs. In terms of high tech, if what we can expect are call centre jobs, it is simply not enough.

• (2100)

There is the opportunity to develop tourism. This is my concern with section 17. Tourism has been touted as the windfall for Cape Breton Island. Yet it has been reported to me that ECBC, the economic development agency that the minister now says will take over what was once the role of Devco, has decided to go back to the basics of assisting manufacturing. It has cut the budget which assists tourism in Cape Breton considerably.

We have some concerns. Tourism is an area that we can develop but we cannot develop it without infrastructure money. There is no point in inviting people to Cape Breton if the roads they drive on around the Cabot Trail are full of potholes. There is no point in inviting people to come to Cape Breton if we do not have museums and cultural centres for them to visit.

I presented the government with a wonderful proposal from the aboriginal community in Cape Breton to create a centre of Mi'kmaq studies and history and culture. It would be built on the waterfront and would provide an opportunity to attract tourists.

Our cultural industry is second to none. We could develop what Silver Donald Cameron, a well-known writer from Cape Breton, calls Banff east. It would be my hope that some day that could grow to where we would refer to Banff as Cape Breton west.

We have produced some of the country's best writers in literature. Alistair MacLeod has two books on the best seller list. He is considered a master craftsman. Out of Cape Breton have come some wonderful writers. Ann-Marie MacDonald's book has been

quoted. There are many. Bryden MacDonald and Audrey Butler have been nominated for the Governor General's Award.

There are opportunities for Cape Breton. I will work very hard and I know the people of Cape Breton will work very hard to see an economic future for ourselves, for our children and for our grandchildren. We will do that with some mistrust of government. We will do that, although we are prepared to work with government, with some bruising. We will do that with some mistrust because a covenant has been broken. When it was broken we were left, in the vernacular, with the short end of the stick.

We are tough enough to rise to the challenge. We will rise to it. We will build an economic future, but the Government of Canada should be very reluctant the next time it reaches out to look for support from us, because we have given. We have given in two world wars, we have given in depressions, we have given to charities, we have given every time the nation has asked. We have given. Today we find the nation through the Government of Canada telling us it is time to separate. It is a sad day but we will get on with it.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I rise to speak to Bill C-11, the Cape Breton Development Corporation divestiture authorization and dissolution act.

The government announced in January last year that it was going to sell the assets of Cape Breton Development Corporation which is more commonly referred to as Devco. The government stated that this decision was necessary for economic and financial reasons. Devco has not had a prosperous financial history having survived in some cases only due to subsidization provided by the federal government, subsidies that have culminated in more than \$1.5 billion being spent in Cape Breton Island.

That sounds like a lot of money and I would certainly agree that it is. What that figure does not tell us is the peripheral effect that this money provided to the people of Nova Scotia and in particular to the island of Cape Breton.

• (2105)

At committee we heard from the mayor of the Cape Breton Regional Municipality, David Muise, and he put some of the figures into perspective for us. For instance, the federal government set aside \$68 million for economic development when it announced the privatization of Devco. However, according to Mr. Muise the region will be losing \$65 million in purchasing power and a loss of \$1.5 million paid in lieu of taxes by the corporation. When we put that in perspective, the \$68 million is not quite the figure it sounds like.

Other groups also told us about the hardship that the closure of the coal mines will have on the workers and their families. The Phalen mine was closed earlier than anticipated and no informa-

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tion is being released about the potential buyer for the Prince mine, but the federal government has optimistically said that there will be employment for 500 people. That leaves more than 1,100 people without jobs. Many of the witnesses before the committee questioned whether even those 500 jobs would be available.

Let me go back to what the mayor had to say at committee. He told us that his municipality is 2,600 square kilometres with a population of 117,000 at the last census, but it was losing young people at a rate of 1,000 per year. One thousand young people are leaving the municipality of Cape Breton per year because they do not see a future for them on the island of Cape Breton. The official unemployment rate is 20%, but the reality of that number is really much higher, some say as high as 40% and the poverty rate is 25%.

The economic reality facing the miners in Cape Breton is bleak. This was reinforced by presentations from groups such as United Families and Northside Future. It was also the reason I put forward amendments at committee to try and secure better pension packages for the miners and improve medical benefits for miners and families. Benefits are needed by miners who suffer from black lung disease, a condition that results from years spent underground breathing in coal dust. Neither of these amendments were successful.

I should make it clear that the Progressive Conservative Party supports the removal of the federal government from the coal mining industry in Cape Breton. At the end of the day the federal government should not be operating the coal mines in Cape Breton. The past history of the crown corporation clearly shows that the mines did not operate efficiently under government authority.

However, the government must assume its share of the blame for the failure of the crown corporation to fulfil its objectives. With all of the money that has been provided by the federal government for diversification in the region, there has been little success and far too much political interference.

When the crown corporation was established in 1967 it was clearly intended to help the region move away from its dependence on the coal industry. From the presentations that we heard at committee, it is clear that there is still a strong reliance on the coal mining industry for employment. It is also clear that the government has only paid lip service to helping coal miners without any real propulsion to effect change.

The denial of all the amendments at committee and again at report stage, some of which would really have improved this legislation and demonstrated a commitment by the federal government to help the people of Cape Breton, clearly showed that this was a political process.

At the same time one needs to be an optimist and believe the federal government when it says it will try to secure the best deal possible in the sale of Devco's assets and in helping some miners

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retain employment. It is easy to see why there is skepticism on the part of the miners, but they also know that there is more coal producing potential in Cape Breton.

Prince mine can produce one million tonnes of coal and there is a much greater potential in the Donkin mine if and when it is ever developed. The contract to supply coal to Nova Scotia Power will be a major factor in enticing a buyer while the coal handling pier and other properties of the corporation will be strong selling points and valuable assets to potential buyers.

There is opportunity for development of the Donkin mine and remedial work cleaning up some of the mine sites. The work ethic of the miners shows that the possibility exists for coal mine development, but coal mine development will not be the sole economic driver of the future of Cape Breton or Cape Bretoners.

• (2110)

There is very little information about potential buyers. The only thing known is that local bidders have not been included in the final process. Some of the best minds and entrepreneurs in the coal industry are not being included and given an opportunity to bid on the assets of Devco corporation. Instead it appears foregone that there will be a foreign owner operating the coal mines of Cape Breton.

I want to discuss the amendments that were presented. A number of positive amendments were put forward, ones that would have provided Cape Bretoners with a stronger voice and greater say in how the mining industry will operate in the region.

I put forward amendments to try to enhance the medical benefits for miners who have contracted black lung disease as a result of years spent mining coal underground. I also tried to improve the pension package, to extend it to miners with 20 years of service rather than 25 years and a total of 75 points as the government has intended.

None of the amendments put forward were accepted. The government members of the committee voted against every amendment without regard for the improvements they could have provided to this legislation. Amendments at report stage were also denied.

Last week the federally appointed arbitrator made his ruling public. Bruce Outhouse had been tasked with determining an equitable severance package and pension plan for the Devco miners. In his decision miners with 25 years of service regardless of age would receive early retirement packages. While he refused to accommodate miners with 20 years of experience, his decision will provide packages to an additional 246 miners and will add another \$40 million to the overall package.

Mr. Outhouse declined to provide the same offer to miners with 20 years of experience on the basis that it would be too costly,

requiring an additional \$79 million. We continue to disagree with this aspect of his decision, but both parties went to binding arbitration in good faith and certainly we have to stick by the ruling that was brought down.

His ruling regarding health benefits also added support to changes that the PC Party has been trying to advance. Again the arbitrator ruled that medical benefits be paid to employees for the length of time they receive severance payments.

The medical problems confronting miners mainly result from years spent working underground and inhaling coal dust. It is only appropriate that medical benefits continue to allow these miners some security; otherwise health plans would likely be unavailable to them since it is difficult for anyone suffering from such ailments to successfully qualify.

A comment by Mr. Outhouse summarizes the difference between the way the government has handled this legislation and the sale of Devco's assets and the views of the PC Party. In defending his decision to provide early retirement benefits to all miners with 25 years of experience, Mr. Outhouse stated:

This is a substantial sum by any standard. However, I am convinced that anything less would fail to adequately reflect the long service of these employees and the difficult future which lies ahead of them.

This is exactly the point. The federal government has introduced the legislation that we are discussing here today to provide for the dissolution and devolution of Devco's assets. It has failed to take into consideration the lives of the people who are directly impacted by this decision. Rather than listen to the people of Cape Breton or to amendments put forward to improve the legislation, the government was signalling that it does not care how the people of Cape Breton cope with the loss of 1,100 jobs and how this will impact on the miners, their families and their communities.

The PC Party recognizes that the federal government's role in Devco has been extended beyond the point where it is financially feasible to subsidize the coal operations of Devco. However, the government could have decided on its own that it would provide a retirement package equal to those offered to other crown corporations when they were privatized. By failing to do so the government has lost credibility and demonstrated once again that it does not understand ordinary working Canadians.

• (2115)

I would like to mention the fact that committee and government parliamentarians were lobbied by many people from Cape Breton Island. Members from Cape Breton worked tirelessly on behalf of their constituents, as well as most of the critics for the natural resources portfolio.

I had the opportunity to meet a number of people, all of whom were here for the right reasons. They were all working for the betterment of Cape Bretoners. There are two people I would like to point out and make note of tonight. They are Edna Budden and Bev Brown of United Families. Although we did not always agree on every issue, they spoke from their heart and they worked tirelessly on behalf of Devco miners and Cape Bretoners, with no gain for themselves.

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, I want to thank my hon. colleague from the Progressive Conservative Party for his wonderful remarks, but I have to ask him this question, with all due respect. I listened to him talk tonight about how he and his party recognized the implications, both social and economic, that Bill C-11 would have for miners, their families and their communities, and how he rightly threw bouquets to those delegations from Cape Breton who came here and worked tirelessly on behalf of their families. Could the hon. member maybe explain to me, my colleagues and all those miners and their families who are watching tonight at home why he and his party tonight at report stage voted with the government on Bill C-11? Could he explain that, please?

Mr. Gerald Keddy: Quite easily, Mr. Speaker. It is very simple. The days of Devco have gone by. Cape Bretoners, Nova Scotians and Canadians cannot afford a crown corporation to mine coal at a loss any longer. It has to stop somewhere. It is stopping here. The government has made the right decision.

I do not agree with how it has implemented the decision. I do not agree with a number of things about it. We have tried to improve it and not just simply to provoke the government trying to get our name in the paper over it. We have tried to make legitimate improvements to this legislation. We have worked tirelessly to do that.

At the end of the day, when the sun is going down, there will be miners at work mining coal in Cape Breton. Prince Mine will continue to operate. Phalen Mine, I suspect, will be reopened in the upper collieries. There is still potential in Donkin, but there is no potential there if the federal government continues on that mine. There is no support from Canadians and the federal government cannot do it. It is time to move it on to private enterprise. It is time to dissolve and divest ourselves of our interest in Devco.

Quite simply, there other alternatives for Cape Breton Island. If we put the same money into Cape Breton Island that we put into the Devco mines, we would have a lot more than 500 or 600 people working there in the months to come.

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, may I first say that I stand tonight not only on behalf of

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Cape Bretoners, but as a Cape Bretoner and a member of the community with a very heavy heart with respect to Bill C-11 and the implications it will have for my community, my constituents and a lot of my friends.

If I were allowed, and I know I am not, I would say it is unfortunate there are no government members here tonight. However, I know I am not allowed to say that.

The Acting Speaker (Mr. McClelland): The hon. member, who is a very polished parliamentarian, knows full well that she cannot bring in the back door that which she cannot bring in the front door.

Mrs. Michelle Dockrill: I apologize, Mr. Speaker. As I said, I knew I could not say that and I apologize for that slip of the tongue and the fact that it did come out.

I would like to take a bit of time, because the situation warrants it, to give a little history lesson about what some people in Cape Breton Island and, quite frankly, I myself believe was the beginning of what got us to where we are at today.

• (2120)

I have a phenomenal document called "Beyond 2000: Whose Idea was it Anyway?" It is amazing the information we can find when we sift through our files. This morning I was reading this and it is important that we make note of it and make sure it is on the record.

On October 15, 1994 a local newspaper, the *Mail-Star*, reported that Nova Scotia Power would pick up the tab for the Nova Scotia provincial government and Nova Scotia's corporate elite to attend a two day conference at the Digby Pines resort. The purpose was to allow the business community and political leaders to devise methods to kickstart Nova Scotia's economy. This was referred to as the Digby dialogue and was just weeks prior to Nova Scotia Power's attempt to break Devco's coal contract.

Interestingly enough, there are a few names of attendees at that meeting that I think some of us would recognize: Joseph P. Shannon, president of Seaboard Transport, Paul Sobie, Gerry Godsoe, Stewart McKelvy of Stirling Scales, Irving Schwartz, Ken Rowe, Derek Oland, Ivan Duvar, John Bragg, Irene d'Entremont, Karen Cramm, Graham Dennis, Tom Hall, Dr. Elizabeth Parr-Johnston, Bernie Boudreau, John Savage.

It is interesting that my hon. colleague from the Canadian Alliance is shaking his head. Obviously he recognizes some of those names. The date is what is really important. We should remember October 15, 1994.

Interestingly enough, on December 19, 1994, George Cather, who at that time was the chairman of the board of directors of Devco, had a meeting with the president of the United Mine

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Workers to talk about a dinner meeting that he had had with a gentleman by the name of Louis Comeau, president of Nova Scotia Power. Mr. Cather made reference to the fact that Nova Scotia Power was going to take the necessary steps to terminate Devco's contract.

At the same time staff reporter Judy Maddren of the Halifax *Chronicle-Herald* reported on the shareholders list of Nova Scotia Power as prepared at that time by Montreal Trust. She reported that everyone from New York bankers to pumpkin king Howard Dill was on the list, which she said read like a who's who of the corporate establishment: prominent Nova Scotia families, the Sobies, Ivan Duvar, Graham Dennis, Louis Comeau, Judge David Chipman, Lloyd Crouse. She remarked that there was an obvious similarity between the Nova Scotia Power shareholders list and the Digby Pines guest list.

The significance of the similarity was enhanced by Roger Taylor, business editor of the *Chronicle-Herald*, in an article titled "Corporate Power Concentrated in Nova Scotia".

At that time Mr. Taylor suggested that if there was a chart showing the directors of major Nova Scotian companies, many at that time would have said it looked like a family tree. I do not think they would have been wrong. Mr. Taylor reported on the list of Maritime Tel & Tel directors revealed: Joseph P. Shannon, Paul Sobie, Donald Sobie, Derek Oland, John Bragg, Dr. Elizabeth Parr-Johnston. Mr. Taylor reported that a chart would show the directors and companies were interlinked. In fact, as if it were a family tree, he said it would concern any genetics expert. He posed the question "Does the concentration of corporate power in the hands of a few pay off for the rest of us?"

The reason I thought it was important to talk about how history has evolved with respect to the Cape Breton Development Corporation is because in the notice of the annual Nova Scotia Power general meeting released on February 12, 1993, the following people were among those proposed for nomination as directors: Louis R. Comeau, Sir Graham Day, Paul Sobie, Kenneth Rowe, Derek Oland and Rosemary Scanlan of New York.

• (2125)

This announcement came just five months after Nova Scotia Power excluded Devco from the Digby pines dialogue.

As I said, we are talking about a history lesson. Remember the date I first began with respect to the corporate elite in Nova Scotia and the famous Digby pines dialogue. In a letter to the Minister of Natural Resources dated April 4, 1995 the Prime Minister stated, "The goal of the government is to make Devco commercially viable with the view to privatize it in the longer term". In a cabinet decision on December 19, 1995 the former

Minister of Natural Resources, the current Minister of Justice, was asked to return to cabinet with a privatization plan.

When I look at the time frame there was the Digby dialogue in October 1994. A number of situations evolved from that time. There is a cabinet document commissioned by the government to privatize Devco. For me and my constituents, this is the issue. The issue has never been whether or not the government has or has not the right to get out of the industry.

Some people in Cape Breton Island would say what happened to Cape Breton Development Corporation has been the fault of the chairman of the board. I think the chairman of the board did a phenomenal job. I think the chairman of the board did exactly what the government wanted him to do.

It is also interesting that there were two individuals at Devco when Nova Scotia Power began the challenge to change its contract. It was very interesting that following the 1993 federal election an individual by the name of Dave Dingwall moved into cabinet. Following that, the two individuals within Cape Breton Development Corporation who were ready, willing and able to challenge Nova Scotia Power on its coal contract left the corporation.

According to the Cape Breton *Post* on July 5, 1995 the former Minister of Natural Resources appointed Joseph P. Shannon as chairman and acting president. Mr. Shannon replaced outgoing president Ernie Boutilier and Mr. George Cather. Some would say they were the two main obstacles to the attempt by Nova Scotia Power to break the Devco contract.

It comes back to the original title of the document. Whose idea was this anyway? The facts speak clearly for themselves. That has always been the issue. It was not whether or not the government can get out of this industry. We know it can if it wants to. We have seen what it can do. But the point of the matter is that this decision was made by the government in conjunction with the business elite at Nova Scotia Power.

As we were debating tonight, and when we finished the votes, I had a phone call from a miner's wife. She was in tears. She asked why did the government not just tell them the truth five years ago when it made this decision. Why did the government not just come to Cape Breton and tell them, "We are getting out of the industry, but having said that, we want to work with the community. We want to work with the union leadership to ensure the employees are treated fairly and to ensure that communities are treated fairly".

• (2130)

Everything we have seen in terms of research has shown that five years would have dealt with 90% of the workforce. How could it have done that? It could have done it by introducing bridging programs, by taking the younger miners and training them for new industries like the offshore off the coast of Cape Breton Island. Today we could be standing in the House dealing with Bill C-11

and be concerned about only possibly 100 miners. Nobody would have a problem in giving pensions to the employees who were left. Did the government do that? No.

I saw the minister throw out the olive branch to ask for assistance from this side of the House. It begs the question what kind of assistance have Cape Bretoners had from that side of the House. When the minister talks about joining together to allow Cape Breton to turn around, my response to the minister is that is why I am here. My colleague from Sydney—Victoria and I were put here to turn Cape Breton around. I have no doubt that Cape Bretoners will do it.

Cape Bretoners have always been able to pick themselves up when they have fallen. We have seen it time and time again. What we see is an island that has been cut off at its knees by its own government or its so-called government. People in Cape Breton would clearly say that it is not their government because their government would not do things like that.

I honestly have to say that I get sick to my stomach when I hear about the human resource development package of \$111 million and the new additional money. When I questioned the minister at committee, I specifically asked how much of that \$111 million was new money? After a few minutes and his having to talk to one of the seven aides with him, the minister said 25% was new money. We are not talking about the government giving \$111 million because it is getting out of the industry and it is a good deal. A large portion of that money was because of the collective agreements.

What has the government given? In its own document it is clear that it cost Canadians a large amount of money. It clearly shows the cost of its decision not only to the federal government but to the provincial government. It even breaks it down to the tune of \$171 million. That was in 1995 dollars. We are to assume that is a much larger figure now.

I go back to my original comment. The Liberal government had five years to sit down, consult, negotiate and talk with the communities. Did it do that? No. It continued incrementally ensuring that the corporation would not be viable. That was one of the key things it legally had to do in order to abdicate from the industry. The only way it could abdicate from the industry, as the legislation clearly says, was if the corporation was not viable. There are some people in Cape Breton who would say the government knew that so it had to set out a plan.

• (2135)

As I have stated a number of times in the House, as has the member for Sydney—Victoria, I have lived on Cape Breton Island all my life. My father worked for 38 years with the Cape Breton Development Corporation. I could tell stories about the misuse of money and the buying of equipment to lay in coal yards in Phalen

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and Lingan. I could talk about selling off locomotives without tender and buying equipment from a company called Wayjax. The speculation is that it was only second rate equipment from broken down mines in the U.K. That is what happened to this corporation because the government had to make sure it did not work. Unfortunately it was successful.

I stood in the House in 1998 and I asked the Prime Minister whether or not a document existed. Quite frankly we would probably still hear the minister say that it is not a real document, that it is not a cabinet document. It is scary and should be scary to any Canadian citizen that the government has not deterred from one section of this document.

Is it not frightful that the government can set a plan, knowingly and willingly recognize the serious socioeconomic implications, and sit back and say, when that is what it is doing, that the member is paranoid and there she goes again with that document. I challenge any member of the government, including the Prime Minister, to take the chain of events we have reached now with Devco and show me where there is a difference. There is no difference.

That is why I carry a heavy heart. The government has been part and parcel of what we will see happen to Cape Breton for a little while until people regroup. We will regroup. We always have and we always will.

As my colleague from Sydney—Victoria said, we will do it but not with a trusting relationship with the government. I say “the government” because it is not our government. We will survive. This will go down in the history books. Some day I will sit down with my son who is now 20 month old and have to explain to him why governments do that to their own. Perhaps by that time some of these government members will have an answer.

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, I know it is late but I just have one question to ask. The member for Bras d'Or—Cape Breton and I have discussed this document in the past. I remember the document she is referring to. I remember the first time I saw it in her office when she showed it to me. I was incredulous. As the member said, I thought it could not really be a document from 1995.

• (2140)

However, as she has said, when we measure the way in which the government has put forward the plan from its announcement a year ago, in 1999, it has followed almost in parallel lines. As incredulous as I was, as the time goes by the concerns expressed by the member gain more and more credibility.

There is one point that she did not mention, and I just ask her to clarify for us here tonight. It seems to me that in 1995 surely the members of parliament who represented Cape Breton, because it

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not myself nor the member for Bras d'Or—Cape Breton, would have been aware of this and would have made it known to the people they represent. I wonder if she could very simply and very quickly indicate for us what party represented the entire island of Cape Breton in 1995.

Mrs. Michelle Dockrill: Mr. Speaker, as my hon. colleague said, no, he and I unfortunately were not representing Cape Breton Island at the time. If I remember correctly, Cape Breton had three members of parliament. I have mentioned one of them in the House and I have heard government members refer to this individual. He was probably one of the most powerful individuals in the Liberal cabinet at that time. His name was David Dingwall. Another member of parliament for our region was a man by the name of Russell MacLellan who then went on to be premier. We also had a Liberal member by the name of Francis LeBlanc.

To answer my hon. colleague's questions as to whether those members told their constituents or talked to their constituents, frankly, after at a meeting at UCCB between the unions and Mr. Dave Dingwall, I do not think it would be safe to say that they

talked. There was clearly a dialogue because it went down as a quote in history where Mr. Dingwall made the statement "There is no bag of money". When we look back in history, the reason that statement was made was because he was aware of the plan. He knew what was coming.

It is ironic that we had three members of the Liberal Party, the governing party at the time, representing the island and it was not until Cape Bretoners voted for New Democrats and we came to Ottawa that we finally got to the bottom of what the government's intentions were for Cape Breton.

The Acting Speaker (Mr. McClelland): Seeing no further members rising, pursuant to order made earlier today, the question is deemed put and a recorded division is deemed demanded and deferred until Wednesday, June 7 at the expiry of the time provided for Government Orders.

It being 9.43 p.m., this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 9.43 p.m.)

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