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Wednesday, May 9, 2001

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, May 9, 2001

The House met	at 2 p.m.	
	Prayers	
• (1400)		
[English]		

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

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

STATEMENTS BY MEMBERS

[English]

GENETICALLY MODIFIED ORGANISMS

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, on Monday several members opposed to Bill C-287 quoted the recent report of the Royal Society of Canada as saying there was no need for mandatory labelling of genetically modified foods in Canada.

What the members neglected to mention was the very next sentence in the report. I quote:

The Panel wishes to emphasize, however, that these conclusions are premised upon the assumption that the other recommendations of this Report concerning the conditions for the effective assessment and management of the risks of GM organisms are fully implemented by the regulatory agencies.

We have a very long way to go before we can dismiss any need for mandatory labelling. I encourage all members to read the full report before they so disingenuously cite it.

HIGHWAYS

Mr. Ted White (North Vancouver, Canadian Alliance): Mr. Speaker, this year alone the Liberal government will take more than half a billion dollars from the people of B.C. in the form of fuel taxes. That is an annual tax grab that could pay the entire Vancouver area highways budget until the year 2006.

Yet the Minister of Transport stubbornly refuses to return to B.C. a single cent of those taxes to support our highway system. While greater Vancouver residents line up in gridlock on a Trans-Canada Highway built in the 1950s the government pumps over \$500,000 in grants into cultural special interest groups in central Canada.

Our taxed to the hilt drivers have had enough of filling up the pork barrel for the Prime Minister. They want their share of the national highways funding and they want it now.

When is the minister going to deliver?

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[Translation]

FOREURS DE VAL-D'OR

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, the Foreurs de Val-d'Or have emerged as the Quebec Major Junior Hockey League playoff champions.

The Guy Lafleur Trophy for best player in the playoffs went to Simon Gamache.

Along with all the people of Abitibi, I was filled with pride by this sensational victory. With their win over the Acadie—Bathurst Titan for the President's Cup, our junior team has made it abundantly clear that the calibre of hockey in Quebec is truly at the national level.

Our players' victory was a tribute to their skills, playing strategy and tenacity. Not only are they an honour to us all but they have made the world of hockey realize that Val-d'Or is a force to be reckoned with.

Hats off to Coach Claude Bouchard and each and every player for this remarkable exploit.

I am sure their stellar performance in the playoffs is an indication of future success in the Memorial Cup tournament at Regina.

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[English]

EDUCATION MERIT AWARDS

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, I rise today to recognize the hard work, talent and innovation of seven professors and researchers from the University of Prince Edward Island.

S. O. 31

Dr. Raymond Doiron, Dr. Paula McLean, Dr. Kay Diviney and Professor Lawrence LeClair were each awarded the UPEI Faculty Association Teaching Merit Award for their commitment to success and outstanding dedication in teaching.

(1405)

Dr. Alastair Cribb, Dr. Gordon MacDonald and Dr. Henry Srebrnik were each awarded the UPEI Faculty Association Research and Scholarly Achievement Award for their accomplishments and innovation in research.

The faculty and students at the university identified and honoured them as being exceptional teachers and researchers. The merit awards for excellence have been designed to acknowledge individuals whose work has contributed to the instructional excellence at this university.

On behalf of all residents of Prince Edward Island, I am proud to pay tribute to these seven individuals. Their commitment and devotion has enriched the education and lives of many students at this university.

It is my belief that our future depends on the skills, knowledge and innovation of such dedicated Canadians.

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[Translation]

VOLUNTEERS

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, in recent weeks during my weekends in the riding of Brome—Missisquoi, I have had the pleasure to attend several galas as part of National Volunteer Week.

I must again express my admiration for the men and women of Farnham, Magog, Bedford, Cowansville and many other localities who give time and energy to their community.

I told them at these galas just how much I have been touched over the years by the anecdotes and little stories I have heard from them all because of their great human interest.

They never make the headlines yet they are unique examples of the spirit of respect, sharing, patience, generosity, love and creativity.

In this the International Year of Volunteers, I salute all the volunteers of Brome—Missisquoi whose contribution is so vital to our communities.

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[English]

NATIONAL DRINKING WATER STANDARDS

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, most Canadians turn on the tap and expect the water to be safe to drink. The recent developments in North Battleford and the tragedies in Walkerton raised questions regarding the potential dangers lurking in our taps.

As an Edmontonian, I am relieved to know that Alberta regulations require drinking water to be 99.5% free of contaminants, which is the highest standard for water quality in the country. The problem is that parasites like cryptosporidium are microscopic and can pass through mechanical filtering.

Researchers at the University of Alberta, in partnership with Epcor and the provincial government, are working to perfect a process using ultraviolet light to kill microscopic parasites such as cryptosporidium. If this process is proven effective, the province has agreed to pay a substantial increase for water treatment costs.

I want to take this opportunity to congratulate the government of Alberta, the University of Alberta and Epcor for their continued efforts to improve the quality of drinking water for Alberta families.

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WOMEN'S ARMY CORPS

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, today I invite members of the House to join me in honouring the Canadian Women's Army Corps.

Last weekend 1,200 people attended the unveiling of Stepping Out, a statue of a uniformed corps member that stands just outside of the new Kitchener armoury.

More than 21,000 women served in the CWAC during the second world war and of those 17,000 came to Kitchener.

The Canadian Women's Army Corps was one of the most striking innovations of Canadian military policy during the war and one of its most successful. The CWACs launched women into a much broader, more active role, both in Canadian society and more particularly in the modern day Canadian forces.

This new statue is a lasting monument to those who led the way. Through its image, the story of the Canadian Women's Army Corps will be told. It is a story of pride, purpose and great accomplishment.

I wish to extend congratulations to the CWAC Memorial Fund Association for creating this lasting monument.

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[Translation]

WARREN PERRIN

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, yesterday in Montreal, I had the great honour of meeting the strong supporter of Acadian culture and francophone rights in Louisiana, Warren Perrin, when he made a presentation at the 11th symposium on international law organized by Mr. Justice Allen Babineaux as part of the Quebec bar's annual convention, in co-operation with the French section of Louisiana's bar and the

S. O. 31

council for the development of French in Louisiana, which is chaired by Mr. Perrin.

Warren Perrin, who is himself a descendant of deported Acadians, became acutely aware of the consequences of deportation when he was trying to answer his children's questions on the origins of their family. They could not understand why their ancestors had been treated like criminals and deported all over the world.

This remarkable man then decided to pursue an initiative launched over 200 years ago when, after 1763, a petition condemning the deportation was presented to King George II by a group of deported Acadians. The British crown never deigned to follow up on that petition. Mr. Perrin is now asking the British crown to apologize to Acadians.

It is never too late to recognize that a mistake was done. I want to salute Mr. Perrin and ensure him of our support in the pursuit of his efforts.

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• (1410)

[English]

ETHANOL

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, the use of ethanol blended fuel across Canada has prevented the release of almost 25 million kilograms of carbon dioxide over the past year.

That is good news for our environment, as research proves that ethanol reduces greenhouse gas emissions by up to 36% compared to conventional fuels.

It is great news for our farmers. The most commonly available ethanol fuel, known as E-10, is a high octane, water free alcohol produced from Ontario corn and agricultural feedstock.

Chatham-Kent and Essex counties produce 150 million litres of ethanol, more than half of the 248 million litres produced in Canada each year.

With our government's vow to triple ethanol production to help meet our Kyoto targets, it will help our transportation sector reduce emissions and give more environmentally friendly choices to drivers.

Our farm sector is part of the solution.

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CANADA CUSTOMS AND REVENUE AGENCY

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, the long arms of the Canada Customs and Revenue Agency picked the pockets of thousands of Alberta taxpayers expecting to receive a provincial energy rebate this spring.

Canada's revenue agency improperly seized the provincial heating rebates of at least 3,000 Albertans when it had no legal right to do so.

The excuse provided by Revenue Canada is that it had no idea if these people intended to send in a payment for taxes owed, so it kept their heating cheques.

This guilty until proven innocent mentality of our revenue agency is disgraceful. This high handed approach by Revenue Canada must stop. It is time it learned to respect taxpayers.

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[Translation]

FOREURS DE VAL-D'OR

Mr. Claude Duplain (Portneuf, Lib.): Mr. Speaker, I would like to mention yesterday's victory by the Foreurs de Val-d'Or hockey team.

This is the Foreurs' eighth season in Quebec's major junior hockey league and they have won the playoffs for the second time in their history.

I am proud of what the team has achieved, particularly considering that it finished in last position last year. I am also proud because my son Samuel plays for the Foreurs.

I also want to mention the performance of all these young players, particularly Simon Gamache, who had at least one point in each of the 21 playoff games to end the series with a record 57 points. He was also awarded the Guy Lafleur trophy.

Maxime Daigneault's performance is also worth noting. At 16 he is the first rookie goaltender to lead his team to the President's cup.

Congratulations to the team, the coaches and all those who took part in this victory.

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[English]

GOVERNMENT OF CANADA

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the finance minister will be giving Canadians an economic update next week. It has been reported that he plans to announce paying down the national debt by the amount of \$15 billion to \$17 billion.

Paying down the debt is important, but at this time it is crucial that as a country we address the crises of our lack of housing and our failing infrastructure.

A commitment by the government of \$1 billion per year for 10 years would address the housing shortfall in all of Canada. A commitment of \$1.5 billion per year would give us a real start on improving our highways as well as supporting increased public transit and green infrastructure like water and sewers.

One of the main reasons we have a surplus is that the government has abandoned its responsibility for housing, roads and infrastructure. Now the health and lives of Canadians are at risk. Canadians have lost confidence in a safe water supply and local governments are resorting to tolls to improve road safety.

The finance minister has more than enough resources to address these problems. No more excuses: let us fix the problem.

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[Translation]

MINISTER

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, last week in Toronto the Prime Minister of Canada told us that the countries of the Americas were adopting Canadian values.

Does this mean that the values of the people in all these other countries are lower than those of Canadians?

Is this another version of Canada "the best country in the world"? This attitude is condescending and contemptuous of the people. And what are these values the Prime Minister is citing?

Do they include the abuse of democracy through the denial of parliamentarians' right to know the content of the texts of the free trade area of the Americas?

Do they include the attack on young people and women in particular under the employment insurance regime?

Do they include values opposing the family as expressed in the rejection of a real parental leave policy for Quebec or in the policy of the stick for young offenders?

Holding values is one thing, expressing them in specific action is another. Rather than preach at other people, the Prime Minister should be true to himself and put his own values into practice.

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• (1415)

MILLENNIUM SCHOLARSHIPS

Ms. Diane St-Jacques (Shefford, Lib.): Mr. Speaker, the Canada Millennium Scholarship Foundation last week distributed its excellence awards for the 2001-02 academic year.

One hundred and twenty-four graduates in Quebec were awarded scholarships in recognition for their academic achievement, community involvement, leadership and innovation.

I want to congratulate Mathieu Carignan of Saint-Césaire in the riding of Shefford, who is among the winners of an excellence award.

Winning this award represents a unique moment in the life of a student. It is an excellent way to encourage and recognize the academic work of our young people, the next generation.

Created through the initiative of the Government of Canada, these awards represent a major investment in the future of our students. It is a fine way to promote academic excellence.

Bravo Mathieu, once again. Canada enjoys great wealth in the promise of its youth and you are a shining example.

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CHRYSOTILE ASBESTOS

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, today hundreds and hundreds of demonstrators are meeting in Quebec City to call on this government to take action and set an example in the safe use of chrysotile asbestos.

These men and women from Asbestos in my riding, and Thetford Mines in the riding of Frontenac—Mégantic are fighting for their survival and want their MPs to do something.

Here in Ottawa we should lead by example. This week's announcement about the removal of asbestos from the parliament buildings sends a very mixed message.

I am joining these men and women in order to raise parliament's awareness regarding the safe use of chrysotile asbestos, a natural product which is found in Canada and which saves lives.

ORAL QUESTION PERIOD

[English]

PARLIAMENTARY REFORM

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, a former prime minister and former leader of the Liberal Party has indicated just yesterday that he believes that parliament needs to be reformed. Those comments show that it is not only Canadian Alliance supporters across the country who want to see democratic reform but there are others also, and we are encouraged by that.

Will the Prime Minister listen to the advice of his former leader and take immediate steps to bring in true parliamentary reform to the Chamber?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a committee will be reporting in June on that very topic.

I could quote the hon. member when he was in Edmonton, where he did not want parliament to sit, because when parliament was sitting in Alberta it was creating too much demand on the treasury. I just want to say that I do not want to follow his example. We do

want some reform and we are working on that. The committee will be reporting on that next month.

I want to say that there were no free votes before this government came to power. We have authorized more than 100 free votes on this side, which is much more than on the other side.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, this matter is too serious to just reply with old rhetoric. Forty per cent of Canadians stayed home during the last election because they felt so dissatisfied. They felt their voices did not matter since their own members of parliament could not even speak for them or vote freely.

Would the Prime Minister be specific right now? Mr. Turner said that at the very least, at a minimum, MPs should be able to vote freely on all matters other than possibly the throne speech and the budget speech. Would the Prime Minister agree to at least that much?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I said, free votes were not part of this institution until we formed the government.

I would like to say, for the edification of the House of Commons, that the Leader of the Opposition chaired a special committee on parliamentary reform in 1993 in Alberta. It recommended that committees should not be allowed to issue minority reports. That is a good example of the type of reform he has in mind.

[Translation]

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I am talking about members' right to vote freely here in this House. The former leader of the Liberal party says that the present government has too much control over its members.

Does the Prime Minister agree with his former leader, his former friend? If so, what specifically is he going to do to reform parliament?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when he himself was House leader in Alberta's legislative assembly, he did not allow a single free vote.

Right now, he is the last person who should be offering opinions on members' freedom.

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(1420)

[English]

MEMBERS OF PARLIAMENT

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, Canadians have had somewhat troubling news today. They found out that an ageing veteran who went to his MP was turned down

simply because the MP said that he had not voted Liberal. Is that not a dreadful thing?

Will the Prime Minister tell his members that they are members for every single constituent, not just those who voted Liberal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I talked with the member of parliament a few minutes ago and he said that he was willing to help his constituents. He said that he has always received all of them. It is unfortunate that this letter was written. He said that he was hoping the person would call him and he would help him.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, now that it is public and now that every Canadian knows about this, I am sure he will help him as fast as he can.

Let us imagine a helpless, ageing veteran going to his member of parliament asking for help and he is told that because he did not vote for that member of parliament he could not help him. Will the Prime Minister simply say here in the House today that this will not happen again?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I did. I talked with the member and he said that he would be willing to help this gentleman.

I am very happy to hear the other side say that a member of parliament has to work for his constituents. I have said that in the House of Commons for the last two weeks about my own constituents.

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[Translation]

COMMON CURRENCY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, when the Governor of the Bank of Canada appeared before the Standing Committee on Finance, he acknowledged that maintaining the Canadian dollar involves some costs. In fact, David Dodge referred to a ten year horizon for adoption of a common currency.

This position is nothing new for the Bank of Canada, as last year the director of its international division wrote that "a common North American currency is not such a farfetched idea".

On the eve of his economic statement, is the Minister of Finance going to take the Bank of Canada analysis into account and acknowledge that consideration must be given to the adoption of a common currency within the context of an integrated economy?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the position of the Canadian government and the position stated by the Governor of the Bank of Canada is that the best solution for the Canadian economy is to maintain the Canadian dollar.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am directing my question to the Prime Minister because it is obvious that his Minister of Finance is saying one thing and Mr. Dodge something else.

Since he refers to a ten year horizon, and even the division director spoke of adopting a common currency, does the Prime Minister not think that what is needed is simply to give some thought to the idea of adopting a common currency within the context of North America, give some thought to it, debate it and discuss it in a reasonable manner?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I have said on several occasions, it is in Canada's best interest, as the Minister of Finance has just said, to maintain a currency that is different from that of the United States.

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, in the past four years Canada has dropped from sixth to ninth place in productivity terms, far behind the United States.

The Canadian dollar keeps dropping and has reached a level the Prime Minister could not even imagine when he mocked the "Lévesque buck" at 75 cents. All the while, the Minister of Finance intones a patriotic refrain.

In view of this constant erosion of productivity, the dollar and our standard of living, will the Minister of Finance finally agree to consider the possibility of a single North American currency in an effort to resolve the productivity problems Canada is facing?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is mistaken. There was certainly a drop in Canada's productivity in the 1980s and early 1990s, but since 1997 it has been on the rise. In fact, last year was a very good year in terms of Canadian productivity.

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, a weak dollar helps our exports in the short term, but represents a substantial handicap to the economy in the medium term.

In addition, instead of making absurd statements on the supposed political uncertainty of Quebec, would the Minister of Finance not agree, as do the Governor of the Bank of Canada, a Nobel prize laureate in economics, the Toronto Dominion Bank and Quebec, that in the end the road to the future for Quebec and Canada is to work starting now to establish a single currency for all of North America, including Canada, the United States, Quebec and Mexico?

• (1425)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I can tell the hon. member that the position of the Governor of the

Bank of Canada is exactly the same as the one I have just stated. I have discussed it with him on a number of occasions.

I would next like to ask the member a question. How is it that, throughout the debates on Quebec's sovereignty, even the sovereignists said they wanted to keep the Canadian dollar?

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[English]

NATIONAL DEFENCE

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

Yesterday the U.S. defense secretary, Donald Rumsfeld, confirmed that the Bush government wants to weaponize outer space, realizing the U.S. space command's goal of dominating the space dimension of military operations to protect U.S. interests and investments.

Now that the U.S. has confirmed that its missile defence plans will in fact include a new star wars scheme, will the government finally make it clear that Canada will have nothing whatsoever to do with this dangerous U.S. missile defence scheme.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we said that the American government is making some propositions and that it will be having discussions with Canada, all the NATO nations, plus the Russians and Chinese, before putting this new program of defence into place.

The Canadian government is willing to listen but we have expressed some reservations in the past. We have some questions to ask and we will keep asking questions. However no decisions will be made in the weeks or months ahead.

Mr. Svend Robinson (Burnaby—Douglas, NDP): So much for leadership, Mr. Speaker. Even Brian Mulroney had the guts to say no to star wars in the 1980s.

My supplementary question is for the Minister of National Defence.

If Canada has really taken no position on the NMD, why is it that we are posting a senior military officer in the Arlington, Virginia headquarters of the U.S. ballistic missile defence organization, the only non-American in that position? The BMDO says that the guy is much more than an observer. Why is there this direct Canadian military link with the missile defence plan, right in the heart of the scheme?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, it should come as no surprise to the hon. member, because it has been part of the defence white paper since 1994, that we would engage in consultation and observation. In fact, having somebody in that office is a good way of getting the information

that we need to make a decision and to understand the process that the United States is going through at the moment.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, as a party leader, the hon. member for Laurier—Sainte-Marie has requested a direct briefing by the American experts on the proposed missile defence shield. I hope the Prime Minister would agree.

However, as a more general question, would the Prime Minister also agree to meet personally with the other party leaders to work out a new practice to give parliament earlier and more complete access to sensitive information affecting trade and foreign policy. That was done with the provinces in negotiating free trade. Would the Prime Minister show the leadership and take that co-operation a step further with this parliament?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I understand it, there was a debate in the House before the meeting in Quebec City and ministers gave information to members of parliament. The same information has been given to the provincial governments.

I do not think there was anything that was of a different nature. Everything that could be made public was made public.

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PARLIAMENTARY REFORM

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, on the question of parliamentary reform, the Minister of Finance has expressed an interest in giving more power to members of parliament. The economic policies presented in October were never approved by a vote in the House because the Prime Minister called an election.

Now the minister proposes to introduce his next economic statement in committee. Why is he not presenting it to the House and letting the House vote on it? How do his actions reflect a commitment to parliamentary reform?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is wrong. At the time, prior to the election, a ways and means motion was presented in the House and was passed by the House.

I would also remind the hon. member that the economic policies of this government were submitted to the highest tribune in the land, the Canadian people, and they voted for this government.

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● (1430)

HEALTH

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, Canadians are losing confidence in their health care

system. The portion of Canadians who rated the health care system as excellent or very good has plummeted from 60% in 1991 to less than 25% last year.

The verdict is in on our health care system. It needs resuscitation today. The Romanow commission will take 18 months just to finish its report. What actions will the government take to restore confidence today?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, what the member did not mention, and perhaps he does not know, is that consistently over 80% of people who had personal experience with the health care system over the last year rated it excellent or very good, this member included.

What I want to stress is that last September all governments came to the same place. They had agreement with all the premiers and the Prime Minister, which involved not just more money but a coherent plan to address the issues we face, and that is what we are about to do.

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, Canadians deserve more than mediocrity in their health care system. Yesterday's report card highlighted that the federal government did not meet its own targets for review of new drugs. The fact is that it takes twice as long as it is recommending.

My question for the health minister is very simple. Will he throw severely sick Canadians a lifeline and guarantee at least to meet his own targets in life saving drugs?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, yesterday we published through the Canadian Institutes of Health Information a report on the state of health care in Canada. It is not yet complete, but it was an extremely good picture of where things stand. It contained some good news and some news that was not so good.

Overall the health care system is providing the care that Canadians need. In terms of drug approvals by Health Canada, we can and we will do better. However Canadians should know that all governments are working to improve quality care for all Canadians.

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[Translation]

ORGANIZED CRIME

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the organized crime bill would give undercover officers immunity by allowing them to commit certain offences with complete impunity in order to make it easier for them to infiltrate organized crime groups.

Will the minister guarantee the House that the immunity provided for in the bill will be limited to infiltrating organized crime groups and nothing else?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, if my hon. colleague is referring to the delegation of undercover agents to do work to gather evidence and be able to provide the proper evidence to bring to court, I can assure him that they too will be responsible for their acts. They also have to provide a report to me each year.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, he has completely failed to answer the question.

The bill would allow the Solicitor General of Canada and Quebec's Minister of Public Security to authorize the commission of offences. It is unacceptable for the political arm to have the power to authorize the police to commit illegal acts.

My question is a simple one: Will the minister assure this House that authorization will have to be given by a judge, as is the case for wiretapping?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, there are certain limitations as to what an undercover agent can do when he or she is designated this power.

With regard to sexual assault or abuse to individuals, the person has to ensure that he or she follows my designation or that of any provincial solicitor general who gives the designation to any police officer under provincial authority.

NATURAL RESOURCES

Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, Canadians are concerned about water. Why is the government sponsoring legislation that will allow for bulk water exports?

[Translation]

Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, it is important for future generations, for everyone, that we take steps to ensure that Canada's water cannot be taken from its lakes and rivers.

That is why we voted in favour of the bill at second reading yesterday evening. The bill was referred to committee and will be reported to the House. It is very important for all future generations of Canadians that we protect our Canadian waters.

• (1435)

[English]

Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, what Canadians want is a full public debate. Bill C-6, now before parliament, licences water exporters and its sister bill, Bill C-10, will establish where the water will be taken through cabinet order.

Why is the government not telling the people who live along the Great Lakes that it is setting the stage to allow the selling of their water in bulk?

[Translation]

Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, it is exactly the opposite. Our intention is to conserve our Canadian water. We are using a method to prevent the bulk removal of water. That is what we will be doing, in co-operation with all the provinces.

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GOVERNMENT CONTRACTS

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, the minister of public works explained that the \$615,000 contract was awarded to Groupaction to evaluate the sponsorship system across the country. The *Globe and Mail* says the opposite, contending that for \$615,000, the minister only received a 20 page list of companies interested in getting sponsorships.

Does the minister confirm that all he got for \$615,000 was a list of companies? It is a lot of money for each page.

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the firm was paid to conduct a market study on sponsorships across the country.

The department received the report Officials examined it and they received and paid, I imagine, the bills. Therefore I assume that we got our money's worth.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, the minister just said that the \$615,000 contract was awarded to evaluate his sponsorship system.

Since that program has no written criteria, will the minister agree to release the alleged evaluation of his sponsorship system conducted by Groupaction for \$615,000, so that the public and parliamentarians can finally see how these millions of dollars of public money were used?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, it just so happens that right after the study was completed an audit of the sponsorship system had to be conducted.

We have issued new guidelines and we have even held a new competition for the agencies managing these sponsorship projects. All this information is on the department's Internet site so that members and all Canadians can read it.

* * *

[English]

JUSTICE

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, this week we learned that local police in Belleville, Ontario, caught a convicted bank robber who escaped from a federal prison almost 30 years ago.

Currently the Liberal government does virtually nothing to capture violent, hardened criminals who escape from federal institutions. Will the minister commit today to creating a special unit within the RCMP to apprehend the hundreds of federal fugitives at large in Canada today?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I can assure my hon. colleague that escapes are taken very seriously. When anybody escapes from CSC, the person is apprehended as soon as possible.

I am pleased to report that escapes from minimum security institutions have been cut by 55% in the last seven years.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, no wonder there is no reform in parliament if 30 years is a short time.

In Ontario police estimate there are as many as 900 federal fugitives at large. The federal government contributes \$500,000 to track them down. By comparison, the Ontario provincial government gives \$4 million.

This is a threat to public safety. Why will the federal government not provide the necessary resources to apprehend dangerous federal fugitives at large?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I am sure my hon. colleague is not trying to indicate that there are a large number of people escaping from maximum and medium security institutions.

I think my hon. colleague is well aware that his party is losing members quicker than we are losing prisoners.

* * *

• (1440)

FISHERIES

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, aquaculture is one of the fastest growing food production activities in the world. The potential of the Canadian aquaculture industry and the benefits to the Canadian economy are enormous.

Oral Questions

What is the Minister of Fisheries and Oceans doing to give the Canadian aquaculture industry the tools it needs to reach its potential?

Hon. Herb Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it is always tough to follow the solicitor general.

Aquaculture is extremely important for Canada. We have had a 12% growth in the aquaculture industry. This week I announced \$20 million in Halifax to bring the federal government, the provincial government and industry to work in partnership to be a world leader in sustainable aquaculture.

* *

FINANCE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Finance. Many Canadians cannot drink their water, highways are crumbling, family farms are dying, and health and education are in a crisis in the country. Yet it appears the Minister of Finance is paying off the bondholders by putting about \$15 billion of the surplus on the national debt. The costs of the day are the investments of tomorrow.

Why does the minister not align his priorities with those of the Canadian people and invest the surplus in programs for people in order to bring down the human deficit instead of paying off the bondholders of Bay Street? That is what the Canadian people want, not the direction he is going.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member should take a look at the amount of money the government has invested in things like the infrastructure program precisely to deal with that problem.

I would simply remind the hon. member that it was the hon. Tommy Douglas who said that government should be in sound financial shape so it would not be beholden to bondholders.

* * *

CRIMINAL CODE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Minister of Justice. The minister will know that today is the 10th anniversary of the terrible tragedy at the Westray mine. It is some time since the justice committee recommended that the criminal code be amended so as to make sure that the kinds of people who are responsible for these kinds of events do not literally get away with murder, as is sometimes the case and certainly the case in this case.

Has the Minister of Justice had discussions with the Minister of Industry and other members of her cabinet? I have raised it with the House leader. What is the government's plan for bringing to fruition the recommendation of the justice committee so finally there will be amendments to the criminal code?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member raises a very serious and important question on this, the very sad and tragic anniversary of the Westray mine disaster.

As I indicated before in the House, the justice committee issued a report in relation to possible changes around corporate criminal liability. Unfortunately the justice committee did not hear witnesses from the corporate community or from labour, as was pointed out to me by the hon. leader of the New Democrats last week.

In discussions with my colleague, the Minister of Industry and the chair of the industry committee, we would like to move forward on this important matter and hold hearings that would ensure the interests of the corporate community, labour and others—

The Speaker: The hon. member for Richmond—Arthabaska.

* * *

[Translation]

HEALTH

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, the study submitted by the Canadian Institute for Health Information indicates that our chances of survival vary according to where we live.

We have in the Health Act five major principles, including that of accessibility. What is clear is that the people living in the regions do not have the same services and run more risks than those living near the big cities.

What does the Minister of Health plan to do to ensure, with his provincial partners, that the people living in the regions have access to properly equipped hospitals and quality health services.

Finally, is it not time to review the Canada Health Act?

• (1445)

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it is not a question of reviewing the Canada Health Act; the five principles are still appropriate.

However, the hon. member is right in saying that it will be a major challenge for us to ensure that Canadians living in remote regions have access to quality health care services.

This is why at Health Canada we started with an office of rural health to look into having a cross Canada strategy to make services available to everyone in this country. [English]

INFRASTRUCTURE

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, my question is for the Minister of the Environment. The Minister of Industry said that the cleanup of St. John's harbour would take all the infrastructure money allocated to the whole province. This is incorrect. The \$100 million cost is to be spread over a five to ten year period.

The province has committed its one-third share. The municipalities have committed their one-third share. In light of this, will this environmentally conscious minister commit to the one-third share, \$3 million to \$6 million a year, to finish the job?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the infrastructure program is a joint program of municipalities, the provincial governments and the federal government.

We have a situation in Newfoundland where the province has decided to focus its attention under the infrastructure program on smaller communities. Certainly it wishes to deal with the issue of water, drinking water, and I think that is appropriate in light of some of the developments that have occurred recently.

That is the decision and the proper decision of the people of Newfoundland and not of the federal government.

* * *

CANADIAN WHEAT BOARD

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, yesterday the wheat board minister refused to support organic farmers and blandly propped up the Canadian Wheat Board monopoly.

The minister claims that the board's policies allow organic farmers to sell their own production. He is wrong. All the Canadian Wheat Board does is lend money to organic producers so they can afford to buy back their own grain from the board.

Why does the minister not cut through all this absurd red tape and allow organic growers the freedom to sell their own barley and wheat?

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the hon. gentleman continues to deny the effectiveness of the democratic process that has been put in place with respect to the Canadian Wheat Board.

He would impose his judgment upon the Canadian Wheat Board rather than trusting in the confidence of the 10 farmers who have been elected to run all the affairs of the Canadian Wheat Board.

The issue with respect to organic farmers has been raised in the House for a number of days. I have also received some correspondence on the matter. As promised, I will make sure that this is laid before the directors for their consideration.

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, this tyranny of the monopoly has to end. That is clear. The wheat board minister is dictating poverty to organic farmers.

John Husband is the president of the organic special products group. He has clearly stated that the wheat board is killing value added in western Canada.

The Canadian Wheat Board does not represent organic growers. It does not market their grain and farmers do not want it to start marketing that grain. Yet the minister continues to support the wheat board's oppressive monopoly.

Does the minister believe that granting organic farmers an exemption poses some threat to other wheat and barley producers?

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, it is obviously the hope and the expectation of the Government of Canada that all farmers, including organic farmers, will be treated properly and fairly under the marketing practices that apply, in this case with respect to the Canadian Wheat Board.

Mr. Husband, the gentleman just referred to, has written me on this subject. I intend to raise his concerns with the Canadian Wheat Board so that the duly elected directors can take them under consideration.

* * *

[Translation]

PARENTAL LEAVE

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, young families of Quebec are going to have to wait until January 2003 to be able to benefit from real parental leave because of the Minister of Human Resources Development's refusal to transfer the necessary funds to Quebec, as allowed in the legislation.

If the Minister of Human Resources Development has the best interests of women and young people at heart, as she claims, what explanation can she give to justify her position of refusing young Quebec families access to parental leave that is far more advantageous than employment insurance and that all the—-

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

(1450)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the Government of Canada has been

Oral Questions

paying maternity benefits to Canadian women for 30 years and there have been parental benefits for the past 10 years.

We have improved our maternity benefit and parental leave program without any additional cost to Canadians. If certain employers or certain governments wish to add to our program, they are welcome to do so.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the federal government resisted nearly 30 years before giving in to the arguments of Quebec and transferring manpower management over to it.

Does this mean that the minister's refusal is an indication that young Quebec families are going to have to wait another 30 years before gaining access to decent parental leave?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, not in the least. Our program provides parental leave to all Canadians, Quebecers included.

There is nothing stopping other provinces from paying out amounts based on the solid platform set out in the employment insurance program.

* * *

[English]

HEALTH

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, John Stubbs School in my riding serves Canadian Forces Base Esquimalt. Paint there has lead concentrations of 100 to 300 times the maximum allowed. There are 400 students wandering around that school.

I have asked the Minister of National Defence to give that school the resources to clean up this toxic mess. Why will he not do it?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the school is not under the jurisdiction of the Department of National Defence. It is in fact under the operation of a local school board with responsibilities to the province of British Columbia.

We have the school on our property. That is quite true. We have indicated we are anxious to lease the property to them, but the function of the school and the repairs and maintenance of the school are the responsibility of the local school board.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, that is the problem with respect to these people, these children and these armed forces personnel. The buck is being passed back and forth. Not only is there lead in the paint but there is asbestos in the halls. This is toxic for these children. It causes learning disabilities. In fact it is a poison.

I am asking the minister, I am begging the minister again, to stop passing the buck and give the school the resources to fix the problem so these children will not be poisoned.

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, it is not a question of passing the buck. Everybody knows that the provinces have responsibility for education. We are willing to do anything we can to co-operate.

We certainly want the school board to do its work to clean this up so that the children of our forces personnel will be safe. We will do everything we can to co-operate. It quite clearly has the responsibility to do the work.

TAXATION

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, my question is for the Minister of Finance. In order to be part of our communities many physically handicapped Canadians must purchase their vehicles and then convert them to hand drive, yet a GST rebate is given on the conversion cost only.

Could the minister would tell us why there is no GST rebate on the vehicle purchase price, especially when the provinces rebate their sales tax on the total?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member does well to bring this up. The exemption is on the medical and assistive devices. As well, the costs of altering the vehicle also qualify, I would say, in addition to those raised by the hon. member for the medical expense tax credit.

I would point out that help for disabled Canadians includes the disability tax credit and the caregiver credit. This combined approach is indeed the best way to deal with this.

I would also point out that in budget 2000 we increased the amount of these measures by over \$45 million and in the October update by over \$100 million. They now total over \$1 billion.

FISHERIES

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, last week in fisheries committee DFO officials echoed Pacific Salmon Commission authorities who warned of sweeping closures of summer run sockeye in the Fraser River this summer to protect Adams River stock.

These warnings were in direct conflict with testimony from a recently retired senior official of the Pacific Salmon Commission who warned that failure to harvest surplus sockeye stocks would result in overcrowded spawning grounds and dramatically lowered returns of these runs in four years' time. Given this conflicting advice, what is the minister's intention?

• (1455)

Hon. Herb Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, we will be looking at all the facts before we announce the salmon agreement.

We have a salmon commission. We have a treaty with the Americans. We work together once we have all the facts and all the science to make sure we make sound decisions based on conservation

The member's view of the surplus clause is simply not the case. I do not accept that for a moment.

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, again I think the minister's inexperience is showing here. In fisheries management experience is everything. The DFO witnesses, the expert witnesses, admitted they lacked a long time attachment to Fraser River fisheries management.

We have now learned that the minister has removed Fraser panel chair Wayne Saito, a man with a long experience of the Fraser River, from his position and is replacing him with a refugee from the coast guard. Why is the minister rejecting experienced managers at this critical time?

Hon. Herb Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am glad the hon. member is recognizing the experience and the good work of our officials in DFO. Many of them are on the commission as well.

We will look at all the advice that comes forward. We will make sure we look at the science. We will be responsible to make sure that we protect those threatened species but that we take advantage when we do have a large run.

We have to make sure that we allow those species that are threatened to spawn because that is part of conservation. Everyone agrees that conservation has to be a priority in managing our fisheries.

. . .

[Translation]

WATER SYSTEM CONSTRUCTION IN SEPT-ÎLES

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, yesterday Quebec's environment minister asked the municipality of Sept-Îles to build a water system to serve the citizens of the beaches area which was contaminated by toxic substances used by Transport Canada to de-ice airplanes.

Since the Minister of Transport has already admitted his department's responsibility in contaminating the beaches area, will he tell us whether he intends to contribute funding for the water system, and how much?

Hon. David .Collenette (Minister of Transport, Lib.): Mr. Speaker, I have answered this question many times in the House of Commons. There is obviously a problem.Transport Canada wants to help the residents of Sept-Îles, who have a real problem. We have offered solutions and we are prepared to work with the provincial government and the citizens of Sept-Îles to find a lasting solution.

* * *

[English]

RESEARCH AND DEVELOPMENT

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, my question is for the Minister of Industry. Would the minister tell the House what the government is doing to keep its commitment to double research and development spending in Canada by 2010? Is the government doing anything concrete?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, I thank the member for Hull—Aylmer for his question. I am very pleased to advise him that because of the excellent financial stewardship of the country over the last seven or eight years by the Prime Minister, the Minister of Finance and the rest of the team, we were able to move quickly this year to fulfil our commitment to double R and D investment in Canada, with \$750 million more for CFI and \$140 million more for Genome Canada.

We are well on the way to establishing 2,000 new research chairs. This morning we announced \$346 million in new research grants for 2,000 professors in every university in every province of Canada.

TOBACCO PRODUCTS

Mr. Ted White (North Vancouver, Canadian Alliance): Mr. Speaker, seven years ago the Deputy Prime Minister told the House that 700 RCMP officers would be dedicated to catching everyone involved in cigarette smuggling across the Akwesasne reserve.

Three years ago an affiliate of R. J. Reynolds Tobacco was found guilty and fined \$15 million in the United States for helping those smugglers.

How much longer will it take for the Deputy Prime Minister's 700 dedicated RCMP officers to lay charges in Canada? Have they been told to keep their hands off the tobacco executives?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I can assure my hon. colleague that the RCMP is working all the time to make sure that smuggling operations will cease, in particular smuggling of tobacco.

(1500)

[Translation]

ORGANIZED CRIME

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, earlier when they answered my question, I sincerely believe that the Solicitor General of Canada and the Minister of Justice completely failed to understand what I was asking. I am going to repeat it because it is very important and I want a serious answer.

Will the Minister of Justice reassure the House, and particularly the people of Quebec and of Canada, by stating here in the House that the immunity granted police officers to commit illegal acts will be limited strictly to investigations into organized crime and that such an authorization will be given by a judge?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): No, Mr. Speaker, it will not be given by a judge and it will not be limited only to organized crime. However it is important to note that there are strict guidelines to make sure that whoever has this ability certainly follows the law.

There is also political accountability. If there is any difficulty, we have the courts, as well as the annual report which is submitted to the solicitor general. This is done to make sure that we are able to investigate organized crime and other major criminal acts in this country.

* * *

HOUSING

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the minister responsible for CMHC may have forgotten the leaky condo file, but the thousands of homeowners facing bankruptcy and rising repair costs have not forgotten. It is something they face every day.

Will the minister meet with the delegation that is in Ottawa for the next few days? Will he, at a minimum, provide GST relief and non-taxable grants to help those people facing bankruptcy and the anxiety of dealing with leaky condos? Will the minister at least do that?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, we have been working very hard with the province of British Columbia on this file. I have not received any requests to meet with any groups. I am open to meeting with any group that wants to meet with me. I would be glad to meet with them in the next few days, if they are here.

Routine Proceedings

PRIVILEGE

MEMBER FOR KITCHENER-WATERLOO

Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, first and foremost, I would like to thank all members of the House for their restraint and understanding in not attacking me on the recent controversial statements attributed to me by the media. Members have allowed me an opportunity to explain myself. I sent all members a media release dated May 8.

As many members know, I am a Hungarian refugee who fled the Soviet oppression through minefields as a 10 year old boy with my parents, my 12 year old brother and 3 year old half sister. My mother, a Roman Catholic, and my stepfather, a Jew, suffered terribly under both Nazi and Soviet dictatorships. I loathe everything those regimes stand for. This is very much part of my family's legacy and forms my frame of reference.

Recently some comments I made were misunderstood, misinterpreted and misstated. It was not my intention to imply or suggest that our country or our judiciary is in any way to be compared with Nazism or Stalinism. I meant no offence to any group or individual. If my lack of clarity caused any hurt or discomfort, I apologize.

I have always worked to bring people and communities together to create a stronger Canada, and I have a lifetime record of fighting for justice. That will continue.

I resigned as parliamentary secretary because I believed then, as I believe now, that the charter of rights and freedom should apply to the six million Canadians who are citizens by choice. Revocation of citizenship is a matter for the courts, not a matter of political decision.

My concern is for the principle of fair and proper treatment for everyone, whether born in Canada or, like me, a Canadian by choice.

* * *

(1505)

 $[Translation] % \label{fig:proposition}%$

POINTS OF ORDER

TABLING OF DOCUMENTS

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I rise on a point of order.

On Friday, two weeks ago, the Deputy Prime Minister suggested that there had never been any connection between the Auberge Grand-Mère and the Grand-Mère golf club and asked me, since I was contending the opposite, to table any proof establishing a direct connection between the Auberge Grand-Mère and the Grand-Mère golf club.

We can establish the existence of such a connection with a 10 year lease signed by the auberge and the golf club. Therefore, I am once again asking for the unanimous consent of the House to table this document.

The Speaker: Is there unanimous consent of the House for the tabling of this document?

Some hon. members: Agreed.

Some hon. members: No.

ROUTINE PROCEEDINGS

[English]

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 four petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, pursuant to Standing Order 34 I have the honour to present, in both official languages, the report of the Canadian delegation of the Canada-Europe Parliamentary Association to the OSCE, the Organization for Security and Co-operation in Europe Parliamentary Assembly Standing Committee meeting in Vienna, Austria, February 22-23, 2001.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 14th report of the Standing Committee on Procedure and House Affairs, in both official languages, regarding the question of privilege raised by the member for Provencher and referred to the committee on March 19, 2001.

Because this report involves an important matter of privilege and was referred by the House following your decision Mr. Speaker, this is a matter that should be considered for concurrence in the future.

FINANCE

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Finance regarding its order of reference of Monday, April 23, 2001 in

Routine Proceedings

relation to Bill C-22, an act to amend the Income Tax Act, the Income Tax Application Rules, certain acts related to the Income Tax Act, the Canada Pension Plan, the Customs Act, the Excise Tax Act, the Modernization of Benefits and Obligations Act and another act related to the Excise Tax Act.

The committee has considered Bill C-22 and reports the bill with amendments.

* * *

CULTURAL GRANTS ACKNOWLEDGEMENT ACT

Mr. Deepak Obhrai (Calgary East, Canadian Alliance) moved for leave to introduce Bill C-348, an act to require public acknowledgement of support given to a cultural project that involves public funds.

He said: Mr. Speaker, it is a pleasure for me to rise on behalf of the constituents of Calgary East to introduce this private member's bill in the House today.

(1510)

The bill would require the recipients of grants and public funds for cultural projects to acknowledge that a grant has been made. It would also require recipients to specify the percentage of the total cost that the grant represents at the time the program is announced or advertised and open to the public. Non-compliance could result in the recipients having to repay the grant.

The intent of the bill is to bring transparency to groups that are receiving taxpayer money. I hope that the members of the House will seriously consider the bill's intent and purpose.

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

* * *

CRIMINAL CODE

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP) moved for leave to introduce Bill C-349, an act to amend the Criminal Code (sale of intoxicating products).

She said: Mr. Speaker, I am pleased to introduce this bill which arises from a serious concern in my constituency and many other communities in Canada.

The purpose of the bill is to make it an offence under the criminal code to sell inhalants and other sniff products for purposes of intoxication. It seeks to stop those in our society who deliberately prey on our young people at times of vulnerability. It is an attempt to stop young people from inhaling, sniffing and drinking poisonous substances which have lasting side effects and cause permanent damage.

The bill is a result of 12 years of work by members in my community, under the guidance of Larry Leroux and the non-potable alcohol and inhalant abuse committee. It makes the statement that the House and our society does not condone inhalant abuse. It seeks to promote and protect the health and well-being of all citizens of Canada.

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

[Translation]

PETITIONS

CANADA POST CORPORATION

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I am pleased to table in the House a petition supporting rural route mail carriers.

Rural route mail carriers are asking parliament to repeal a subsection of the Canada Post Corporation Act that prohibits them from bargaining collectively to improve their wages and working conditions.

The petitioners say that this denial of a fundamental right allows Canada Post Corporation to maintain the wages and working conditions of rural route mail carriers at an unfair level and discriminates against rural workers. They hope that the situation will be corrected.

[English]

VIA RAIL

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present two more petitions from citizens of the Peterborough area who support the re-establishment of VIA Rail commuter service between Toronto and Peterborough. The petitioners point to the environmental advantages of this. For example, it would reduce greenhouse emissions, accidents and traffic delays on the highways. It would also add to business advantages for Peterborough, including making it a stronger centre for services, education and tourism.

The petitions have support in six federal ridings: Haliburton—Victoria—Brock, Durham, Whitby—Ajax, Pickering—Ajax—Uxbridge, Markham and in Hastings—Frontenac—Lennox and Addington.

These petitions call upon parliament to re-establish VIA service between Peterborough and Toronto.

FUEL COSTS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very proud to be able to table today under Standing Order 36, a very testy and weighty document signed by literally thousands of Winnipegers who feel very strongly that they are being gouged, ripped off and cheated by oil companies and by the spiralling out of control energy costs.

As a remedy to this situation, the petitioners call upon parliament to create an energy price commission. The commission would be responsible for regulating the cost of energy, setting the prices and setting a fixed term during which those prices would have to remain constant. They believe that this would bring them some relief and add some element of stability to an otherwise out of control situation.

Routine Proceedings

● (1515)

RIGHTS OF THE UNBORN

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am honoured to present a petition on behalf of citizens in the town of Wallaceburg who, out of respect for the sanctity of human life, call upon parliament to protect the rights of the unborn.

EMPLOYMENT INSURANCE

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, I rise today to present a petition under Standing Order 36. The petitioners call upon parliament to repeal regulation 53 of the EI Act.

Regulation 53 requires that 85% of the workforce return to work after a work stoppage because of a strike or lockout. That leaves it wide open for vindictive employers to punish employees. People in my area of Windsor and Essex county call upon parliament to repeal the regulation.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 21 could be made an order for return, the return would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 21—Ms. Jocelyne Girard-Bujold:

For the fiscal years 1997-98 and 1998-99, can the government provide a detailed list of all grants awarded by the Economic Development Agency of Canada for the Regions of Quebec in Quebec's 75 federal ridings?

Return tabled.

* * *

[English]

STARRED QUESTIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be so kind as to call Starred Question No. 28.

I ask that the question and the answer to Question No. 28 be printed in *Hansard* as if read.

[Text]

*Question No. 28-Mr. Guy St-Julien:

With respect to the situation of the occupants of the 185 unhealthy houses in the Cree community of Chisasibi, attributable to the very high levels of mold and mildew that

have been growing in these houses, can the departments of Health Canada and Indian Affairs and Northern Development answer the following questions with reference to 1999, 2000 and 2001: (a) how many times has each department visited this James Bay Cree community; (b) how much has each department spent to remedy this problem; and (c) having recognized the extreme urgency of this situation from the standpoint of public health, what resources and means have these two departments put in place?

Mr. Derek Lee (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib): I am informed as follows:

Health Canada

The health portfolio for all northern Quebec Cree communities has been under the provincial government jurisdiction since the signing of the James Bay agreement. Consequently, Health Canada's regional environmental health services have not been involved in the community's housing assessment since 1978. Since the James Bay agreement of 1978, Health Canada has not visited the Chisasibi Cree community; Health Canada did not spend anything; and Health Canada, first nations and Inuit Health Branch, Quebec region, can visit the community if the Quebec government agrees to it and makes recommendations accordingly.

Indian Affairs and Northern Development: Five times; \$2.1 million plus \$1.9 million under the new onreserved housing policy; the department is quite aware of and concerned about the health implications of mold and mildew in houses in Chisasibi. While there is no ongoing program or financial resources dedicated to this problem, the department provides the Cree communities with \$3.7 million annually to assist them in addressing their housing needs. However, in recognition of the serious health concern, the Minister of Indian Affairs and Northern Development advised the chief of Chisasibi that the department would provide emergency financial assistance to help in dealing with the immediate problems, and, as well, would continue to offer assistance in the form of information on the prevention of residential mold contamination.

* *

[English]

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, perhaps in part to pre-empt the member for New Brunswick Southwest, I advise him that written answers to his written questions were signed off by me on behalf of the government House leader this morning and I will be tabling them in the House tomorrow.

I ask that the remaining questions be allowed to stand.

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I thank the parliamentary secretary and I will read remarks made yesterday in defence of this place we call parliament by the former prime minister, John Turner, when he said:

The member of Parliament is at the basis of our system. . Give these members a voice. Let them speak their minds, let them speak their consciences and let them represent the interests of their constituents.

That is the point I have been trying to make, but I appreciate the parliamentary secretary's response.

The Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

MOTIONS FOR PAPERS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Motion for the Production of Papers No. 19, in the name of the hon. member for Malpeque, is acceptable to the government with the reservation stated in the reply and the documents are to be tabled immediately.

I ask that all other Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the House to adopt Notice of Motion No. 19?

Some hon. members: Agreed.

(Motion agreed to)

The Speaker: Shall the remaining Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 1997

The House proceeded to the consideration of Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Speaker: There is one motion in amendment standing on the notice paper for the report stage of Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act.

Motion No. 1 will debated and put to a vote.

MOTIONS IN AMENDMENT

Mr. John Williams (St. Albert, Canadian Alliance) moved: Motion No. 1

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That Bill C-17, in Clause 6, be amended by replacing lines 14 to 22 on page 3 with the following:

- "6. (1) Section 85 of the Act is amended by adding the following after subsection
- (1.1) Sections 89 to 130.2 and 153 and 154 do not apply to the Canada Pension Plan Investment Board.

He said: Mr. Speaker, I am pleased to rise to speak to my motion, which is a fairly simple motion regarding a fairly simple bill. Bill C-17 is only about four or five pages long, but it is the last two paragraphs I had a problem with. They are the only two paragraphs in the bill that deal specifically with the Canada Pension Plan Investment Board. A clause in Bill C-17 asks for broad exemptions in the Financial Administration Act for the Canada Pension Plan Investment Board.

(1520)

While we agree with exemptions that would allow the board to act more as a private organization, we take serious exception to the fact that Bill C-17 would prevent the auditor general from looking at the Canada Pension Plan Investment Board.

I raised this issue at committee the other day and I introduced an amendment, as hon. members are aware, that the auditor general be allowed to examine the Canada Pension Plan Investment Board if he or she so desires and to be the auditor of the plan if he or she so desires.

The genesis of this clause is that it was inadvertently omitted when we last amended the Financial Administration Act and an exemption that had been granted the board was inadvertently re-introduced. Now the government wants to put the exemption back in place and exempt the board from the Financial Administration Act.

I want to ensure that the auditor general has the opportunity to look at the plan. The reason I put the motion forward on the floor of the House is that when I went to committee we had a debate about whether the auditor general wanted to be involved in auditing the plan. The Parliamentary Secretary to the Minister of Finance said that it was no problem to the auditor general in 1998 and that the auditor general had said that there was no problem, that he agreed with the amendment and that everything was fine.

However I am a bit concerned that everything is perhaps not fine and that the auditor general did have serious concerns about being prevented from auditing the Canada Pension Plan Investment Board.

We are talking, first, about a \$40 billion amount which is growing. We are talking about an investment plan that is there for all Canadians. We are talking about money that is paid by all employed Canadians and held in trust by the government to be repaid to them during their retirement years. We are talking about a lot of money.

We need a lot more supervision than a financial statement addressed by an auditor once a year to the Minister of Finance. Canadians need to know that the watchdog of parliament, the auditor general, if he or she so desires, has the opportunity to do a

value for money audit on the board. That is what my motion intends to achieve. It is more narrowly drafted than the one I presented at committee but it is absolutely mandatory.

We heard the Prime Minister talk today about parliamentary reform, openness and transparency. All I am asking is that the auditor general have the opportunity, if he or she so desires, to look at this plan. Is that too much to ask? I do not think so. I do not think any Canadian would want it any other way. That is what I am arguing for. I am not asking for a change in legislation. I am not asking for a change in the way the board does its business. I am not asking for any change other than some accountability on behalf of the board that holds \$40 billion of taxpayer money. I am asking that it ensure Canadians are satisfied that their money is well managed and is held in trust appropriately on their behalf. That is all we are asking for.

At committee I asked that the auditor general come in. Other members said no, that they had a letter and that everything was fine. We moved to clause by clause and then it was too late for the auditor general to speak at committee.

Although I do not have definitive proof, I believe that the auditor general, when it was debated in 1998, had fairly serious concerns about his inability to audit the plan. A compromise was reached because the government in essence held a gun to his head and told him it was all he would get.

• (1525)

That is not fair to Canadians. We must let the auditor general be the watchdog on behalf of all Canadians. We must give him the opportunity to audit the plan. In that way the government and Canadians can be assured the plan is managed appropriately and in the best interest of all Canadians. I ask all members and parties in the House to recognize the importance of the amendment and to support it.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the member for St. Albert exaggerates the case when he talks about a broad exemption. We debated that at committee just yesterday.

The amendment proposed to Bill C-17 by the hon. member would mean that sections 131 to 154 of the Financial Administration Act would apply to the Canada Pension Plan Investment Board. This was not intended when the Canada Pension Plan Investment Board Act was passed by parliament in 1997.

Amendments to the Canadian Wheat Board Act in 1998 inadvertently removed the Canada Pension Plan Investment Board from subsection 85(1) of the Financial Administration Act, a change which made the board subject to various crown corporation control provisions under the FAA. The error put it in conflict with its mandate to operate at arm's length from government, a result which was neither wanted nor intended.

The objective of Bill C-17 is to reinstate the Canada Pension Plan Investment Board as one of the crown corporations exempted from divisions I to IV of the Financial Administration Act. This was the intent of the Canada Pension Plan Investment Board Act and of parliament in the first place.

The Canada Pension Plan Investment Board was created through federal-provincial agreement to operate at arm's length from government. Its legislated mandate and sole objective is to maximize returns for CPP contributors and beneficiaries without undue risk of loss.

The Canada Pension Plan Investment Board has been structured with great care to ensure independence from political interference. At the same time, the board's own legislation contains strong accountability provisions. The board makes its quarterly reports public and is required to submit its annual reports to parliament. The board is also required to hold public meetings at least every two years in participating provinces.

The auditor general is responsible for auditing the financial statements of the Canada pension plan as a whole. The auditor general has access to whatever information from the Canada Pension Plan Investment Board he or she considers necessary to audit the Canada pension plan.

In a 1997 letter to the finance committee chair Mr. Desautels indicated he was satisfied with audit and access provisions for the Canada Pension Plan Investment Board, information that is contained in the Canada pension plan legislation. For these reasons I urge members to vote against the amendment we discussed yesterday in committee.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, we are supportive of the amendment. In no way, shape or form would it impede the operational efficiency or flexibility of the Canada Pension Plan Investment Board.

• (1530)

It would improve the accountability from a financial perspective and it would provide the auditor general with the power to oversee at least part of the operations of this board, which would have immense responsibilities in terms of the amount of capital that it would oversee.

In a parliament where we increasingly speak about the importance of parliamentary reform and the accountability of members of parliament, it is completely inconsistent with the stated message of the government, which is that it will refuse to recognize the importance of auditor general oversight on this issue by supporting the constructive motion introduced by the member for St. Albert. Our party does support the amendment.

If the government wants to act consistently with the stated objectives of the Prime Minister, the Minister of Finance and

(1535)

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others on that side of the House to improve parliament and to improve accountability, then this amendment would be an easy and simple step to take. The government has consistently not provided the auditor general's office with the appropriate level of respect.

[Translation]

Mr. Pierre Brien (**Témiscamingue**, **BQ**): Mr. Speaker, the amendment put forward at the report stage of the bill is of such a nature as to satisfy numerous criticisms from various people in connection with accountability and improves the act. I would, however like to speak about the reasons why we are opposed to Bill C-17, even with the amendments.

Understandably, everyone is in favour of supporting research and development, and innovation. I sit on the standing committee on industry and as the matter progresses, we begin to wonder if there is not something other than a financial strategy behind the funding of R and D efforts.

At this time it seems to me that there is one aspect that is totally lacking. For example, there are the post-secondary institutions, which are key figures in R and D support and in the training of the people involved in it. The bulk of the funding for post-secondary institutions, which are administered by the provinces, comes from the provinces, but of course there are federal transfer payments for post-secondary education.

All the additional funding since we have moved from a context of zero deficit to a context of surplus has been via initiatives such as the budgets allocated to bodies outside the government, such as the foundation. Non-governmental structures are being created in various fields and then they are given funding.

On the one hand, the government is putting money into human genome research, which is desirable, praiseworthy and correct. Yet there is one essential key element that must not be lost sight of: the funding of basic services and the necessity to increase the budget for transfer payments to the provinces, which in turn have to increase their budgets for post-secondary education accordingly. This is where the first problem with basic activities lies.

There is a second one as well. I have had the opportunity to mention it several times in a parliamentary committee and I once again want to make my message very clear to the government. There is another shortfall in terms of research and development and I am talking about the indirect costs related to the need for post-secondary institutions to submit projects and funding proposals to the Canada foundation for innovation or granting councils. For instance, universities have to pay additional indirect costs related to these proposals while their core budgets remain relatively stable. There have been cuts, but now their budgets are stable and have not been adjusted accordingly.

I understand part of the government's reasoning on this; although I do not agree with it, I understand the logic of it. It believes that this money is not as visible as direct investments in granting councils or agencies like the foundation. These investments are also necessary, extremely important and a top priority at this time. We have to stop thinking in terms of politics and start thinking about efficiency.

One fact remains: we have to be more open about the investment objectives set for research and development. There is no problem with setting a target and saying that investments in research and development will double over the next ten years, but our priorities need to be defined more clearly. If such a vision does exist, it should be more transparent.

The auditor general himself has, on several occasions, criticized the fact that there seemed to be a problem in terms of follow-up, as well as a lack of transparency with regard to R and D investments.

We sense that there is some kind of agenda because huge sums are being invested in this area, but effectiveness should not be measured merely by the amount of money invested. In this case, the bill will authorize an extra \$750 million for the foundation on top of the \$500 million announced last fall and on top of previous measures. This is a lot of money.

I am convinced that all these people do commendable work. In most cases there are peer review panels where people from the scientific community play a very important role in the selection of projects. However, there is a certain amount of criticism regarding the overall strategy and also regarding the ability of small universities, those located in less populated areas outside the large urban centres, to compete with larger universities. This kind of criticism cannot be ignored.

As a member representing a region, I know what this means in practical terms. We know the importance of post-secondary institutions and of their ability to generate research and economic activity in our communities. A post-secondary institution is an extremely important tool for the economic development of a community. It is also a tool for social development because research is not limited to the economy, but also takes in social and other fields.

Nor must we forget basic research, which is extremely important in increasing our knowledge in all fields. This requires research which is more basic. Educational institutions are far more oriented toward basic research than private companies often are even though it is in their interest and certain companies are very good at it. Unfortunately, they are all too rare because we have a problem here.

The research and development efforts of private companies are not what they should be, with the result that there are often problems of competitiveness which are not solely due to public under-investment in research and development.

The approach needs to be rethought in order to ensure that private sector stakeholders do more and are more aware. There is perhaps also a message here that small companies have trouble qualifying for government programs, which are often geared more toward supporting the research and development efforts of big business

There are therefore concerns for small communities. There are also concerns for small businesses which often have some very clever individuals. We should make better use of them in order to improve our research and development efforts and bring about innovation.

We are far from being opposed to a research and development timetable, but we do not like it when political objectives take centre stage and funding does not proceed according to a timetable readily understandable to everyone, while at the same time, a very important aspect, that of basic funding through transfer payment programs, is being neglected.

As for the other provisions of Bill C-17 and the amendment moved, the latter will likely set to rest a number of fears expressed by other opposition parties at second reading and in committee. We do not have much to add on this particular amendment.

There is one aspect of the bill which leaves us basically unsatisfied however. Although the amendment is positive in nature it does not change the essence of the bill, nor will it change our position.

• (1540)

[English]

Mrs. Bev Desjarlais (Churchill, NDP): Madam Speaker, it is a pleasure to speak to the bill again and clear some of the way for the industry committee. Between the industry and transport committees, we have been extremely busy in the last while. One would hope that we do not neglect parts of these bills that are not truly addressing the needs of Canadians.

I would like to give a refresher on the bill for those who are listening. We are debating Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act. This too is an omnibus bill introduced by the government to increase the grant to the Canada Foundation for Innovation by \$750 million.

The Canada Foundation for Innovation is a government agency that gives grants to the public and not for profit research institutions, such as universities and hospitals, to finance acquisition and the development of research infrastructure. This part of the bill is extremely credible. There is no question that there is a need to

invest in research and technology and post-secondary institutions. Our party supports that part of the bill.

Some concern was raised in committee, when discussions were taking place, that there should be more accountability as to the way the money given to the Canada Foundation for Innovation works its way through the system. We need more accountability. The auditor general gave some indication that he would have preferred to see things looked at more thoroughly. However, it is important that we do invest and that we see the dollars go to the foundation.

I want to emphasize at this point that, although it is extremely important that we see investment in this area, we need to recognize that there has been a serious lack of support on the part of the present government in the funding of students attending post-secondary institutions within Canada. As a result, a number of students, who attend university to take advantage of all the wonderful research and technology that is available to them, have huge debtloads. We need a balance here. The government has failed to meet the needs of students attending post-secondary institutions.

The second part of the bill deals with the closing up of loopholes. There are two amendments to the Financial Administration Act. The first amendment closes a loophole that allows government departments, agencies and non-exempt crown corporations to effectively borrow without the approval of the Minister of Finance.

One of the core principles of the Financial Administration Act is that departments, agencies and non-exempt crown corporations must get the finance minister's approval before any borrowing. This way the finance minister is ultimately accountable for any debt taken on by any branch of the federal government. Some departments were able to get around this requirement by taking on financial obligations that did not fall under the current definition of borrowing, such as lease agreements, and therefore did not need the finance minister's approval. Bill C-17 addresses that issue. In that sense, this is a very good part of the bill.

However, our party does not support the amendment dealing with the Canada pension plan board that exempts it from accountability and that does not allow parliament to have a say over investments that it would be making. I believe very strongly that Canadians do not want their pension plan dollars invested in just anything. Parliament needs to make sure that investment of Canada pension plan dollars would not be going into things such as tobacco companies. We are fighting a war against smoking and we are trying to discourage people from smoking.

Should we be seeing the investment of Canada pension plan dollars in tobacco companies? Should we be seeing the investment of Canada pension plan dollars in companies that use sweat shops or have terrible human rights violations in other countries? I do not want to see my dollars invested that way. I am very comfortable in saying that the majority of Canadians do not want that either. They do not want their Canada pension plan dollars going into sweat

shops or into businesses outside of Canada or, for that matter, within Canada because we are not above having sweat shops either.

• (1545)

There are situations in Canada that do not meet ideal labour conditions or human rights standards. Those places exist in Canada as well, but we do not have the kind of control offshore that we should have within Canada. Canadians do not want to see their dollars invested in those kinds of operations. Because they are Canada pension plan dollars, parliament should have a say over the way the investments are handled. That has been a serious issue with our party, the people who support us, and Canadians as well.

The suggested amendment to the bill may try to increase the accountability of the pension plan board, but I am not convinced that it would. Our party will not be supporting the bill because there is no parliamentary oversight by the Canadian pension plan board. The board, by the way, has been more or less appointed by the governing side of the House. It does not ensure that it truly identifies with the entire population of the country.

There are very good parts to the bill such as the dollars that would be invested into research and development through the Canada foundation for innovation. If the amendment should happen to make its way we would be support that amendment as well.

The Acting Speaker (Ms. Bakopanos): Is the House ready for the question?

Some hon. members: Ouestion

The Acting Speaker (Ms. Bakopanos): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the bells having rung:

The Acting Speaker (Ms. Bakopanos): The division on the motion stands deferred.

* * *

MARINE LIABILITY ACT

Hon. Brian Tobin (for the Minister of Transport) moved that Bill S-2, an act respecting marine liability, and to validate certain bylaws and regulations, be read the third time and passed.

Mr. Brent St. Denis (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, it is with great pleasure that I rise today on third reading of Bill S-2, the marine liability act.

Before I speak about the bill I would like to acknowledge the critical role played by members of the House, senators and the standing committees that have conducted a thorough examination of the legislation. I would be remiss if I did not take a moment to thank members on the other side of the House for their support and good questions along the way.

Bill S-2 is a good example of our ability to work together for the good of all Canadians. The introduction of the new legislation would not have been possible without the dedicated efforts of government officials, in particular those from the Department of Transport and the Department of Justice.

Throughout the legislative process officials from the Department of Transport held consultations with the industry, including shipowners, passengers, cargo owners, the oil industry, marine insurers and the marine legal community. I take this opportunity as well to thank industry groups for their participation in this reform and their contributions and support for the new legislation.

I am thoroughly convinced that the new legislation represents an important step toward the modernization of the Canadian maritime liability regimes. The act introduces for the first time Canadian legislation regarding shipowner liability for the carriage of passengers and new rules for apportionment of liability in maritime cases. At the same time the act would consolidate existing marine liability regimes into a single statute.

(1550)

Let me briefly review the principal elements of the new marine liability act. The introduction of a new regime of shipowner liability to passengers is the key substantive element of the bill. This regime is set out in part 4. It is an initiative born out of the concerns of passengers who may be involved in an accident during maritime transport. The provisions of the passenger liability regime as set out in part 4 are based on the 1974 Athens convention relating to the carriage of passengers and their luggage by sea as amended by its 1990 protocol.

The legislation was previously introduced as Bill C-59 and Bill S-17, both of which died on the order paper when parliament was dissolved in April 1997 and October 2000 respectively.

There are currently no statutory provisions in Canadian law which establish the basis of liability for loss of life or personal injury to passengers travelling by ship. The intent of the regime of liability to passengers is to ensure in the event of a loss, particularly a major one, that claimants have a guaranteed set level of compensation and at the same time that shipowners are provided with a means of determining their potential exposure for passenger claims. The financial responsibility of the shipowner to passengers would be abundantly clear.

Of equal concern is the absence of Canadian legislation, with the exception of the Quebec civil code, specifically preventing shipowners from contracting out their liability to passengers. Such contractual exemptions are null and void in other countries, notably the United States, France and Britain.

Similarly such contractual exemptions from liability for passenger death or injury are generally absent in other modes of transport in Canada or are expressly prohibited as in the air mode where the liability of air carriers to passengers has long been regulated by the Carriage by Air Act.

There appears to be no basis for maintaining the contractual freedom currently enjoyed by water carriers to exempt themselves from their liability to passengers. Therefore part 4 would prohibit such a practice in the future.

The second policy objective of the bill deals with the apportionment of liability in maritime cases. The legislation is needed to deal with important aspects of liability in situations where the claimant has been partly responsible for his or her loss. In the past two rules of common law have been the source of serious concerns to the marine community.

The first rule prevents a claimant from recovering anything if it is proved that the claimant contributed, even in the slightest degree, to his or her damages. This is not fair.

The second rule deals with situations where one defendant pays the total amount of the loss but cannot in turn recover his or her costs from other persons who may have contributed to the loss.

The common law provinces have replaced these outmoded and harsh rules with legislation which allowed courts to apportion responsibility and to permit litigation parties to claim contribution and indemnity from other persons. However parliament has never enacted any legislation similar to the provincial apportionment statutes, except for a few provisions covering the topics of damage caused by collisions between ships and pollution from ships.

In its recent decision the Supreme Court of Canada ruled that it was unjust to continue to apply the old common law rules to maritime negligence claims. In light of this decision, new legislation is needed to establish a uniform set of rules that apply to all civil wrongs governed by Canadian maritime law. Part 2 of Bill S-2 would achieve this objective.

The new act would also consolidate existing marine liability regimes and related subjects which are currently located in separate pieces of legislation. This one stop shopping approach to marine liability would avoid in the future the proliferation of separate legislative initiatives in the area of shipping policy.

In preparation for the new legislation on passenger liability and apportionment of liability, it became evident that it was not very efficient or user friendly to leave the various liability regimes scattered all over the legislative map. Thus we are bringing forward the act which would consolidate all marine liability regimes into a single statute. It includes provisions on fatal accidents or personal injuries, limitation of liability for maritime claims, liability for carriage of goods by water, and liability and compensation for pollution damage.

Part 1 of the bill re-enacts the provisions on fatal accidents that currently appear in part 14 of the Canada Shipping Act and revises them to give effect to various Supreme Court of Canada decisions. These provisions have been brought forward in appropriately modernized language.

• (1555)

Similarly, part 3 of the bill re-enacts existing provisions found in part 9 of the Canada Shipping Act on the limitation of liability for maritime claims. This part is based on the 1976 international convention on limitation of liability for maritime claims as amended by its 1996 protocol.

Part 5 re-enacts existing provisions of the Carriage of Goods by Water Act respecting the application of the Hague-Visby rules in Canada and the eventual implementation of the Hamburg rules. The Carriage of Goods by Water Act was last revised in 1993. It was the subject of a recent review in which the minister submitted a report to the House in December 1999.

Part 6 continues the existing regime governing liability and compensation for maritime pollution by re-enacting existing provisions of part 16 of the Canada Shipping Act. This part is based on two international conventions, the 1992 convention on civil liability for oil pollution damage and the 1992 convention on the establishment of an international fund for compensation for oil pollution damage. The regime set out in part 6 of the bill governs the liability for oil pollution damage caused by tankers and pollution damage caused by other ships.

This concludes my overview of the existing regimes that would be consolidated in a proposed marine liability act. I would like to

● (1600)

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add that, as a supplement to the existing regimes that would be consolidated in a proposed marine liability act, there are other liability regimes on the horizon. Notably, there is the 1996 regime on liability and compensation for hazardous and noxious substances and the regime of liability for spills caused by ships' bunkers adopted in March 2001 by the International Maritime Organization. Another regime currently under consideration at the International Maritime Organization is the new protocol to the Athens convention on compulsory insurance.

I believe that the maritime liability act would serve us well in the future as a logical framework for these new regimes should Canada decide to adopt them.

In conclusion, Bill S-2 would first introduce a new regime of shipowners' liability to passengers and a set of new rules for apportionment of liability, and second, consolidate existing and future liability regimes. The intent of the bill is to modernize our legislation to ensure that it meets the current and future needs of Canadians in legislating shipowners' liabilities, particularly their liability for passengers.

I urge all hon. members to give their full support in order to pass the bill to the benefit of all Canadians.

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Madam Speaker, it gives me pleasure to speak to Bill S-2. The Alliance Party will be supporting the bill because it would be an improvement over the existing policy.

Our sole reason for supporting the bill is that it is better than what we have. However there is a serious omission or flaw in the legislation and I would like to speak to that.

Yesterday in the House, in response to a water crisis situation, we voted almost unanimously in support of a national safe water standard and for the federal government to get involved with quality water. We did not really address the problems, one of which is how communities get the resources in place to put in modern water systems to ensure they have good water. That was completely omitted. I believe North Battleford will spend \$20 million to put such a system in place.

We never really gave any thought to what a workable standard is. Somehow we seem to think that we have the wisdom in Ottawa that we would know what it is. We have two judicial inquiries on the subject of water that will take a hard look at the cause of these sorts of problems. I hope they come up with some good recommendations.

In our wisdom, we know what we require for good water standards. We will put it through and forget about the real question, which is how these folks get their resources in place to deliver water. I am raising that as an issue only because I am going to tie that in with our debate over one defect in the bill. There is no minimum mandatory passenger liability insurance in the bill, this despite the fact that in committee industry representatives from the insurance sector said that type of insurance would be a very minor cost and

would not create any great burden for the industry.

ger liability insurance coverage.

We tried to make some common sense amendments to the bill which would allow for minimum passenger liability insurance, but those advocating that were stonewalled by members of the government who thought there were all sorts of problems with it. We could not get a logical explanation as to why it would be a great difficulty, but in their wisdom they blocked it. Last night we had two motions to deal with it, both defeated by the government. I find it strange that on the same day the government is unanimously supporting a water safety act it is turning down minimum passen-

What would minimum passenger liability insurance do? I think it could avoid a major disaster. Insurance companies do not accept unreasonable risks. If the quality of the vessels is not of a satisfactory standard and if the crews are not competent or have a bad safety record, the insurance industry will not accept that risk. Believe me, there are ways of regulating an economy other than government regulations. Insurance would be one good way of achieving the goal of safety in passenger shipping.

Fortunately we have not had a major commercial passenger ship disaster in Canada. I cannot recall one in my time. That is good, but we know it has happened elsewhere. Some day it could happen in this country. I would suggest that the day it happens here we will have a judicial inquiry and there will be a lot of finger pointing. I would suggest that a lot of the finger pointing will be directed at the government that is in power today. It had a choice and it took the path of neglect and indifference. What will it tell the passengers and their families when that happens? Will it tell them that there is no insurance coverage, that the carrier is insolvent, that there are no assets to pay them, that there is no insurance money? What will it say?

I suppose if it happens during an election campaign the Prime Minister might come up with some instant taxpayer dollars to help out those folks. That would be the government's way of doing things, to roam from one crisis to another.

That is what will happen. A lot of people will be pointing fingers at the government when that happens. That is why I am speaking on this matter. The Alliance Party wants to be on the record at this stage of the game to show that our party did due diligence on this matter but the government was very neglectful of it.

To add insult to injury in regard to the NDP motion last night, if the government is not going to put in mandatory insurance

coverage there could be a simple notice published on the ship to inform the public that the carrier does not have insurance. The government does not want to do that. Just about anybody in industry who provides a service to the public is required to provide warnings and notices, but the government in its wisdom says it does not want to do that. Why inform the public? Why inform passengers when they are getting on a ship that there is no insurance on the ship? Why inform them that the ship may be insolvent, that if it goes under there is not going to be any protection for anyone?

In a lot of ways the government's response to these amendments is shameful. The day a disaster happens and this thing crops up, the folks on the other side of the House will have to hang their heads in shame and try to justify why they ignored this very simple amendment to the legislation.

• (1605)

When our constituents voted for us to come to the House of Commons, one of the skills they asked us to have is foresight. We develop public policy in the House. We pass laws. The folks who sent us here expect us to have foresight. I think we have anticipated a serious problem here. We have tried to use foresight. The opposition parties have tried to used foresight. The government has ignored very real legitimate concerns.

That is typical of a Liberal government. A Liberal government, as has been said before, likes to drive in the middle of the road. However, when we drive in the middle of the road we run into a lot of yellow stripes and skunks. The Liberal government likes driving in the middle of the road. It likes that neighbourhood. I guess it is called compromise. The Liberals will put some things in the Shipping Act, but not others. As one of my colleagues said, it is like Liberals making porridge. If one mixes some sand in the porridge, it may look like porridge, it might even smell like porridge and it might taste like porridge, but it will be hard to swallow and it will be hard on the digestive system.

Folks on the government side have the power to do things the right way. Why do they not do it? Why do they always insist on going only halfway? In this case they could have gone the full way and addressed some really key areas the opposition raised. It was not just the Alliance people who raised this issue. The Progressive Conservative member brought it to the attention of the government, as did the Bloc member and the NDP member. We all tried to work on constructive ways of solving this, but the Liberals just would not listen. We gave the Liberals two opportunities last night to address this problem in a certain way and they would not do it. Why? Is it a sign of arrogance or what? They were two very constructive proposals.

I will summarize the Alliance position. The bill is an improvement over the existing policy, but I wish the government had gone the full nine yards on this thing and addressed some serious concerns. Last night we went through the motions and got platitudes for the sake of public image. If a disaster happens in the country, everybody comes to the House. If the people want safe water, bang, the government will pass something in the House: magically in this land from coast to coast our water will be safe because we passed that bill last night. We know how unreal that is and how unrealistic. We cannot manage by dictating results. It takes work.

Last night we proposed to the government ways of managing something to get the results we want, which is safer vessels and good protection for the travelling public, and the government chose to ignore us. Some day when there is a disaster in our country in commercial passenger travel, government members will be held to account for it. They have an obligation and a duty in the House to pass good laws, not incomplete laws. They have failed to do that.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Madam Speaker, first, I want to say that the Bloc supports Bill S-2 as modified, tampered with and fixed up by the government to finally improve marine liability, while at the same time ensuring that the needs and wishes of taxpayers, waterway users and those who are major or occasional users of maritime transport are not met.

(1610)

What I am saying is important and it is important that those listening understand how, because of the government's arrogance and pressure from political lobbies, a good bill can be turned into a mere improvement on the existing system, which I feel was rotten to the core to begin with. For decades, people have been asking that the legislation be changed to make sea carriers responsible, and that is what the people wanted.

Of course, part 2 of the bill in its premisses, deals with the "Apportionment of Liability", which has to do with personal injuries and fatalities. What the bill states in clauses 4 to 14 is that this allows the dependants of a person injured or killed in a marine accident to claim damages. This is a situation that exists in Quebec at least. The legislation was changed and the civil code was changed accordingly. Laws are made in such a way that people responsible for damage must compensate for it.

Part 2 of the bill says that in the apportionment of liability, once it has been established that the person causing the damage is liable, there is the principle—which is still a principle of common law in the other provinces, but a principle of civil law in Quebec—that if several persons or ships were liable, the liability of each one would be proportionate to the degree of fault. But if the degree of fault could not be established their liability would be equal.

These are principles of law which are well understood now. In law, the standard is always the reasonable person standard, that is, how a reasonable person would manage as a prudent administrator and ensure that equity and common sense prevail in any situation.

Obviously, if someone causes damages, logically that person is liable and if two ships or pieces of equipment are damaged, their liability, when it can be established, is proportionate to the degree to which they are respectively at fault. When it is not possible to establish who is at fault they are jointly and severally liable for the damages they caused.

Under part 4, liability is defined as "liability for carriage of passengers by water". Therefore, a whole part of the bill deals with the public. It would be normal for someone travelling by ship, if that person were to suffer personal injuries—which would be rather unpleasant for that person—but also loss of luggage—which is a rather regular occurrence—to be compensated for the damages suffered.

Part 4 of the bill sets as a principle that persons using carriage by water will be compensated for personal damages and for lost luggage.

Unfortunately under clause 39 of this fine bill, the governor in council may require those responsible to get insurance. This is where the rub is; this is where we see the arrogance of the government yielding to the pressures of political lobbies, big shipping companies, and those who would have to get insurance to cover liability for damages caused.

Yesterday in the House we saw the party in power defeat amendments whereby parties were asking that those involved in the carriage by water of passengers be required to carry insurance to cover liability for damages caused.

It is only too easy these days to set up a numbered company and register a ship under it, thus avoiding getting insurance. When one is responsible for damages one is sued. Those who could have collected damages will get nothing because the company is insolvent or bankrupt.

We tried to make this point in committee. One must realize that the shipowner lobby is very powerful and is a main contributor to the campaign funds of several members of parliament. This big lobby was successful in conveying the message that the time had not yet come to impose an obligation to carry liability insurance on all those whose business it is is to carry passengers.

• (1615)

This is difficult to understand all the more so when officials from the Department of Transport appeared before the committee and

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told us that the insurance industry would not be able to support—if the industry ever had to do it—the whole new economic burden, all the new demands there could be and all the obligations that passenger carriers could have. Apparently it was too big a job. They are not able to integrate into their insurance system the supplementary demands that that legislative amendment would entail.

What did the committee do as a good manager of public interests? We asked that some insurance industry representatives appear before the committee. All the industry representatives had a good laugh at the officials' answer that the insurance industry was unable to accommodate the supplementary volume of business that arises as a result of the obligation for those who carry passengers and their luggage to get insurance and provide compensation for damages. For the insurance industry this can be done very easily. That can be integrated very quickly. The industry already insures much of shipowners' fleet that carries passengers and there would be no problem.

This explains why amendments have been moved by the Canadian Alliance and the New Democratic Party. Believe it or not, all these amendments have been rejected by the government party. One of these amendments went as far as to say, in essence "Listen, if we think the industry, which says today it can integrate this, does not want to do it, let us delay implementation until 2003 so that starting on January 1, 2003 insurance will be compulsory". Well, this has also been rejected by the government party.

Some things are hard to understand. This is a very good example of a bill that purports to be perfectly logical so that all the users, all our good citizens who pay taxes and travel by ship for leisure or for work, can be insured, just like they are when they travel by plane, bus, coach, city bus, metro, train, and so on.

There was no insurance for carriage of passengers by water. The government has introduced a bill that could have been excellent. Admittedly, it is an improvement. Previously marine carriers were not liable. The government decided to put them on an equal footing with other passenger transport industries and said "From the date this bill takes effect marine carriers will be liable for injuries to individuals, users and passengers and for luggage lost".

However, I want to warn all Canadians, and Quebecers in particular, that before they get on board a ship they should ensure that the carrier has insurance coverage, because in its wisdom the federal government has decided not to force marine carriers to take insurance. If they do business with a carrier that does not have any insurance, that started its operation as a numbered company and that goes bankrupt, then their families will get no compensation at all if they should happen to die in an accident. If they are injured or if their luggage is lost, they will get no compensation under this great piece of legislation.

Again, this started as an interesting bill, but lobbyists managed to put so much pressure on this arrogant government that it finally brought forward amendments that make it very difficult to get any compensation for losses suffered in an accident.

This is not the only change and the only interpretation made to please the lobbyists and to show how arrogant the government can be

The sixth part of this bill deals with liability for pollution.

● (1620)

This bill is indeed an improvement. As I said before, the Bloc Quebecois will support it since, in our opinion, half a loaf is better than no loaf. The fact is that with regard to pollution this bill is based on the principle that all those who cause damages will be held responsible and will have to compensate those who incur such damages.

It must be understood that the government had the sense to include in the bill a list of those who could incur damages other than environmental damages.

I am thinking, for instance, of those who earn a living from fishing, from fish farming or from water plant growing, owners of fishing vessels and fish processing plant workers in Canada who suffer a loss of current or future income or a loss of supply as the result of a discharge of oil from a ship. They may now be compensated by a special fund.

Members understand that the government had to act because of pressures coming from all those who wanted something done in terms of liability and compensation for pollution. There were pressures from the industry, from those who rely on sea products to earn a living, from all those people who could or did incur damages. If they incurred damages in the past, they are asking, as would be the case in any industry, that the party responsible be required to provide compensation.

For compensation, a fund is being established and managed by the Government of Canada. For each metric ton of oil carried by ship, a certain amount is paid into this compensation fund, which is managed by the Government of Canada. Believe it or not, these amounts are the same as those that were negotiated in the 1990 international agreements.

Once again, following pressure by shipowners, the influential members of our society, primarily politically influential by means of the campaign funds of our colleagues opposite, they managed to say to them "Now that you are requiring us to compensate people who were not compensated before and are clarifying the law, what we need to know now is the extent of the damages". The shipowners did not need to be made too liable. They did not want costs to rise.

The money paid into this compensation fund is the same as in 1990 and is indexed. The indexing is expected but does not include

the increase in the cost of energy. Finally, most of the text on liability and compensation in the case of pollution covers primarily oil pollution, according to what is in the bill. Imagine, an industry in the business of carrying oil and oil carriers pay into the compensation fund. The money is contributed according to a formula dating from 1990.

These are the same amounts as were contributed in 1990. They are indexed according to the cost of living but not the cost of energy. These people live from energy, and we know very well that the increase in the cost of living over the past three years was due primarily to the increase in the cost of energy.

They managed to convince the government that it would be a good idea to index the 1990 amounts but to ignore the main factor in the increase in the cost of living, that is energy costs. Once energy costs are excluded there is almost no increase. The cost of living has practically not gone up since 1990, if energy costs are not taken into account.

It is once again a perfect example of a very interesting bill aimed at compensating people who depend on sea products for their livelihood, who could sustain damages as the result of an oil spill caused by oil carriers. Compensation will now be provided through a special fund to which corporations and shipowners contribute. The amount they contribute, however, is the same amount they were paying into a similar fund in 1990.

• (1625)

This fund had been adopted in many parts of the hemisphere to provide compensation to people sustaining damages. Shipowners have been paying the same amount since 1990. The amounts are the same, but the liabilities have increased.

Our main question, the one I have asked the government representatives is this: Will there be enough money to compensate everyone? The answer was "Yes, there is no problem. We are talking about \$100 million, which is enough". In an ecological disaster \$100 million is nothing, particularly if all the industries and sea products in one part of the country are affected. This amount is nothing. It is a drop of fresh water in an ocean of salted water. This is what this may represent.

Once again we are getting lip service from the government, a nice bill that is an improvement. The industry is being made liable for damages it might cause but the industry does not want to suffer too much economically; we have to be careful, it does not make enough money as it is. Canadian shipowners are allowed to do business in foreign countries. For example, in Barbados, they can manage businesses and through agreements signed by the Government of Canada they pay only 1% in taxes on all the income they may earn.

This is allowed; it is in agreements. The Bloc Quebecois has asked the government in this House to deal with this now ironic

situation of businesses moving to the islands. This example is a concrete one. This is an agreement the Government of Canada has signed with the Government of Barbados, allowing for capital transfers, allowing Canadian businesses to have ships registered in Barbados and to pay only 1% in taxes on their profits. This is the reality.

Moreover, in a bill to make them responsible for damages resulting from an accident, a failure or an environmental oil disaster, they are told "Not only are you responsible, but you are to compensate all those who make a living in the fishing industry. The only thing is that there is a limit on compensations that may be paid by businesses". They contribute to a fund. They pay a given amount for each metric ton carried by sea. They use barrels. The amount has been the same since 1990. As I said earlier, there is a cost of living adjustment that does not include the energy costs when we all know that these companies rely on energy in fact.

What we have here is another example of a very interesting bill designed to protect the interests of all Quebecers and all Canadians, but with this arrogant government and its huge majority that always sides with the shipowners' lobby, I am sure members will agree with me that this will probably just be wishful thinking. I do not wish for an ecological disaster that will make it blatantly clear that the compensation fund is underfunded. That is not what I wish for.

Part 7 of the bill validates among other things the Pilotage Act and the 1992 Laurentian pilotage tariff regulations.

When Canadian or foreign ships enter the waters of the St. Lawrence Seaway system they are taken care of by expert pilots who are members of various organizations and associations. In this case, it is the Laurentian Pilotage Authority. We also have the St. Lawrence Pilotage Authority and the Great Lakes Pilotage Authority. There are about 400 to 500 pilots, men and women, who take care of the ships plying the St. Lawrence Seaway, to avoid any natural disaster.

For several years now lobbyists for shipowners have been trying to decimate these pilotage authorities by systematically urging the government to review the legislation and allow their own pilots to take over from these specialists in the St. Lawrence Seaway system.

(1630)

With this bill, the government had a wonderful opportunity to finally put an end to all the hesitation and discussions on the future of the St. Lawrence Seaway pilots, who are members of various associations. It was a wonderful opportunity for the government to resolve this endless debate, which has led these people, these men and women, to live in a constant state of insecurity.

They call us and they call members of the opposition to say that once again, the shipowners and the government are exchanging letters and documents because of the additional costs.

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If the government can refuse to make a cost of living adjustment to the sums invested since 1990 in the compensation fund, it can easily decide to abolish all the associations and the very principle of having St. Lawrence Seaway pilots, people who protect us from serious disasters such as a fuel spill in the St. Lawrence, that estuary which flows into the Great Lakes. One must be careful about this, because some people have been wrong about which way the water in our rivers and lakes flows.

Nevertheless, it was a wonderful opportunity for the government to put an end, once and for all, to all the shilly-shallying about the usefulness of pilots, those experts on the St. Lawrence Seaway. I repeat that these pilots take charge of ships as soon as they enter the St. Lawrence Seaway. They take charge of them and take them to the Great Lakes, to their destination. This is still our best safety measure.

We are not the only country in the world that uses expert pilots. They do it in the United States on the Mississippi. They also do it in Europe. In fact, in all countries where there are large estuaries, tributaries or rivers with very specific characteristics, there is a sys

We are being told today that there are all kinds of technological inventions that can be used to pilot these ships without human involvement. However, the reality is very different. No machine can replace humans. If that had been possible, machines would have replaced humans long ago in the House. That is not the case. Machines have still not invaded this place and I do not foresee the day where they will, the way things are going now.

This is the hard reality facing a government that, once more, is seeking to improve legislation but has failed to give what they want to stakeholders who depend on shipping for their livelihood, for leisure or spare time activities. This is what is so difficult.

We realize how arrogant the government is when, because of its strong majority, it will not even listen to interesting advice given by the opposition, to interesting questions it asked in committee. For example, when we asked questions of representatives of the insurance industry, they said "There is no problem". Tomorrow, if we make the system mandatory, that is not a problem. It does not raise the premiums and the cost will be less than a person pays for home insurance.

They gave us an example of an 85 passenger ship for which the premium would be \$1,600. That is the cost of the insurance. That is the reality. That is what the insurance industry spokespersons told us.

Tomorrow morning, if the decision is made to make insurance mandatory for all those who carry passengers, this will not increase premiums across Canada. The industry is very much capable of handling it. It has already done some market analyses and the actuarial studies are all ready as well. It already has part of this

market, since it provides coverage to part of the industry. That is not a problem.

Once again the government decided, in response to pressures from various lobby groups, to take a step backward. In dealing with a bill, especially one in the shipping sector and entitled an act respecting marine liability and to validate certain bylaws and regulations, the orientation must be to make people liable for certain things. In addition to imposing responsibility upon them, they must be required to adhere to certain standards.

• (1635)

I will close my remarks with the comment that this would have been a very good opportunity to settle the future of the St. Lawrence Seaway Management Corporation, which has been operating the 13 locks along the St. Lawrence Seaway for some years.

It has therefore been operated by an independent authority, in connection with which there has been a transfer agreement indicating that all five year plans must be reported to the government, through Transport Canada. From the security aspect, it is also required to administer the locks and marine traffic on the St. Lawrence Seaway. It is also required to ensure its safety.

On June 1, 2000, in St. Catharines, a 70 year old woman lost her life simply because she decided to cross a bridge that was being raised to give way to marine traffic. She did not have time to cross, panicked, fell into the mechanism and died. That was on June 1, 2000.

On July 28, 2000, without waiting for the coroner's report, because obviously such a violent death calls for a coroner's inquest, the St. Lawrence Seaway Management Corporation decided unilaterally, apparently for financial and safety reasons, to tell its employees working at its 13 locks in Canada that starting with the 2001 season, which is now under way, it would reduce staff at all locks. The number of employees would be reduced from three to two.

This was a directive from the St. Lawrence Seaway Management Corporation to its employees. Some permanent employees and some temporary employees were affected. Termination notices were sent to them to say that their contract would not be renewed.

The coroner's report was released on October 17, 2000. Of course it criticized certain facilities at the St.Catharines lock but also made the comment that there should be four employees, not three, on every shift at that location.

People who work at a lock are mostly involved in tying down and control activities. Control is necessary because there are many tourists. There are those like recreational boaters who use the locks. There are also all those who go for a walk and watch the boats. They should be monitored. To prevent accidents like the one that happened to this lady in her 70s, people should be kept at a fair distance from the facilities.

If there is a problem with a ship it has to be moored. There are cables and mooring bitts. This is done manually. The machine to do this automatically has not been invented yet. There has to be people alongside of the locks to moor ships, especially in case one would break down. Navigation locks are not used only by small recreational crafts. There are also huge oil tankers that share the seaway with these crafts. If one of them were to break down, experienced people are needed on shore to hold and move the others.

That is the reason why the coroner made this recommendation. Obviously the St. Lawrence Seaway Management Corporation was not pleased. At first it said this was a bad report by the coroner, as if it were possible to have good and bad coroner reports. When there is an accident a report is written. The coroner examines the occurrence from the point of view of security and tries to find ways to prevent it from happening again.

One of the recommendations was to have four people instead of three at the locks in St. Catherines. I am raising this because it has an impact, because of the guideline issued by the management corporation. If affects the safety of all 13 locks along the St. Lawrence Seaway.

Since it deals with liability, compensation and definitely safety and since making people accountable forces them to act more safely, this bill would have been a good opportunity to deal once and for all with the need to have the required staff at the locks along the St. Lawrence Seaway in order to avoid a repeat of the situation experienced on June 1 of last year by this lady in her 70s.

• (1640)

We tabled a letter in committee but that letter was not received by government officials for all sorts of reasons. Nothing that comes from the opposition is ever good, apparently, but the government should realize that when we take initiatives in the interest of our constituents, of Quebecers and Canadians, it is always good. This is the logic that should guide this House, not political interests and lobbies.

We recommended that the Standing Committee on Transport hear officials from the management corporation, the officials from Transport Canada who were involved in the inquiry, and workers' representatives. They tried to make us backtrack by saying that this was a labour relations issue. I must say that none of the employees who were notified lost his or her job; they were all relocated elsewhere. The issue is not workers' interests but the safety of the public, of the boaters and tourists who use the 13 locks along the St. Lawrence Seaway. The Bloc Quebecois cares about these people. Each member of each party in this House should care about these people, not about shipowners.

The problem with the St. Lawrence Seaway Management Corporation is that it charges a fee to ships entering the locks. Of course costs are increasing and shipowners do not want to pay more. These shipowners are asking the management corporation they are part of that fees be reduced, that staff be cut back. Instead of listening to the coroner, who says that the staff should be increased from three to four at the St. Catharines locks, and it would be the same at the 13 locks along the St. Lawrence seaway, the corporation says it will cut back because there are costs involved. The concern is not safety but fees.

Incidentally, fees have doubled for pleasure craft owners while they have been reduced by 40% for shipowners. This is the reality. The shipowners' lobby is taking control of political organizations. Finally, they know how this works; they know where the campaign funds are and how parliament works.

For us, the representatives of the community, it is hard to see situations such as these and to be prevented in committee to hear at least the seaway management corporation and to ask it: "How did you decide to cut back on staff? Why was the staff cut back when we have a coroner's report saying this is dangerous, this is not safe and the staff should be increased and not cut back?"

I repeat that this is not a problem of labour relations. The permanent employees have all been relocated. This is not the problem. The problem is discussing safety. This bill could have been a wonderful opportunity to do so.

This bill purports to be a bill on marine liability. I repeat, responsibility means that if one is responsible safety must be improved so that damage and accidents do not happen.

In the presentation I made on this particular issue there was a letter from a pilot dated November 11, 2000. This pilot entered the lock at St. Catharines; he had engine trouble and could no longer stop because he could not reverse. He had to warn the stevedores "I am without power. I am drifting toward you. You must stop me. Bring the equipment". They managed to stop him, but if they had not the ship would have destroyed everything in its path. As he says in the letter he wrote to his union, "If there had been only two of them there, I would have destroyed everything in front of me".

That is the reality of the situation. This happened in November and it will perhaps happen in the middle of July. I for one, as an MP, would have made the House aware that such situations could have been avoided if parliament had assumed its responsibilities and included in bills such as the one on marine liability

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provisions making the St. Lawrence Seaway Management Corporation liable for lock safety. If that had been done, they would certainly have taken less draconian measures than they have.

This is a business decision to reduce costs for shipowners, for whom the lives of lock workers or those watching boats or pleasure craft do not matter anyway. What matters is the money they make and put into their pocket and on which they pay only 1% in taxes, because they are registered to Barbados; they are part of a company flying the flag of Barbados.

That is the reality of the situation in Canada. This is why many citizens, many Quebecers, no longer believe in the Canadian system.

(1645)

We have lost the credibility we had probably earned over the last 100 years. Why? It is because for the past 15 years political lobbies have taken over this parliament.

The Acting Speaker (Ms. Bakopanos): 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 New Brunswick Southwest, National Defence.

[English]

Mr. Norman Doyle (St. John's East, PC): Madam Speaker, it is a great pleasure to make a few remarks on the marine liability act.

First, we support the bill and would advocate its speedy passage in the House of Commons. As a layman in the field, I am somewhat astounded that such a bill is necessary at this time. As a Canadian citizen, I take for granted that I have to carry liability insurance if I want to operate a motor vehicle, be that vehicle the family car or local school bus. As a Canadian, I take for granted that tractor trailers full of freight are fully insured, especially regarding liability insurance.

There is no such assurances if one is a passenger on a ship or is shipping goods overseas. Bill S-2 would consolidate various existing marine liability regimes. It would incorporate certain international conventions on marine liability into Canadian law.

Bill S-2 is long overdue. Canada is playing catch up with its trading partners on this issue. We support speedy passage of the bill.

One of the substantive aspects of the bill is part 4. It concerns the long overdue adoption into Canadian law of the Athens convention relating to carriage by sea of passengers and their luggage. The convention sets forth an internationally accepted comprehensive liability regime for injuries and loss of life by passengers. We support that.

Existing Canadian legislation deals only with global limitation of liability for maritime claims. Part 4 of Bill S-2 sets out the basis upon which liability for passengers may be established. The new regime would apply to both domestic and international carriage of passengers by ship, and accordingly would finally bring Canadian law into line with that of our trading partners. We support that

The bill also sets out a new regime for apportioning liability for maritime claims where the blame falls on more than one person or vessel. It clarifies what at present is a very confusing area of Canadian law.

There is another area of the bill that is good. Part 1 of Bill S-2 confirms that claims for wrongful death and injury could be made against persons as well as ships. It would enable relatives of deceased or injured to claim for loss of care and companionship. Otherwise, part 1 would generally re-enact the fatal accidents provision of the existing Canada Shipping Act.

One change that sparked debate in committee was the provision of clause 46 that would extend Canada's legal jurisdiction to deal with the cargo claims of Canada's importers and exporters. Representatives of the shipping lines did not want Canadian jurisdiction specified, preferring instead to have clauses on arbitration and judicial proceedings in their contracts of carriage.

Indeed a culture has grown up that sees most of these disputes resolved in British boardrooms and British courts. That suits the big shipping lines and the British legal profession just fine. However I would submit that a small Canadian exporter would be badly outclassed going up against the big boys in that kind of a setting, so we are supportive of asserting Canadian jurisdiction.

Left to themselves, the big boys as they are called, used to insert clauses into their carriage contracts denying liability for loss of goods, or life or limb. Such liability exemptions are no longer allowed in France, the United Kingdom or the United States. Bill S-2 now forbids the opting out of liability in Canada, putting us more in sync with our trading partners. We are pleased that clause 39 of the bill would allow the minister to introduce regulations making marine liability insurance compulsory.

(1650)

There was some disagreement among stakeholders as to whether or not liability insurance should be compulsory. Some committee witnesses said it would take time to set up a more comprehensive system. They indicated that there was currently no system in place in this nation for licensing vessels to carry less than 12 passengers. However once the provisions of the new Canada Shipping Act currently before the House are enacted, there will be a consolidation of all commercial vessels under the Department of Transport

and all pleasure craft under the Department of Fisheries and Oceans. I can see licensing for all these vessels coming and insurance cannot be that far behind.

I assume bank financing and provincial tourism rules might require small tour boat operators to carry liability insurance, but I still feel a little uncomfortable with the fact that the insurance at this point in time is not compulsory.

The Canadian Passenger Vessel Association wrote me recently to indicate that it favoured compulsory liability insurance to protect itself, its passengers and the reputation of the Canadian tourism industry.

I want to indicate to the minister and the parliamentary secretary who is here today that we do support the bill. All in all it is a good bill. It is long overdue. It is worthy of support.

Mrs. Bev Desjarlais (Churchill, NDP): Madam Speaker, I want to commend my colleagues from the Alliance and the Bloc for the excellent presentations they gave on the bill. I know that a lot of what each of them said and what I will say will be repetitious.

As a committee, we had to repeat over and over again the seriousness of the lack of mandatory insurance in the bill. We got absolutely nowhere with the governing side of the committee. Therefore, it is only fitting that we should repeat it again. Hopefully this time a good number of Canadians will hear this and will be as equally upset as we are over the government's failure to ensure that there is mandatory liability insurance.

My colleague from the Progressive Conservative Party said the party would be supporting the bill. My initial critic recommendations were pretty much the same as in the previous parliament when we dealt with this bill. Then because of the feelings of the Prime Minister that it was time for an election everything was dropped. However, the bill is back again.

Previously my critic recommendation ended with suggesting we support the bill. There were a lot a good changes. There was a comprehensive view of this bill amalgamating a number of issues that related to marine liability. It was very positive. The number of people involved in the industry were supportive, and there had been co-operation in coming up with the bill. I would have supported it.

However something happened this time around. I guess that is the benefit of having to redo things sometimes. As a committee, we listened to a transport official who told us the insurance industry could not handle putting in place mandatory liability insurance.

Some people do not realize what happens within the passenger carrying industry and a good part of it is the tourism industry in Canada.

• (1655)

I know we are not supposed to point out who is not here, but I was really pleased that the Minister of Industry listened to a lot of this debate. He must be aware that a lot of the passengers are carried within the Canadian marine tourist industry and that there is no liability insurance for those passengers, only if it is a responsible carrier.

I am also glad to see that the Canadian Passenger Vessel Association supports mandatory liability insurance. It is fully aware that until liability insurance is made mandatory, it will not be found throughout the industry. However, if carriers do not have insurance, the tourist industry has a lot at stake.

We register our cars, we get our drivers' licences and we get insurance. A good number of us probably pay approximately \$2,000 a year for car insurance. At the most we can probably carry a maximum of five passengers in our vehicles. For \$2,000 we can drive every day and probably put thousands of kilometres on our car every year.

Tourist buses have liability insurance. Airplanes have liability insurance. Helicopters have liability insurance. I am sure the bus lines, the little buggies in Churchill, Manitoba that take people out to see the polar bears, probably have to have liability insurance. The rail lines also have liability insurance.

However do boats that tour the Great Lakes in Ontario have to have insurance? No, they do not. Why do they not have to have insurance? Because the Liberal side of the House said that it was not needed. It does not care if there are accidents. The Liberals do not care if the owners of the boats have liability insurance. If someone wants to sue the person can sue. The Liberals will not ensure that shipowners have insurance.

Each and every one of those members of that committee felt it was necessary and that the regulations would come. They thought it was necessary but they did not put it in the bill.

What do we do when we get a piece of legislation and we know there is a problem with it?

It was recognized that there was a problem and that the act respecting marine liability should be fixed. How many years has it been since it was worked on? It has been a long time.

We now this bill and we recognize that something is still missing. We should be fixing it now. It is before the House. We should not wait for ten years down the road. We should not wait until there is another accident like the one that took place on Georgian Bay in Ontario. There was no liability insurance. The legislation is before the House. Now is the time to fix it, not five or ten years down the road. That is simply bad business. That is doing a bad job at what we are here to do.

It would be different if we did not know about it. I admit the last time around I did not know about it and I was going to accept it.

Government Orders

However not this time around. It is a serious mistake that not to include this in the bill.

The people who are at risk are the people who will get on board the tourist boats this summer. Those tourist boats do not have liability insurance nor do other boats that carry people in our inland waterways. Anyone crossing the ocean will be covered. That is not a problem. However in Canada there will no be coverage because the Liberal side of this House said there would be none.

This was one time in that committee where every member of the opposition tried their darndest to make sure it was put in this bill. We do not often agree on a lot of things on this side of the House, but this was one area that we thought was serious enough because the welfare of Canadians could be jeopardized. It would not hurt the industry because there was no real great cost to the industry, as my hon. colleague from the Bloc mentioned. It would cost a 100 to 150 passenger boat less than \$2,000. For an 80 passenger boat, it would cost \$1,600 a year. That is less than we would pay for car insurance. How is that going to hurt the industry?

The saddest part is we listened to transport officials tell us that the insurance industry could not handle it. That was a bunch of malarkey because the insurance industry could handle it. What is put in question is the information that came from the transport officials who appeared before committee. I will never trust them again. It was just garbage which was supported by that side of the House.

It was extremely disappointing for me to hear member after member on the Liberal side say they know they have to change the legislation and that it will come.

• (1700)

When? When is it going to come? How many pieces of legislation has the Liberal government said it would bring forward to deal with issues in the country? It never does anything about them. It is all promises, promises, and the government never comes up with the legislation or it drags it out time and time again.

This is an area that should not be dragged out. There is absolutely no excuse for not including mandatory liability insurance in the legislation. My hon. colleague from the Alliance Party put forth an amendment saying we would give the government time and it could put in the bill that this would be put in place by 2003. That is reasonable. All the Liberal members said it will be coming. The parliamentary secretary sat there and said it will be coming because the government knows it is necessary and it will come.

Therefore, the Alliance Party put the amendment saying to give the industry until 2003. Committee witnesses said the insurance

industry could already handle it, that it would not be a problem. However, what happened last night in the House? The Liberal side of the House voted it down and said no, the government would not give that to us by 2003.

The New Democratic Party put forth an amendment, saying that if we will not have mandatory liability insurance, carriers should at least post a notice because passengers have a right to know. What happened last night in the House? The Liberal side of the House voted it down, saying in effect that there will be no liability insurance and that the government will not be telling Canadians there is no liability insurance. There are very few Canadians who realize that carriers do not have liability insurance. They expect that carriers do. They think carriers do. They expect that because that is good legislation and good business. Based on that expectation, they are jeopardizing their welfare because they trust us to do the job we should be doing.

From this moment on, with this not in the legislation, I will go out of my way to make sure the message gets out throughout the country so that people know they do not necessarily have liability insurance. The Liberals had an opportunity to correct the mistake and they have blown it. They did not fix it. As a result I think there is an onus on each and every one of us to make sure that each and every Canadian knows there may be no liability insurance on a passenger carrier.

There are good passenger carriers out there. I would say that a majority of them carry insurance. However, it is like anything. Those that do not are the problem. More than likely they are the ones that are not necessarily the safest carriers. That is why it is an issue. We know that good, responsible businesses carry liability insurance. However, what did the Liberal government say about those who do not? It said that they do not have to post a waiver or let anyone know.

There is an onus on each and every one of us to let people know. Not only will it affect Canadians but anyone else who has come to our country and who is travelling on a boat when something happens. Sure they could go through a civil liability suit, but I wish them luck. If a boat with 80 passengers went down, how many of us think that owner would have enough personal insurance to cover anything? How many houses or cars would he or she have to sell off? There would not be enough to cover it.

For the sake of \$1,600 or \$2,000 a year the Liberal government is willing to jeopardize an industry, because it will have an impact on the entire industry once the message gets out that there is no insurance. It is a serious problem.

I especially want the people in Ontario to hear this, because that is where the majority of those members on that side of the House come from. I will wager that the greatest amount of passenger lake travel takes place in Ontario. Those members are in the group that has said to people in Ontario that they do not need liability insurance.

First, I would like to encourage all the carriers out there to do the good and honest thing, to do the right thing morally, and make sure they carry liability insurance. Second, all those who do carry it should let their passengers know they do so that then they can question the next carrier, which may not have it.

• (1705)

We will have to do whatever we can in a roundabout way to let people know, simply because the government did not do its job. It had an opportunity to put in good legislation. It had an opportunity to fix bad legislation. Each and every member on that side had an opportunity to vote against the bill and let their government know that they did not like it because something was missing, but they chose not to.

They chose to do exactly what the parliamentary secretary did at the transport committee. He got his little ducks in a row and said we cannot do this, we cannot put it in there, guys—sorry, but it was all guys—and everybody did exactly what he said. What happened last night? All the little ducks got in a row again and did not even think about it.

There should have been at least a thought. When there is an Alliance motion and an NDP motion looking for the same thing, it has to be a big enough issue. It has to be important enough to the opposition parties if they are trying to address the same problem. At least that should have flagged for the Liberal members that they had better pay more attention to it.

I was extremely pleased today to hear the strong comments of my colleague from the Bloc. He mentioned a lot of other areas that are of concern. From my perspective those issues did not come into the discussion when we dealt with it the last time. I recognize, the member being from Quebec, that his concern over the seaway is great and rightfully so. The Alliance member spoke very strongly on this as well.

I have to admit I was disappointed in the Conservative member, who had said his party would support it. Actually I had the impression that he may have thought there was liability insurance just down the road. Maybe he did not realize that last night the government voted no and that even by 2003 we will not see it.

I say to the members in the House that this was one of those times when they needed to pay attention to that legislation. For those from Ontario, I absolutely hope that they are not in a situation where they are chewing on this legislation later on, because somewhere down the road somebody will not have insurance and be passengers will be affected.

I would encourage those members and say to them that the government can, under regulation, put this in place. It can make sure there is mandatory insurance. I would hope that members on this side will put pressure on so that it does come out in regulation. I would also hope that the Liberals on that side take a good look at it and push for that regulation, because there is no question that those who will be at the greatest risk will probably be people of the

province of Ontario because of the inland waterways and the numbers of passengers. Certainly it will affect all provinces without question.

In regard to the people of Ontario, I listened to the transport minister make a comment one time that had something to do with the toll roads, that people voted in Liberals so they would get toll roads. It was a comment like that, indicating that people voted for the Liberals and if the Liberals think this is the way it should go this is the way it will go. I guess that is it: if we vote in Liberals we get bad legislation. That is what we have here.

[Translation]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to rise today to speak to Bill S-2.

I would like to congratulate my colleague from Argenteuil—Papineau—Mirabel who spoke earlier this afternoon. I want to tell him how much I appreciated his comments and how true I found them to be.

What I believe once again is serious. I believe it is a sad thing to see this government introduce bill after bill dealing with a very specific problem. The idea is good, but as soon as the opposition parties bring forward amendments to improve the bill the government says nothing and refers the matter to the parliamentary secretary. As far as he is concerned, everything coming from the opposition has to be dealt with in a very negative way. This is a serious problem.

(1710)

This afternoon I listened to Alliance members and the member for the New Democratic Party. As I had not debated this bill, it gave me an idea of what should have been included in it. Listening to the opposition parties does not mean one is an idiot, but rather it shows that one is intelligent. They had good ideas, they were on the right track, but they stopped halfway there.

Stopping halfway is serious because this bill deals with a particular problem. We do not rewrite the same laws every year, I believe they are made to last a few years. Why stop halfway in dealing with a problem that really had to be addressed in order to have, in the end, something tangible and forward looking?

I think that, as my colleague was saying, this government is arrogant. It is not a word to be used lightly, but I am sorry to say that this government is indeed arrogant. We were all elected by the people we represent. They told us to represent them, hoping we would pass on to the government their wishes and their sugges-

tions for a better society. I see that they did not get the message, or if they did they did not understand it. It is very sad.

I think we are all people of goodwill, whether we belong to the Canadian Alliance, the NDP, the Progressive Conservative Party or the Bloc Quebecois. Sometimes I wonder if the Liberal government has the same goodwill.

It is too bad that we just had an election because Canadians already feel that this government is not listening to them. It has been only five or six months since it was elected. Imagine how out of touch it will be in three or four years. We will have passed bills that will have done nothing for the advancement of Quebec and Canadian society.

This bill dealing with marine liability validates certain bylaws and regulations. It was introduced in the Senate on 31, January 2001. Current Canadian legislation relating to the marine mode of transportation includes several regimes governing the liability of domestic and foreign shipowners and shippers, and their responsibility for damage to property, environment, or loss of life or injury to others during maritime activity and therefore dealing with the economic and legal consequences of maritime accidents.

The environment is an issue that is very important to me and I will be addressing several parts of this bill that are related to it in various ways. I will finally get the opportunity to talk about threats to the environment. We no longer have the right not to protect the environment for current and future generations.

This is a serious threat to our planet. We cannot afford to make any concession where the environment is concerned. I think we ought to take every known measures and every measure soon to be discovered to fight against any threats to the environment. We have to face some serious threats like oil spills at sea or close to the coast.

The bill would consolidate existing marine liability regimes, fatal accidents, limitation of liability for maritime claims, liability for carriage of goods by water, liability and compensation for pollution damage, into a single piece of legislation which would also include new regimes concerning shipowners' liability to passengers and apportionment of liability applicable to torts governed by the Canadian maritime legislation.

• (1715)

The bill would retroactively validate certain bylaws made under the Canada Ports Corporation Act and certain regulations made under the Pilotage Act. The validating provisions are of a strictly housekeeping nature and are unrelated to the marine liability regimes set out in the bill.

I would like to talk about the description and the analysis contained in part 1 dealing with personal injuries and fatalities. Those provisions are set in clauses 4 to 14.

It follows a decision made in 1993 by the British Columbia Court of Appeal where the court found that relatives of persons killed in marine accidents could sue under part 14 of the Canada Shipping Act.

Part 1 of the bill would generally re-enact the provisions concerning fatal accidents that currently appear in part 14 of the Canada Shipping Act, revising them to give effect to the various Supreme Court of Canada decisions. More specifically, part 1 would update Canadian maritime law to reflect developments in provincial fatal accidents legislation and to confirm that maritime wrongful death and injury claims may be made against persons as well as ships.

Part 1 would apply only in respect of claims for which a remedy would be sought under Canadian maritime law, as defined in the Federal Court Act, or any other law of Canada in relation to any matter falling within the class of navigation and shipping or dealing more precisely with clause 5. Any action based on part 1 of the bill would be barred for two years.

This would improve legislation but would not solve the new problems users would be facing. The Bloc Quebecois agrees with this part, whose aim is to permit the dependants of a person injured or deceased to recover damages and interest. We agree with these measures, but we could have been, as my colleague has said, more attentive to what the witnesses said when the bill was being examined in committee.

I will also address part 2, that is clauses 15 to 23, which set out the apportionment of liability. It involves the application of the principle that if several people or ships are liable each is apportioned part of the blame, and if it is impossible to determine individual degrees of fault all are equally and jointly responsible.

The claimant may initiate proceedings for negligence in shipping matters in Canada. First, the common law defence of contributory negligence prevents a claimant from recovering anything if the defendant can prove that the claimant's own negligence, even in the slightest degree, has contributed to the damages.

Second, a defendant who is found responsible for paying a claimant damages is then prevented from claiming a contribution from other persons. It really concerned these clauses; it improved them and the problems. It also made it possible to link this new apportionment of liability with the Quebec civil code, which had always recognized these rights.

At the federal level, however, apportionment legislation such as currently exists at the provincial level has never been enacted, except with respect to damage caused by collisions between ships. It is important to have this vision so that this problem may be really linked with provincial jurisdictional distribution.

(1720)

Also, the Quebec government with its civil code has always been further ahead. I am not saying this because I live in Quebec: I think this has been recognized throughout Canada with many issues. The civil code, which was updated a few years ago, has really been updated to respond to what is happening. That is what is important to legitimize, to allow the apportionment of liability in part 2 which includes clauses 15 to 23. We agree in principle with this apportionment of liability in part 2.

I will also deal with part 3, which includes clauses 24 to 34. It covers the "Limitation of liability for maritime claims". This is very important. I believe it is very important to ensure the apportionment of liability, whether financial or by units of account or special drawing rights issued by the International Monetary Fund under the London convention of 1976 and the Canada Shipping Act, with an extension to cover the liability of dock, canal or harbour owners.

I would also like to point out that claims arising from a ship in collision will be limited to two years. This is in subclause 23(1). However, a court with jurisdiction to deal with such an action could, in accordance with the rules of the court, extend the two year time limit to the extent and on the conditions that it thought fit. As well, the court could extend the time period for arresting a ship if satisfied that the two years had not afforded a reasonable opportunity to arrest the ship within the waters of a province or of Canada.

It is a very important provision, because these things could take a long time. These legal actions took a long time to settle. Ships could be tied down and, before everyone could agree on some kind of settlement undue extensions could be granted. We all know how long judicial proceedings can be—

This clause would speed up the determination of liability and the processing of maritime claims. That is what is called limitation of liability for maritime claims.

As my colleague pointed out, this provision could have been improved upon further. I think that we in the Bloc Quebecois will support this aspect in relation to part 3. Given all we have heard in the past, legal actions that went on for years on end, witnesses that came before the committee urging us to take action and to take all necessary means to do so, I think the government is not going far enough.

I know that my time is quickly running out. As I said at the beginning of my speech, I also want to talk about the environment. As we know, it is a very important issue. It is just incredible how many environmental disasters we see around the world. We hear about ships accidentally discharging their cargo into the environ-

ment. We can see how unacceptable this is from the ecological point of view. It will be years and years before all the flora and fauna, all the shore areas affected by spills can recover and finally get back to the way they used to be.

We know that many species are endangered. There are endangered birds and marine species. It is very important to ensure heavy vigilance. I believe we can no longer allow these companies to travel about the planet anywhere they want, doing anything they want.

• (1725)

As for the \$100 million figure for the fund, I will take the example of the incident on the coast of France a few years ago. Initially this was to cost a few million dollars but in the end the figure was escalating; \$100 million is very low. This bill ought to have given a far higher figure. We have absolutely no idea today what it will cost to restore what we have destroyed.

Far be it from me to alarm the people listening to us today. That is not my intention. I have never wanted to do that, but we must be responsible. As responsible persons we must tell oil companies which have a major responsibility that they must assume their responsibility.

Under the heading "Payments into the Ship-source Oil Pollution Fund", clause 93 and the following clauses say that ship owners must pay 30 cents per metric ton "in respect of each metric ton of oil in excess of 300 metric tons imported by ship into Canada or shipped by ship from any place in Canada in bulk as cargo". This levy set as of March 31, 1999, will be adjusted annually. I believe it is generous. This bill is generous toward the oil companies.

These days, for the past year and a half to two years in fact, we have experienced spiralling costs. The government says it is not responsible. Oil companies say they are short of money but they are making record profits. I will not tell the House what people back home are saying. In the Saguenay we have words to describe this kind of people but I will not say what they are because it is not parliamentary. Allow me to think and say that it is indecent. Let us talk about how much money the oil companies are making on the back of the poor.

You must have poor people in your riding, Mr. Speaker. You have farm workers, taxi drivers, school bus drivers. All these people need a car to go to work. Do you not think it is very hard for them?

In the Quebec City area I paid 89 cents for a litre of regular gasoline. It is a lot. What is it going to be this summer? They say that during the holidays people are not cost conscious. I believe it is indecent to think that way.

As mentioned by my colleague, the Bloc Quebecois will support the bill with some reservations. I believe it could have been

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improved to show that we were finally going to do the right thing. [*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Bélair): In my opinion the yeas have it.

An hon. member: On division.

(Motion agreed to, bill read the third time and passed)

* * *

(1730)

BUDGET IMPLEMENTATION ACT, 1997

The House resumed consideration of Bill C-17, an act to amend the Budget Implementation Act, 1997 and the Financial Administration Act, as reported (without amendment) from the committee.

The Acting Speaker (Mr. Bélair): Pursuant to order made earlier today, the House will now proceed to the taking of the deferred recorded divisions on the report stage of Bill C-17.

Call in the members.

● (1755)

(The House divided on Motion No. 1, which was negatived on the following division:)

(Division No. 93)

YEAS

Members

Anderson (Cypress Hills—Grasslands) Abbott Bachand (Saint-Jean) Bellehumeur Bailey Benoit Bergeron Bigras Borotsik Blaikie Bourgeois Breitkreuz Brien Brison Cadman Cardin Chatters Casson Clark Comartin Crête Cummins Dalphond-Guiral Davies Desjarlais

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Duceppe Desrochers Elley Epp Forseth Fitzpatrick Gagnon (Champlain) Gagnon (Québec) Girard-Bujold Godin Grey (Edmonton North) Guay Harris Hill (Macleod) Hearn Hilstrom Jaffer Laframboise Lanctôt Lill Lebel

Loubier Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough) Manning
Marceau Mark
Markeld McNally

Markind Markind Markind Mayfield McNally Ménard Meredith Merrifield Mills (Red Deer) Moore Nystrom Obhrai Paquette Penson Perron Peschisolido Proctor

Rajotte Reid (Lanark—Carleton) Reynolds Robinson

 Reynolds
 Robinson

 Rocheleau
 Roy

 Sauvageau
 Schmidt

 Skelton
 Solberg

 Sorenson
 Spencer

 St-Hilaire
 Stinson

Thompson (New Brunswick Southwest)
Tremblay (Lac-Saint-Jean—Saguenay)
Venne
Thompson (Wild Rose)
Vellacott
Wasylycia-Leis

Wayne White (Langley—Abbotsford)

White (North Vancouver) Williams

Yelich—93

Adams

NAYS

Members

Alcock

Allard Anderson (Victoria) Assad Bakopanos Barnes Beaumier Bélair Bélanger Bellemare Bertrand Bevilacqua Blondin-Andrew Binet Bonin Bonwick Boudria Bradshaw Brown Bryden Byrne Caccia Cannis Caplan Carignan Castonguay Catterall Chamberlain Charbonneau Collenette Comuzzi Cotler Copps Cuzner DeVillers Dhaliwal Drouin Duhamel Duplain Eggleton Eyking Farrah Finlay Fontana Fry Gagliano Gallaway Godfrey Goodale Graham Gray (Windsor West) Grose Harvard Harvey Hubbard Jackson Ianno Jennings

Keyes Kilgour (Edmonton Southeast)

 Knutson
 Kraft Sloan

 Lastewka
 Lavigne

 Lee
 Leung

 Lincoln
 Longfield

 MacAulay
 Macklin

 Mahoney
 Malhi

 Maloney
 Marcil

Marleau Martin (LaSalle—Émard)

Matthews McCallum
McCormick McGuire
McKay (Scarborough East) McLellan

McTeague Mills (Toronto—Danforth) Mitchell Murphy

Myers Neville Nault Normand O'Brien (London-Fanshawe) O'Reilly Pagtakhan Owen Paradis Parrish Phinney Pickard (Chatham—Kent Essex) Pillitteri Proulx Redman Reed (Halton) Regan Robillard Richardson Rock Savoy Saada Scott Sgro Speller Shepherd St. Denis St-Jacques Steckle St-Julier Stewart

Szabo Telegdi Thibault (West Nova) Thibeault (Saint-Lambert)

 Tirabassi
 Tobin

 Tonks
 Torsney

 Ur
 Valeri

 Vanclief
 Volpe

 Whelan
 Wilfert

 Wood—139
 Wilfert

PAIRED MEMBERS

Carroll Cauchon
Coderre Dubé
Gauthier Guimond
Harb Minna

Picard (Drummond) Tremblay (Rimouski-Neigette-et-la Mitis)

The Speaker: I declare Motion No. 1 lost.

Hon. Paul Martin (Minister of Finance, Lib.) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

• (1800)

Ms. Marlene Catterall: Mr. Speaker, I think you would find consent to apply the vote on the previous motion in reverse to the motion now before the House.

The Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

Abbott

Bachand (Saint-Jean)

Private Members' Business

NAYS

Members

Bailey

Mr. Rick Borotsik: Mr. Speaker, I would like the record to show that the member for Fundy Royal is voting with his party on this one as well.

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

(Division No. 94)

YEAS

Members

Adams Alcock Anderson (Victoria) Bakopanos Allard Assad Barnes Reaumier Bélair Bélanger Bellemare Bennett Bevilacqua Bertrand Blondin-Andrew Rinet Bonin Bonwick Boudria Bradshaw Brown Bryden Byrne Caccia Caplan Castonguay Carignan Catterall Chamberlain Charbonneau Collenette Comuzzi Copps Cullen Cotler Cuzner DeVillers Dhaliwal Drouin Duplain Eggleton Finlay Fontana Gagliano Fry Gallaway Godfrey Goodale Gray (Windsor West) Graham Grose Guarnieri Harvard

Harvey Hubbard Jackson Jennings Jordan Keyes Kilgour (Edmonton Southeast) Knutson Kraft Sloan Lastewka Lavigne

Leung Longfield Lee Lincoln MacAulay Macklin Mahoney Malhi Marcil Maloney

Marleau Martin (LaSalle—Émard) Matthews McCallum McCormick McGuire

McKay (Scarborough East) McLellan

McTeague Mitchell Mills (Toronto-Danforth) Murphy Nault

Neville Normand O'Brien (London-Fanshawe) O'Reilly Owen Pagtakhan Parrish Phinney Paradis Peric Pickard (Chatham-Kent Essex) Pillitteri Redman Proulx Reed (Halton) Regan Robillard

Richardson

Rock Saada Scott Savov Sgro Speller Shepherd St. Denis St-Jacques St-Julien Steckle Stewart Szabo

Telegdi Thibeault (Saint-Lambert) Thibault (West Nova)

Tirabassi Tonks Tobin Torsney Valeri Vanclief Volpe Whelan Wood—139 Wilfert

Anderson (Cypress Hills-Grasslands)

Bellehumeur Benoit Bigras Bergeron Blaikie Borotsik Bourgeois Breitkreuz Brien Brison Cadman Cardin Casson Chatters Clark Comartin Crête Cummins Dalphond-Guiral Davies Desjarlais Day Desrochers Duceppe Elley Epp Forseth Fitzpatrick

Gagnon (Québec) Gagnon (Champlain) Gallant Girard-Bujold Godin Grey (Edmonton North) Guay Harris Hearn Herron

Hill (Macleod) Hilstrom Jaffer Laframboise Lanctôt Lebel Lill Loubier

Lunn (Saanich-Gulf Islands) MacKay (Pictou-Antigonish-Guysborough)

Manning Marceau Mark Mayfield McNally Ménard Merrifield Meredith Mills (Red Deer) Moore Obhrai Nystrom Paquette Penson Peschisolido Perron Proctor Rajotte Reid (Lanark-Carleton) Reynolds Robinson Rocheleau Roy Sauvageau Schmidt Skelton

Solberg Sorenson Spencer St-Hilaire Stinson

Thompson (New Brunswick Southwest) Thompson (Wild Rose) Tremblay (Lac-Saint-Jean-Saguenay)

Vellacott Venne Wasylycia-Leis Wayne

White (North Vancouver) White (Langley-Abbotsford)

Williams Yelich—94

PAIRED MEMBERS

Carroll Cauchon Coderre Dubé Gauthier Guimond Harb Minna

Picard (Drummond) Tremblay (Rimouski-Neigette-et-la Mitis)

The Speaker: I declare the motion carried.

It being 6 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

HOUSING

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance) moved:

That, in the opinion of this House, the government should introduce legislation that offers GST relief to the victims of premature building envelope failure who are eligible for compensation through British Columbia's PST Relief Grant Program and to make any and all consequential amendments required.

He said: Mr. Speaker, the building envelope failure, or a leaky condo crisis, has been devastating to British Columbia's real estate market. It has devastated families, evaporated peoples' savings, thrown families into financial crisis and drowned the dreams of thousands of homeowners.

The leaky condo crisis involves over 50,000 damaged and destroyed homes. Those affected face an average repair bill of \$21,043 per owner. The average owner faces a total loss of \$58,543 on their investment, 12,879 consumer bankruptcies have been the direct result of the leaky condo crisis and at least 7,500 condo owners have or will claim bankruptcy due to this disaster.

This issue is not just about statistics. I want to tell the House about a couple of constituents of mine who are being crushed by this issue.

Carma Albert lives in the Glenborough in Coquitlam Town Centre. Carma is a member of her strata council and she is helping to co-ordinate its \$1.7 million reconstruction project. Carma and her husband had hoped that their suite would be a stepping stone to buying their future house.

It now seems that with an assessment of nearly \$19,000 their plan will have to be put on hold for quite some time. By the way, Carma is the mother of a tiny baby only a couple of months old.

Claudette Friesen is another constituent of mine. She lives with her husband and daughter in the Madison in Coquitlam Town Centre in my constituency. They also have a newlywed daughter. Claudette is very involved in my community as president of the Coquitlam Town Centre Community Association, president of the Madison Strata Council which is managing roughly \$1 million in repairs. She is the founding member of the tri-cities condo group and she sits on several city committees, including the mayor's task force on building envelope failure.

She also has multiple sclerosis. Her family has been assessed \$15,000 with an additional assessment of approximately \$3,000.

These sorts of tragedies are seen all across British Columbia. If we count the owners of leaky condos and their extended families, this crisis has directly affected 250,000 people, one in 10 British Columbia voters. Twenty-four of 34 constituencies in British Columbia are affected by this issue directly. The impact of this issue is enormous.

The collateral economic impact of this issue is devastating. When local governments are taken to court as defendants in leaky condo court cases, all taxpayers are on the hook.

• (1805)

Taxpayers are soaked again when Canada Mortgage and Housing Corporation, a federal crown corporation and the largest mortgage insurer in the country, bears the brunt of the cost of foreclosures. Also, when homeowners declare bankruptcy, their creditors pass on the debt expense as a business expense, which is then borne by all consumers.

With all this in mind, it has been three years since former British Columbia premier David Barrett was appointed to chair a commission to look into this disaster. His report was tabled in June 1998 and it made 82 recommendations to, as the title of his report suggests, create a "Renewal of Trust in Residential Construction".

Among the recommendations, the federal government was asked to pay \$300 million into a compensation plan that would help homeowners repair their leaky condos. On July 17, 1998, the minister responsible for Canada Mortgage and Housing Corporation announced that the federal government would lend \$75 million to the reconstruction fund. In truth, the federal government will not give a dime to affected homeowners.

Quite to the contrary. At the same time that the federal government is giving a no-interest loan to the province of British Columbia for \$75 million, money that has yet to be spent or seen, by the way, it is raking in a tidy profit from the application of GST to the cost of repairs. The three year carrying cost, that is the lost interest on the \$75 million federal loan to British Columbia, is roughly \$13 million.

However, before members of the Liberal government pat themselves on the back for this contribution, they should know that they are profiting mightily from this crisis.

To date, the federal government has received \$40.7 million in GST revenue on the \$581 million that leaky condo owners have spent on their repairs. If we deduct the \$13 million carrying cost of the \$75 million loan, we arrive at roughly \$30 million, which is the net GST profit that the federal government has pocketed on this disaster from its victims. That is the government's profit.

While low and middle income families in my riding and across British Columbia struggle to keep up with the bills that are rolling in because of this disaster, the government is helping no one, but laughing all the way to the bank.

My motion reads:

That, in the opinion of this House, the government should introduce legislation that offers GST relief to the victims of premature building envelope failure who are eligible for compensation through British Columbia's PST Relief Grant Program and to make any and all consequential amendments required.

The motion is nothing more than the implementation at the federal level of Barrett commission recommendations 79 and 80, found on page 52 of the "Renewal of Trust in Residential Construction", part 2, volume 1.

Those recommendations read:

79. For purposes of reconstruction, all GST and PST, payable on qualified repairs and renovations, should be repealed. In this way, the owner/occupier is treated by taxation the same way as the owner/landlord.

80. All GST and PST that has been paid on renovations should be refunded to the

I would like to point out three things with reference to these recommendations. First, that the Barrett commission believes that all taxpayers should be treated equally. If a landlord can deduct the cost of leaky condo repairs from his taxes, then GST relief should also be offered to an individual owner of another similarly affected leaky condo in the same complex.

The government, while pretending to be a friend of the poor, the downtrodden and the little guy, taxes the working class owners of the leaking and rotting condo on the cost of repairs to their homes but it does not tax the same repair costs in the same manner when those repairs are paid for by the building's owner.

The second point I would like to note is that the government of British Columbia has wholeheartedly embraced recommendation 79 and 80 and created the PST relief grant program that is administered through British Columbia's homeowner protection office.

The provincial government ensures that the PST relief is only given to the intended class of victims, those who own or live in leaky condos and those who can prove that they have paid to have their homes repaired.

Among the documents those who qualify must submit are: First, a certificate to verify that the repair was necessary due to a premature building envelope failure and is not simply related to maintenance; second, a statutory declaration by the contractor confirming repairs have been completed; and three, copies of

contracts with change orders, invoices or certificates of payment that support the cost of repairs being submitted on the application.

The federal government could easily piggyback on this system and give GST relief only to those who qualify for the PST relief grant program. Unlike the home heating fuel rebate that this government botched earlier this year, this approach is foolproof from waste and error and, more important, it is compassionate and the appropriate thing to do.

The third point I would like to make is the very nature of embarking on commissions like the Barrett commission in the future if its findings are simply to be ignored by the federal government.

(1810)

The federal government is currently looking at the issue of reforming our health care system. Mr. Romanow, a respected former premier of the province of Saskatchewan is leading the effort and he will report to Canadians and the House in up to 18 months with recommendations.

I ask the government to think about the precedent it is setting by ignoring the Barrett commission and the cynicism such a move will engender. If the government ignores the Barrett commission, how can Canadians have any confidence that the government will respect any future reports from similar commissions? If the government turns a deaf ear to its obligations, as stated by the Barrett commission, it sends a signal that the reports of future commissions, including the Romanow commission, will also do nothing more than gather dust on Liberal shelves.

What hope, or better yet, what point is there in even asking taxpayers to ante up a dime for this type of bogus political posturing if commission recommendations are simply ignored?

We know that the cost of repairs on the average leaky condo is \$21,043 per owner. GST on the repairs works out to \$1,473 per condo. If we assume that the estimate of 50,000 leaky condos from the Barrett commission is correct, that would mean that the federal government would forgo \$73.6 million in GST on leaky condo repairs.

That is what my motion calls for, granting GST relief only to those who qualify for the PST relief from the government of British Columbia. That, by the way, is a paltry 20% of the announcement last week by the Minister of Canadian Heritage of \$560 million for Internet art and assorted cultural posturings.

It has not escaped my attention, or that of those watching and who own leaky condos, that while this motion is not being voted on and is not being taken seriously by the government, we will soon be voting on the weighty matter of creating the position of a parlia-

mentary poet laureate. I can only hope that the poet laureate will be able to adequately capture in iambic pentameter the depth of frustration and distress felt by those who live in leaky condos who will not be applying for Internet funding and whose needs are being ignored by the government's harsh decisions.

My motion is in the spirit of strengthening federal-provincial relations and in encouraging the federal government to partner with the government of British Columbia to implement the Barrett commission recommendations 79 and 80. By respecting these recommendations the federal government would send a clear message to the people of British Columbia that it is willing to work with their government to solve major problems that affect them the most.

My motion is probably good also for the federal purse as contractors cannot avoid paying income tax on the repairs they perform if clients need a receipt to claim their GST relief. Presumably this is part of the justification for the government's partial GST relief on new homes and renovations to homes.

The government has repeatedly resisted calls for GST relief on the repairs to leaky condos. In a July 17, 1998 press release entitled, "Gagliano Announces Federal Aid for Leaky Condo Owners in Lower Coastal B.C." we find the following paragraph:

Tax relief or a tax subsidy, as suggested by the Barrett Commission report, would not be an equitable option for all Canadians. The Government of Canada's position is that the federal tax system is nationally based and it would be difficult to provide tax assistance to owners of water-damaged dwellings in B.C., while excluding others. It would also be difficult to provide a tax subsidy for unexpected repair costs arising from one particular cause but not others.

It is my understanding that this accurately articulated the government's position at the time, and that position has not evolved. The fact that the Parliamentary Secretary to the Minister of Finance is here with five books on his desk to respond to my speech says that the government will respond to my motion on an economic basis, and the minister himself will not be responding.

I want to draw the House's attention to the final sentence from the minister's release that I just read. He said:

It would also be difficult to provide a tax subsidy for unexpected repair costs arising from one particular cause but not others.

Let me quote from page 5 of Revenue Canada Bulletin 4028 entitled, "GST/HST New Housing Rebate" as updated online on April 26 of this year. It reads:

You may be eligible to claim a rebate for a part of the GST/HST you pay on the purchase price or cost of building your home, if you are an individual, and: You buy a new or substantially renovated home, and you lease the land from the builder; you construct or substantially renovate your own home, or carry out a major addition (or hire another person to do so); or your home is destroyed by fire and subsequently rebuilt

Note how this final point, GST relief in cases where one's "home is destroyed by fire and subsequently rebuilt," flies in the face of the minister's comments I just read to the House.

If I understand the government's position correctly, then it will not give GST relief to owners of leaky condos facing unexpected repairs and affected by the 1999 collapse of the new home warranty program, but his colleague, the Minister of National Revenue, will offer GST relief to those "facing unexpected repair costs arising from one particular cause", in this case fires, even though in many cases fire damage is covered by insurance.

(1815)

Such a contradiction in policy seems typical of the government. It offers help to those who do not really need it while taxing and profiting from those in distress. The Liberal government is even contradicting a core principle of the GST. Many Canadians know that by law the government extends partial GST relief to Canadians who build a sun deck, add a second storey to their house, or turn their carport into a garage.

However the government will not extend that relief to Canadians who try to repair their own leaky condos and thereby avoid deterioration of their homes. This sort of judgment, with a clear contradiction of principle and policy and with blatant disregard to its impact on victims, is the sort of judgment that alienates Canadians from this institution and undermines the ability of parliament to claim to represent those in need.

We have seen how the government is prepared to give GST relief to cases where certain repairs and renovations are undertaken and even to the construction of new homes. However it stops short of extending the umbrella of GST relief to those most in need, namely 10% of my constituents. A respected provincial commission recommended such relief. The province was quick to embrace the same recommendation and has already established an efficient mechanism to distribute this relief. Surprisingly the government stops short of giving this GST relief to only those who need it.

On behalf of thousands of my constituents, tens of thousands of British Columbians and all those who seek compassion and justice on this issue, I ask the government to implement Barrett commission recommendations 79 and 80 to give leaky condo owners the same treatment as those who repair fire damaged buildings and to show compassion to those whose homes and lives have been destroyed by this crisis. I call on the government to support my motion and to treat leaky condo owners with the justice, respect and sense of compassion they deserve.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am pleased to have the opportunity

to comment on the motion put forward by the hon. member for Port Moody—Coquitlam—Port Coquitlam.

The motion proposes that the government introduce legislation to offer goods and services tax relief to victims of premature building envelope failure, or what we commonly refer to as leaky condos, who are eligible for compensation through British Columbia's PST relief grants program.

The federal government is sympathetic to the difficulties and inconvenience being experienced by individuals in British Columbia over premature building envelope failure to their condominiums as a result of moisture damage. I was in Victoria not too long ago and I spoke to many people who were victimized by this unfortunate event.

I can assure the hon. member that the federal government has given careful consideration to requests for assistance from condominium owners in the British Columbia lower mainland and Vancouver Island areas.

As evidence of its concern I remind the House that the federal government through the Canada Mortgage and Housing Corporation announced \$27.7 million in assistance for owners of moisture damaged homes in British Columbia in October 2000. That was the \$75 million interest free loan program. These funds, which were made available through B.C.'s provincial homeowners reconstruction loan program, would greatly assist those homeowners who are having financial difficulty making necessary repairs.

With respect to the hon. member's motion, the federal government believes that the GST is not the appropriate vehicle for providing relief in regional crises. Hon. members will recall that the GST is intended to be a broadly based tax applied to the same tax base throughout the country. As a result it would be very difficult to justify providing tax assistance to owners of water damaged dwellings in British Columbia while excluding people in other areas of the country who also purchased homes of substandard quality. What do we do for them?

In addition, it would be difficult to justify providing a tax subsidy for unexpected repair costs arising from water damage but not for repair costs arising from other causes. Is there something particularly special about water?

• (1820)

The government is sympathetic and has given careful consideration to requests for assistance of all types, not only in the context of the condominium problems in British Columbia but also for the extensive damage to homes resulting from the floods in the Saguenay in 1996 and Manitoba in 1997, as well as the ice storm in Quebec and Ontario in 1998. As regional GST relief was not provided following these crises, it would be inappropriate in this

case to use the GST to provide regional relief that is limited to British Columbia.

The government supports the view that it is more appropriate to provide tax relief for low income Canadians than to exclude specific items from the GST base. This is achieved through the GST credit which helps to offset the sales tax burden of low income families and individuals, thereby ensuring that the sales tax system is sensitive to differences in income and family type.

The member for Port Moody—Coquitlam—Port Coquitlam talked about the energy rebate. It reached 11 million Canadians at a cost of \$1.3 billion. It was driven through the GST rebate and went to Canadians directly. It did not go to the oil companies, as was the proposition put forward by the Alliance Party. The rebate went directly to Canadians who needed some relief from the high energy costs this past winter. The credit has proven to be a very effective means of targeting and delivering tax relief, particularly to low income families.

For these reasons the government does not support using the tax system as a means to provide relief. However I assure the hon. member that the federal government would continue to work with the government of British Columbia in assisting owners of moisture damaged homes or leaky condos with their repair costs.

The federal government's October 2000 announcement of \$27.7 million in assistance is evidence of this commitment. The Canada Mortgage and Housing Corporation will continue to work in co-operation with others involved in housing research and design to find practical solutions to moisture related problems. For the reasons I have just outlined, I am unable to support the hon. member's motion.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I thank the hon. member for Port Moody—Coquitlam—Port Coquitlam for bringing the motion forward for debate. Like the hon. member, I am a member from British Columbia. I know from personal experience, in speaking with my constituents and visiting homes in east Vancouver, the devastation that has been caused by leaky condos.

I listened to the parliamentary secretary speak on behalf of the government to the motion. I cannot help but comment on the absurdity of the government saying that it is sympathetic to the inconvenience of owning a leaky condo. We are not talking about inconvenience. We are talking about families who have gone into bankruptcy, families who could not sell their apartments for a dime. Everybody knows they are leaky condos; they have put plastic and awnings on the outside. These families know they will never be able to get rid of them.

We are not talking about an inconvenience when these people use all their RRSPs, beg and borrow at the bank, and throw their

life savings into trying to repair their condos. It causes sleepless nights and incredible anxiety because they are dealing with the most important purchase they have ever made. British Columbians are facing a billion dollar tragedy.

The hon. member for Port Moody—Coquitlam—Port Coquitlam outlined some of the issues very well. I support his motion. I am very proud to say that the provincial government of B.C. took the issue very seriously. It set up a public inquiry, headed by former premier and former member of parliament Dave Barrett.

● (1825)

They held exhaustive public hearings. They tried to get to the root causes of what had caused this problem in condominiums and, I should mention, in federally funded co-ops. They have also experienced the same problem.

In reading through the volumes of reports of the Barrett commission, we see that the B.C. government did come forward with very proactive and positive measures to provide relief to homeowners, who were suffering terribly. For example, the provincial government provided PST relief. The province provided about \$100 million in no interest loans. The homeowner protection office has been operating since October 1998. There are very tough new licensing requirements for developers and contractors. The province even approved \$30 million in interest free loans for federally funded co-ops because the federal government would not do anything. In fact, the province has made extensive recommendations and has acted on them to provide some assistance.

It is quite appalling to know that there has been virtually no response from the federal government. I really take offence to the suggestion on the other side from the government that because this is "a regional issue" it does not qualify for the kind of relief called for in the motion.

Anyone who thinks this issue of leaky condos, leaky co-ops and building envelope failure is contained to this one province should think again, because this issue is now cropping up in other communities across Canada. The idea that because it is regional somehow people will not qualify for the kind of help they need is an idea I find offensive.

I want to say that my colleague, the member of parliament from Burnaby—Willingdon, the former member of parliament from Kamloops, and three members from the NDP in British Columbia wrote time and time again to the minister responsible for Canada Mortgage and Housing Corporation.

In one of the many letters we wrote to him, we told him that the Barrett commission had urged the provincial and federal levels of government to provide compensation and had further recommended that the federal government ensure that CMHC provide assistance as well as tax relief on repairs. Ironically, though, we

told him, because the federal government rejected the recommendations that would allow homeowners to repay their RRSPs, the government was actually making money off people who were forced to liquidate their RRSPs to pay for repairs.

It is just so insulting to people to have to withdraw their life savings and then find out that they are being taxed on those savings. The federal government is actually making money off this tragedy of people having to deal with costly repairs for their homes.

One thing the parliamentary secretary did get right is the fact that last October the federal government provided to the province of British Columbia a one time grant of \$27.7 million. This is important to note, because during the last federal election campaign our local Liberals, including the member who was defeated by the member bringing forward the motion today, tried to spin that, saying that the federal government was actually providing \$75 million in support.

Let us be clear. The \$27 million grant allows the province to finance \$75 million worth of no interest loans. In other words, the federal money basically pays the province the interest on \$75 million. However, during that campaign the claims were just outrageous. There were claims in the media by Liberal candidates who were running around saying that the federal government had coughed up \$75 million. It was no such thing.

The motion today is very straightforward and basic. The motion deals with one of the issues that came forward from the Barrett commission. It seems to me to be the most common sense and the most minimal thing the federal government could do, which is to provide GST relief just as the provincial government has provided PST relief.

However, surely we have to go further than that. People should be able to withdraw from their RRSPs and not get dinged on having to pay the taxes. People should be able to have an income tax deduction for the cost of repairs.

● (1830)

Finally there is the issue of compensation. Mr. Barrett made a very strong recommendation for compensation because people, through no fault of their own, are living in a state of disrepair and dysfunction because of what is happening to their buildings. Compensation is something I support and I believe the federal government has a responsibility to compensate those people.

The parliamentary secretary raised the issue of other disasters in Canada. Let us look at the ice storm in Ontario and Quebec and how quickly the federal government responded to it. The government saw it as an emergency and put forward some \$900 million or \$700 million to deal with it. That was the proper thing to do.

The issue of leaky condos in British Columbia is no less of an emergency but it has been completely ignored by the federal government. We must continue to press on this issue.

I say to the minister today in the House that if he has somehow forgotten the file on leaky condos or thinks other people have forgotten, he has only to go into any community in B.C. and talk to people to understand the horror of what they are facing. This is a very real financial burden for homeowners and families in British Columbia.

I very much support the motion. It is one aspect of a much larger program that needs to be undertaken. I also say shame on the federal government for ignoring the problem and cutting out homeowners who are legitimately concerned about an emergency over which they have no control. I urge the government to support the motion and provide GST relief.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I am pleased to be able to say a few words on the issue.

A little less than a year ago, shortly after I was elected, I found myself in British Columbia with a colleague, Gilles Bernier, who was then my party's critic for the department. Mr. Bernier did a lot of work on this file and we became well aware of the major problem facing people in British Columbia. People in other provinces were affected as well, but certainly the crisis was in British Columbia.

A lot of people do not realize the magnitude of the problem. The building envelope failure or, as we call it, the leaky condo crisis, has led to at least 7,500 condo owners having to claim bankruptcy. That is 7,500 owners.

Average repair costs are over \$21,000 per owner, a total loss of investment of almost \$59,000 for the average owner. There are estimated to be almost 13,000 consumer bankruptcies as a direct result of the leaky condo crisis. The issue impacts about 70% of the districts in British Columbia. This is not an isolated case of a housing program in some community. It is a major concern to many people in the province of British Columbia.

In reaction to the leaky condo crisis the British Columbia government empowered the Barrett commission to make recommendations. Motion No. 293 which we are discussing seeks to implement at the federal level the spirit of recommendations 79 and 80 of the Barrett commission. Recommendation 79 states:

For purposes of reconstruction, all GST and PST, payable on qualified repairs and renovations, should be repealed. In this way, the owner/occupier is treated by taxation the same way as the owner/landlord.

• (1835)

Recommendation 80 states:

All GST and PST that has been paid on renovations should be refunded to homeowners

The B.C. government has embraced the plan and eliminated the provincial sales tax from qualified repairs. However the federal government has repeatedly refused to remove the GST from leaky condo repairs although it has exempted new homes from the GST and does not tax certain luxury items. The government does not tax luxuries in some cases and yet it taxes misfortune. That is what is occurring here.

As I listened to the parliamentary secretary I was hit by a couple of the words he used. One was sympathetic. He said that the government was sympathetic to the problem in British Columbia and that it was giving it serious consideration. I ask the parliamentary secretary and the government: How many leaky condos can be repaired with sympathy or serious consideration?

The parliamentary secretary said that tax credits could not be used for relief in cases like this. The government of British Columbia found a way to use taxes to relieve the situation. If there is a will there is a way. The problem with the federal government is that the will is not there.

Yesterday in the House we had a debate about the cleanup of St. John's harbour. Let us talk about coincidence. The NDP member who spoke before me mentioned \$27 million that the parliamentary secretary said had been given to British Columbia. That was very good of him but he did not say when it was given. The hon. member from the NDP, a British Columbia resident, said that it was in October of last year.

What happened in October? An election campaign was going on. Perhaps it is my devious mind but I wonder if the \$27 million given to British Columbia, which the government bragged about as if it were \$75 million, had anything to do with the election. At the same time the government promised Newfoundland \$33 million to clean up St. John's harbour.

We saw what happened yesterday. The government said that there was infrastructure money but that it needed to pick and choose. It said nothing about the ordinary infrastructure agreement last October. It was a specific program.

Two things are becoming quite clear. First, the government has no will to do what it should be doing. Ways can be found to help the people of British Columbia. A very simple way is being recommended here this evening with this motion. However the government says that it will not do so because it does not have the will. There are ways to help but the government says that it will not do so.

This is no surprise to any of us. The people affected by this are going through severe trauma. Many of them are bankrupt or wondering how they will pay for the necessary repairs. What are we saying here in the House? The government says that it does not care. That is not the way it should be.

This evening we hope to convince the government to change its mind, agree with us on the motion and provide the people of British Columbia the assistance they not only need but deserve. There is a way if the government is willing.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, I very much appreciate my colleagues' comments, particularly the member for Vancouver East and the member for St. John's West who just spoke on the issue.

● (1840)

I came to the House with a big heart, hoping that I could raise issues that were important to my constituents, and we have spent 40 or 45 minutes of discussing the issue.

When I went into the general election campaign in my constituency, I went in with big ideals that I and my party would move mountains, that we would cut taxes and that we would have new Canada, and that these were the things would talk about.

However when I got into an election campaign I discovered what most members discover. The issues that people are most concerned about in their constituencies are the issues that affect them most at home, the bread and butter issues such as are they safe walking down the street, or is the government going to take more from their pockets than it should. Those are core issues.

During the campaign I knocked on doors in Port Moody, Anmore, Westwood Plateau and in Port Coquitlam of my constituency. When I met the people of my riding, I discovered very quickly that the most important issue in my constituency was the issue of leaky condos. It affected almost 10% of the people in my riding. It was by far the biggest issue.

Lou Sekora, the former member of parliament for my constituency, was elected in the byelection in March, 1998, largely on the hope of people from my constituency because this is a non-partisan issue. We have the members for Vancouver East and St. John's West supporting the motion. It is not an issue of conservatism versus liberalism versus socialism. This is a non-partisan issue, and we all supported it.

The people of my constituency, because this is a bread and butter issue, probably the most important in my riding, got together and said they were going to elect Lou Sekora in the byelection. They thought if they had the mayor of Coquitlam at the table of power in a Liberal government, he would bring attention to this most important issue. He could not do it, and I think for reasons that we see here today.

Those who are watching the debate should note that the government side had 10 minutes to discuss the issue. Since 1998, frankly I believe this is the first time that this issue has ever been raised in the House in a full debate. The government took four and a half minutes of that ten minutes to address it. It affects 10% of my

riding, up to 250,000 people in British Columbia, and the government took four and a half minutes, wrapped it up and said "so long". That is not good enough.

The member for Elk Island, one of my most esteemed colleagues in this entire House, has been here since 1993. He has been re-elected three times with massive majorities in his constituency because of the great work he does in his riding. He has been here for that long and has had zero private members' bills drawn out of a pool to be debated and brought to the floor of the House, like as this one. I have been elected once.

I do not know if I will run a second time, or a third time or if I will have the fortune of having the endorsement of my constituents. However this is the manner in which the most important issue in my riding is being dealt with by the House? The government spent four and a half minutes on it, denied it and blocked in committee the right for the bill to come forward for a vote. It treats my riding and my constituents like that?

How does the government expect me, my constituents and the people I represent to have any respect for the government in the House, when it treats the issues that are of most importance to them with that little respect?

I came here to talk, as I said, about the big issues of conservatism versus liberalism. However on the bread and butter issues, like the issue of people having a home that does not melt around them and that the government does not profit off the people who are losing their homes, the government gave it four and a half minutes of debate and brushed it aside.

These are the kind of things that make people like me and people who want to run for office say "To hell with it. I'm not going to run for office". For the government to give my riding four and a half minutes of disrespect, slap it aside, deny it the right to come to the House of Commons for a vote and deny that members of the House be held accountable for this issue, is disgusting. It is absolute disrespect for people whose homes are melting around them.

The Parliamentary Secretary for the Minister of Finance stood up and said it was okay if the government profited from people losing their homes. He said that it was not a big deal and that it was an inconvenience. As the hon. member for Vancouver East said, that is not good enough.

The Minister of Intergovernmental Affairs is travelling to British Columbia on a fact finding mission to find out why British Columbians are not voting for the federal Liberal Party and why there is this thing called western alienation. This is why. Read *Hansard*. Look at the number of people in the House who are paying attention to the debate. Look at the four and a half minutes that the government spent on this issue. That is why the government is going nowhere in the province of British Columbia, and

why people are totally alienated from this institution and from this government.

This is my final plea. This is the last legislative tool I have. The government has blocked it at committee. It has blocked it from taking it seriously. It gave it four and a half minutes of debate. The government has slapped my constituents in the face.

There are only three members of the government who can block this from happening: the hon. members for Mississauga South, Etobicoke North and Markham. I would ask those members: Will I have unanimous consent from the House to make this motion votable, and show respect to the people of my constituency?

(1845)

The Acting Speaker (Mr. Bélair): Is there unanimous consent to make the motion votable?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

The Acting Speaker (Mr. Bélair): The hour provided for the consideration of private members' business has now expired. Since the motion was not deemed votable, the item is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

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

NATIONAL DEFENCE

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, I am again on my feet in relation to questions I put to the Minister of National Defence and the Minister of Public Works and Government Services regarding Lancaster Aviation.

For the listening audience and for members who are interested, Lancaster Aviation is the company that was formed after the 1993 election to specifically sell aviation parts. It was awarded a contract in 1997 by the Government of Canada to do exactly that, to sell spare parts.

The reason I became interested was that I noticed Lancaster Aviation, although it was contracted and bid to sell spare parts and

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equipment, was awarded a contract without tender. A change in a contract to sell spare parts suddenly became a contract to sell 10 Challenger jets and 40 helicopters. In total dollar value it sold those units for approximately \$77 million.

One of the questions I asked in terms of this contract was how much was Lancaster's commission to sell that equipment. I think the Canadian public has a right to know because it is taxpayer dollars.

In addition to selling the Challenger jets, the biggest factor in the selling, which is probably the way I should express it, is that it sold those Challenger jets for less than half the market value. Less than 50% of their value is what the Challengers were sold for, so the contract was obviously given by the present government.

Incidentally the president of Lancaster Aviation happens to be a former DND employee. Would he have inside connections within the system to make this deal happen, to be awarded this contract? I think any examination of the facts would point to the fact that he obviously had some inside contacts within DND to allow him to sell the Challenger jets and helicopters without having to actually bid on the contract. There was no open competition.

In addition, Lancaster Aviation has now closed its offices, its warehouse in Milton, Ontario, and has moved in excess of \$70 million worth of equipment owned by the Government of Canada to a warehouse in Florida owned by a convicted felon. A convicted money launderer and drug dealer in Florida now owns the warehouse in which Canadian goods are stored.

The question to which I would like an answer is why this has been allowed to happen. What security do we have on the assets owned by the Government of Canada now sitting in a warehouse owned by a convicted drug dealer in Florida under contractual agreement or arrangement with Lancaster Aviation based in Milton, Ontario?

I think those are questions to which we need answers before we will feel comfortable on this file. Up to now the government has not answered.

Just to conclude, when the parliamentary secretary is on his feet he never specifically mentions Mr. McFliker, the drug dealer in Florida who now owns a warehouse which controls the goods owned by the Government of Canada. Why does he not come good with the facts?

● (1850)

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, the government has addressed all the questions raised by the member last evening, previously, and in the House during question period.

Adjournment Debate

Lancaster Aviation won competitive contracts in 1997 and again in 2000 for the disposal of surplus aerospace assets, not simply spare parts, which is the representation of the member. He also suggested that DND awarded contracts, which is again wrong. Contracts are awarded by Public Works and Government Services.

Allegations that the contract to dispose of the Twin Huey helicopters and the Challenger aircraft were sole source are false. They were competitively bid. The 1997 RFP contemplated special project sales such as planes. When such a need arises the process calls for an amendment of the contract to legally bind the parties.

That is what we did for the sale of the Twin Huey helicopters and the Challenger aircraft. With respect to the Challenger aircraft, eight were sold to DDH Aviation in Fort Worth, Texas, for approximately \$30 million. The sale was the result of a competitive tender issued by Lancaster. These aircraft did not have civil

certification. Nor were they outfitted for executive use. Also, they were in need of extensive modifications.

Lancaster was paid a fair commission for its services and is subject to the privacy provisions of the Access to Information Act, which is why the information is not public. Lancaster therefore had an incentive to sell the surplus aircraft at the highest possible price.

Finally, the assets are in Florida because that is where the market is. The Department of Public Works and Government Services has no relationship whatsoever to some party he alleges is a convicted felon.

The Acting Speaker (Mr. Bélair): The motion to adjourn is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.51 p.m.)

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