

**CANADA** 

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OFFICIAL REPORT (HANSARD)

Thursday, October 9, 1997

**Speaker: The Honourable Gilbert Parent** 

# CONTENTS (Table of Contents appears at back of this issue.)

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# HOUSE OF COMMONS

Thursday, October 9, 1997

The House met at 10 a.m.	
	Prayers
(1000)	
English]	

PRIVILEGE
STONY RESERVE—SPEAKER'S RULING

**The Speaker:** I am now ready to rule on the question of privilege raised by the hon. member for Wild Rose on September 30, 1997, concerning information allegedly denied to him by an official of the Department of Indian and Northern Affairs.

[Translation]

First of all, I want to thank the hon. member for Langley—Abbotsford, the leader of the official opposition in the House of Commons, as well as the hon. member for Fraser Valley for their contribution to this debate.

[English]

In his submission, the hon. member for Wild Rose claimed that an official of the Department of Indian and Northern Affairs had deliberately misled him and subsequently denied him information. This, he argued, constituted a contempt of Parliament.

According to the hon. member, on September 16 he was invited to a meeting with the departmental official to receive a progress report on the Stony reserve, a reserve located in his riding. Citizens of the Stony reserve apparently accompanied him. At some point during the meeting he was made to leave by the official because it seemed that he was not entitled to certain information that was about to be disclosed.

• (1005)

When he raised the question of privilege in the House, the hon. member stated that he had requested this meeting to obtain information which he contended was directly related to the preparation of a question which he wanted to ask the Minister of Indian Affairs and Northern Development. He added that he had given notice to the minister of his intention to ask such a question.

On October 2 the Minister of Indian Affairs and Northern Development made a statement to provide additional information on this question of privilege. This was followed by further comments from the hon. member for Wild Rose, the leader of the official opposition, the hon. member for Fraser Valley and the hon. member for Langley—Abbotsford as well as the hon. member for Wentworth—Burlington.

# [Translation]

The Chair always takes any matter concerning the privileges of members, particularly any matter that may constitute a contempt of Parliament, very seriously.

[English]

As Speaker Fraser noted in a ruling given on October 10, 1989 found at page 4457 of the *Debates*:

—the Speaker does not rule on whether a breach of privilege or a contempt has in fact been committed. The Speaker only determines whether an application based on a claim of contempt or breach of privilege is, on first impression, of sufficient importance to set aside the regular business of the House and go forward for a decision by the House.

[Translation]

Before proceeding, the Chair feels that it might be helpful to explain to members, and especially to new members of this House, the difference between a contempt of the House and a breach of privilege.

[English]

Contempts are offences against the authority or dignity of Parliament. These offences cannot be enumerated or categorized. As stated in Erskine May, 21st edition, at page 115:

Generally speaking, any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

Privilege, on the other hand, can be divided into two finite categories: the rights extended to members individually, and those extended to the House as a collectivity. The rights and immunities

# Speaker's Ruling

that are awarded to members individually are generally categorized under five headings. They are freedom of speech, freedom from arrest and civil actions, exemption from jury duty, exemption from attendance as a witness and freedom from molestation and intimidation.

As for the rights and powers of the House as a collectivity they may be classified as follows: the regulation of its own internal affairs, the authority to maintain the attendance and service of its members, the power to expel members guilty of disgraceful conduct, the right to institute inquiries and to call witnesses and demand papers, the right to administer oaths to witnesses, and the authority to deal with breaches of privilege or contempt.

When claiming that a certain action constitutes a breach of privilege, members must specify which of these privileges is affected.

The hon. member for Wild Rose argued that the actions taken by the official from the Department of Indian and Northern Affairs constitute a contempt of Parliament.

Technically, obstructing members in the discharge of their responsibilities to the House or in their participation in its proceedings is considered to be a contempt of the House. As Joseph Maingot writes in his book *Parliamentary Privilege in Canada* at page 73:

—the member must be exercising his functions as a member in a committee or in the House in the transaction of parliamentary business. Whatever he says or does in those circumstances is said or done during a "proceeding in Parliament"; in other words, while the member is functioning as a member, not in his constituency, but while actually participating in parliamentary business and saying or doing something necessarily incidental to parliamentary business.

# **●** (1010)

Thus, in order for a member to claim that his privileges have been breached or that a contempt has occurred, he or she must have been functioning as a member at the time of the alleged offence, that is, actually participating in a proceeding of Parliament. The activities of members in their constituencies do not appear to fall within the definition of a "proceeding in Parliament".

In the 21st edition of Erskine May it is stated at page 125:

Correspondence with constituents or official bodies, for example, and the provision of information sought by Members on matters of public concern will very often, depending on the circumstances of the case, fall outside the scope of 'proceedings in Parliament' against which a claim of breach of privilege will be measured.

In instances where members have claimed that they have been obstructed or harassed, not directly in their roles as elected representatives but while being involved in matters of a political or constituency related nature, Speakers have consistently ruled that this does not constitute a breach of privilege.

On April 29, 1971 Speaker Lamoureux, in a ruling on a question of privilege concerning rights of members to visit penitentiaries at page 5338 of the *Debates* stated that:

Parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a Member to discharge his duties in the House as a Member of the House of Commons.

In the same vein I refer members to page 3580 of the *Debates* of February 26, 1975, where Speaker Jerome clearly stated:

—the classic definition of a question of privilege does not fit circumstances in which a Member in his duties outside this House finds that his scope is being restricted or attempts are being made to restrict his scope of intervention and effective work on behalf of not only his own constituents but his point of view as a Member of the federal parliament.

On the matter of a member's constituency duties, Speaker Sauvé pointed out in a decision delivered on July 15, 1980, at pages 2914 and 1915 of the *Debates*:

—whatever duty a Member has to his constituents, before a valid question of privilege arises in respect to any alleged interference, such interference must relate to the Member's parliamentary duties.

After careful consideration of the precedents, I conclude that activities related to the seeking of information in order to prepare a question do not fall within the strict definition of what constitutes a "proceeding in Parliament" and, therefore, they are not protected by privilege.

Let me now turn to another aspect of the matter before me. In the statement she gave to the House on October 2, 1997, the Minister of Indian Affairs and Northern Development made reference to the Access to Information Act as well as the Privacy Act. Whether the application of these two acts should be clarified is a matter for the courts, not the Speaker. I concur totally with Speaker Fraser when, in a ruling on March 17, 1987, at page 4262 of the *Debates* he emphasized that "The extent of the application of any law is a question that the courts should be asked to decide and not the Speaker".

In the same decision Speaker Fraser further stated: "The Speaker's duty is confined to interpreting the procedures and practices of the House of Commons".

May I draw members' attention to citation 168(5) of Beauchesne's sixth edition, at page 49, which states "The Speaker will not give a decision upon a constitutional question nor decide a question of law".

Furthermore, I wish to remind the House that it is not up to the Chair to comment on the behaviour of public servants in the performance of their duties.

# • (1015)

In order to fulfil their parliamentary duties, members should of course have access to the information they require. On the other hand, they should be aware of the constraints under which public servants must operate when providing information.

The Chair is mindful of the multiple responsibilities, duties and constituency related activities of all members and of the importance they play in the work of every member of Parliament. However, my role as your Speaker is to consider only those matters that affect the parliamentary work of members.

The hon, member for Wild Rose has explained that this matter touches upon his preparation for questions to the minister. I accept the hon, member's statement just as I accept the minister's explanation of the events.

There is clearly a dispute about the facts of the case and it does not fall to the Speaker to settle that dispute.

I have concluded that this case constitutes a grievance on the part of the hon. member, but since this situation has not actually precluded the hon. member from participating in a parliamentary proceeding the Chair cannot find that a case of a contempt of parliament has occurred.

# [Translation]

I thank the hon. member for Wild Rose for his intervention and for bringing this matter to our attention.

[English]

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I rise on a point of order. I listened with interest to your ruling on the subject. You mentioned that the member for Wild Rose has a grievance, but you ruled that he did not have a case for contempt of parliament.

Could you explain for the benefit of the House what a grievance means for the member for Wild Rose, where a grievance goes from here, or what that means in this case so he can follow up on this further?

The Speaker: As a general rule once a decision has been given it should just rest where it is. A Speaker's ruling is of course not appealable.

In this particular case I will make an exception. If the hon. member has a grievance he should pursue it in my view with the minister.

I am now prepared to deal with the question of privilege raised by the hon. member for Winnipeg North Centre on October 1 relating to the premature disclosure and subsequent publication of a preliminary draft of a committee report.

# STANDING COMMITTEE ON INDUSTRY—SPEAKER'S RULING

**The Speaker:** The hon. member contends that in the last Parliament a preliminary draft report of the Standing Committee on Industry was divulged.

She states that while the industry committee's fifth report was tabled in the House on April 25, 1997, the Department of Industry's

# Speaker's Ruling

response to an access to information request shows that on April 18, 1997 industry department officials were in possession of a preliminary draft of the report.

Let me first deal with the question of whether a breach of privilege that occurred in a previous parliament can now be taken up and dealt with by this House.

Erskine May's 20th edition makes clear, at page 168, that a breach of privilege in one parliament may indeed be punished by another. This is reflected again in the ruling of Speaker Jerome on November 9, 1978 which reaffirms the principle unequivocally. The Chair can therefore entertain the question raised by the hon. member.

# [Translation]

In her presentation, the hon. member for Winnipeg North Centre argued that the privileges of the House have been breached in so far as the preliminary draft report has been divulged prior to its presentation to this House.

# **●** (1020)

I want to thank the hon. member for bringing this matter to the attention of the House as well as the government House leader and the hon. member for Winnipeg—Transcona for the assistance they have given the Chair.

# [English]

In my view this is a matter of utmost importance. Since the standing committees of the House are holding their organization meetings and beginning their work in the 36th Parliament, this is also a most timely issue. It reminds us all of the responsibilities members assume when they serve on committees of the House.

As I stated in my ruling of February 15, 1995 on a similar matter, confidentiality is a key issue for committees. Members of committees and ministers working with committees have an obligation to ensure that they themselves and those whose expertise they seek, be they personal assistants or departmental officials, respect the confidentiality of their documents and the integrity of their deliberations.

Committees must address their work processes and be very clear about how they expect draft reports and other material relating to in camera meetings to be treated. Everyone present at such meetings, including officials from departments and agencies, must realize their obligation to respect the confidentiality of the proceedings they witness and the material they may therefore be privy to.

In a report tabled in the House on December 18, 1987 the Standing Committee on Elections, Privileges and Procedure recommended that:

#### Routine Proceedings

Committees should make clear decisions about the circulation of draft reports—. Equally, committees should give careful consideration to the matters that should be dealt with in camera and matters that should be discussed in public.

That being said, however, the Chair has often expressed its reluctance to interfere in the affairs of committees unless difficulties arising in the committee are put before the House by way of a committee report.

I refer members especially to the ruling of Speaker Fraser given on December 7, 1991, which can be found at page 4773 of the *Debates*. In that ruling he stated:

According to our traditions and practices, the Chair does not intervene in the proceedings of a committee unless a problem has been reported by the committee to the House or in extremely unusual circumstances.

After careful review I have concluded that the present case is not one that compels the Chair to deviate from this well established practice, for it does not introduce any new element to the body of precedent in these matters.

If after examination a committee were to present a report recommending that this issue required further consideration, the House would have the opportunity of considering the issue at that time.

The Chair has concluded that there is no breach of privilege in this instance and that it is not appropriate for the Speaker to intervene at the present time.

[Translation]

As committees take up their work in this new Parliament, I know that all hon. members will be conscious of the responsibility they have been entrusted with and will strive to respect the traditions of this place.

[English]

On a point of order, the hon. member for Regina—Lumsden—Lake Centre.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I appreciate the time you have taken to study this matter and to bring down the ruling to the House. I am not sure all the issues were considered. Perhaps you could respond to this in an answer for me.

With respect to the issue of committee in camera minutes, the Chair may or may not be aware that committees are now destroying in camera minutes at the end of parliament. Therefore there would be no evidence of any decisions taken in camera by a committee on an issue because the minutes would have been destroyed. We would have no record of what exactly happened.

Is this part of the decision or part of the input, or would this be grounds for the Speaker to intervene in the business of committees whereby they do not destroy the minutes but keep them on record?

**●** (1025)

The Speaker: With regard to the business of committees, the committees generally set up the rules under which they are to work. As for evidence being carried over from one parliament to another, the Chair must deal with the evidence that is put before the Chair. If this evidence does not exist then the Chair cannot rule on it one way or another. Did it ever exist? I guess that is another point that could be discussed at some further time.

However, for the time being the Chair must, on the basis of the information that is put before it in whatever case, make a decision at that time.

If there is question about how a committee proceeds, I suggest to all hon. members the matter should be raised in committee so that they provide for this information to be available one way or another, if they feel it is needed at some future time.

# **ROUTINE PROCEEDINGS**

[English]

# INTERPARLIAMENTARY DELEGATIONS

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Madam Speaker, on behalf of the hon. member for Mount Royal and pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian group of interparliamentary union which represented Canada at the 1997 interparliamentary conference held in Seoul, the Republic of Korea, from April 9 to April 15, 1997.

Again on behalf of the hon. member for Mount Royal and pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian group of interparliamentary union which represented Canada at the specialized interparliamentary conference on the close partnership between men and women in politics held in New Delhi, India, from February 14 to February 18, 1997.

\* \* \*

# INCOME TAX CONVENTION IMPLEMENTATION ACT, 1997

Hon. Jim Peterson (for the Minister of Finance) moved for leave to introduce Bill C-10, an act to implement a convention between Canada and Sweden, a convention between Canada and the Republic of Lithuania, a convention between Canada and the Republic of Kazakhstan, a convention between Canada and the Republic of Iceland and a convention between Canada and the Republic of Iceland and a convention between Canada and the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and to

amend the Canada-Netherlands Income Tax Convention Act, 1986

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

and the Canada-United States Tax Convention Act, 1986.

\* \* \*

• (1030)

# **CRIMINAL CODE**

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved for leave to introduce Bill C-243, an act to amend the Criminal Code (protection of child before birth).

He said: Madam Speaker, congratulations on your ascending to the position of Acting Speaker. We all are very happy that you are in this post.

I am introducing two private members' bills today, both dealing with the Criminal Code. The first one deals with protection of the child before birth. This is not an abortion issue but deals with an extremely serious issue occurring in our country. It is the epidemic of fetal alcohol syndrome, fetal alcohol effects.

This bill is a last ditch resort and is an attempt to ensure that women who continue to take substances that are injurious to their unborn children can be put into a treatment facility against their wishes if necessary.

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

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# **CRIMINAL CODE**

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.)** moved for leave to introduce Bill C-242, an act to amend the Criminal Code (violent crimes).

He said: Madam Speaker, again pursuant to the standing orders and seconded by my colleague and friend from Nanaimo—Alberni, I am introducing a private members' bill dealing with the Criminal Code and violent offences.

Essentially this is a three strikes and you are out bill. This bill is designed so that if an individual commits three violent offences, the courts must incarcerate that person for life imprisonment. The purpose of this bill is to target individuals who have clearly demonstrated to the Canadian public that they willfully disregard the basic essence of respect for another person's life.

I hope we will find agreement in this House to pass this bill sometime in the near future.

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

Routine Proceedings

# INCOME TAX ACT

**Mr. Paul Szabo (Mississauga South, Lib.)** moved for leave to introduce Bill C-244, an act to amend the Income Tax Act and the Canada pension plan (transfer of income to spouse).

He said: Madam Speaker, managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. Unpaid work is still work and deserves to be compensated for its contribution to our society.

This bill would allow spouses to split up to \$25,000 of income between them so that one could stay at home and care for preschool children. It would allow that income to be eligible for RRSPs as well as extend eligibility for Canada pension plan benefits.

I am very pleased to rise to reintroduce this bill. I look forward to debating this issue and earning the support of my colleagues throughout the House.

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

\* \* \*

• (1035)

# CRIMINAL CODE

**Mr. John Finlay (Oxford, Lib.)** moved for leave to introduce Bill C-245, an act to amend the Criminal Code (penalties for sexual offences involving children).

He said: Madam Speaker, I introduced this bill in the 35th Parliament and I am pleased to reintroduce it today.

Enactment of this bill would ensure that the definition of publication in the case of child pornography covers transmission by electronic means or posting the material on the Internet or any other electronic net.

It also provides for an increase in the maximum punishment of imprisonment for life with no parole eligibility for 25 years if guilty of sexual assault on a child under eight or on a child under 14 who is under the offender's trust and authority or dependent on the offender.

It also provides for an increase in the maximum penalty for forcible confinement from 10 to 14 years in the case of a parent or ward who confines a child and thereby harms the child's physical or mental health.

I look forward to the support of my colleagues on this bill.

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

# S. O. 52

# PUBLIC SAFETY OFFICERS COMPENSATION ACT

**Mr. Paul Szabo** (Mississauga South, Lib.) moved for leave to introduce Bill C-246, an act respecting the provision of compensation to public safety officers who lost their lives while on duty.

He said: Madam Speaker, I am pleased and honoured again to reintroduce this bill which would establish a registered charitable trust fund for the benefit of families of police officers, firefighters or other public safety officers who are killed in the line of duty. The fund is proposed to be administered by an independent board that would be set up to receive such money, gifts or bequests and to determine awards on the basis of need.

Canadians are aware of the risks that face our police officers, firefighters and public safety officers on a daily basis as they serve our emergent needs. When one of them loses their life in the line of duty, we all mourn that loss. This fund would be a tangible way to honour their courageous service and to assist their loved ones in their time of need.

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

\* \*

[Translation]

# **CRIMINAL CODE**

**Mrs. Pauline Picard (Drummond, BQ)** moved for leave to introduce Bill C-247, an Act to amend the Criminal Code (genetic manipulation).

She said: Madam Speaker, I am pleased to introduce in the House a bill aimed at amending the Criminal Code on genetic manipulation. The purpose of this bill is to ban the cloning of human embryos. I believe it is important to set limits within which science can develop in the service and the best interests of all.

Medically assisted reproductive techniques give rise to a number of questions: ethical, moral, religious and scientific. There may be much debate still to come on how these techniques will be monitored but there is, I believe, a broad consensus on the necessity of banning the cloning of human beings.

**(1040)** 

Yet there is no legislation at the present time to reflect that desire. Over and above science, medicine and politics, human cloning is also a question of human dignity, which transcends all partisan politics.

For this reason I am asking all members of this House to support this bill, which reflects the will of those who elected us.

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

[English]

# **ORGAN DONORS**

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, pursuant to the standing orders I put forth a motion dealing with an epidemic in our midst, the crisis of organ donations in the country.

This motion if adopted by the government would enable us to save the lives of hundreds of people in the country who are waiting for organ donations, some of whom are in the House today. It is a four point plan. It is an effective, cost saving and life saving plan. I hope the government will adopt it as a votable motion and will pass it forthwith.

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

**The Acting Speaker (Ms. Thibeault):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

\* \*

[Translation]

# QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suggest that all questions be allowed to stand.

The Acting Speaker (Ms. Thibeault): Is that agreed?

Some hon. members: Agreed.

\* \* \*

[English]

# REQUEST FOR EMERGENCY DEBATE

GOVERNMENT BILLS INTRODUCED IN SENATE

Mr. Preston Manning (Leader of the Opposition, Ref.): Madam Speaker, I wish to advise the House that I have written to the Speaker this morning seeking leave of the House to introduce a motion in accordance with Standing Order 52, for the purpose of discussing a specific and important matter requiring urgent consideration.

I refer to the fact that two bills have been introduced in the Senate by the government and will be considered by the Senate before being considered by the Commons. While I recognize that this is an established practice, this practice in today's Parliament is

outmoded and offensive to our democratic principles since the Senate is unelected, unaccountable and unrepresentative of the people of Canada.

In the days when the two dominant parties in the House and the Senate were of the same stripe, the introduction of government bills in the Senate may have been less offensive. However in the last two Parliaments there has been a shift in the political make-up of Canada. Three of the five parties in this House of Commons are not represented in the Senate at all. In addition the party which represents the opposition in the Senate represents less than 7% of the elected members of the House.

# **•** (1045)

I believe that the procedures set out in Standing Order 52 will enable members of the House to immediately debate and communicate to the government that the upper house cannot be expected to fulfil the role of sober first thought since the senators represent a political composition which is a reflection of the past and, in particular, a reflection of patronage appointments of the defeated governments of Pierre Trudeau and Brian Mulroney.

The Speaker's attention to this matter is appreciated.

The Acting Speaker (Ms. Thibeault): The Chair thanks the hon. Leader of the Opposition for his remarks.

The Speaker received a letter from the hon. member expressing his intention to raise this matter. After careful consideration the Chair concludes that the application does not meet the terms of the standing order.

\_\_\_\_\_

# **GOVERNMENT ORDERS**

[Translation]

# SUPPLY

ALLOTTED DAY-FEDERAL PARTY FINANCING

# Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ) moved:

That this House condemns the attitude of the Government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuses.

Mr. Stéphane Bergeron (Verchères, BQ): Madam Speaker, I believe that you will find unanimous consent in the House on the following motion:

That at the conclusion of the present debate on the Opposition Motion, all questions necessary to dispose of this motion be deemed put and a recorded division be deemed demanded and deferred until Tuesday, October 21, 1997, at the expiry of the time provided for Government Orders.

**The Acting Speaker (Ms. Thibeault):** Does the hon. member have the unanimous consent of the House to so move?

Some hon. members: Agreed.

# Supply

**The Acting Speaker (Ms. Thibeault):** The House has heard the terms of this motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

**Mr. Gilles Duceppe:** Madam Speaker, I will share my time with the hon. member for Laurentides.

This is the first opposition day for the Bloc Quebecois and the issue is the financing of federal political parties. It is all the more relevant in the current context, given the influence peddling allegations involving employees of the Liberal Party of Canada and of the government.

For about two weeks now, the opposition has been putting questions to the government, but the ministers either refuse to answer or give evasive or contradictory answers. At the very beginning, no one knew anything. Then, thanks to the honesty and perhaps the naivety of the Minister of Human Resources Development, we learned that a few ministers knew about the case. Later on, we discovered that an increasing number of ministers knew. I am convinced that, in the days or weeks to come, we will learn that the whole cabinet knew, except of course the Solicitor General who, I am sure, was not aware of the case.

This is somewhat surprising since in the Airbus case, which came to its conclusion this week, the then justice minister told us that, in such cases, the Solicitor General, not the Prime Minister, had to be informed first. This was the rule as they explained to us by referring to many precedents and to past practice. Today, everything is changed.

# **(1050)**

Let us set the record straight. On March 6, the Minister of Human Resources Development informed the RCMP of a possible case of influence peddling. He also told the Prime Minister, or his office—which amounts to the same thing, for when the Prime Minister's chief of staff is informed of something, he immediately tells it to the Prime Minister.

He told the Minister of Public Works and Government Services, and the President of Treasury Board. The investigation began in mid-June, three months later. As you know, a general election was held in Canada during that period.

One wonders whether an election would have been called so early if allegations or revelations had not been made to the RCMP. Was it not therefore in the government's interest to call an election quickly? Alternatively, one wonders whether the investigation was postponed until after June 2 to avoid any embarrassment to the Liberal Party of Canada during the election campaign.

These two questions come to mind, given that the human resources minister said he informed those concerned. Just who were those concerned? The Prime Minister, since he is the one who calls the election. The Minister of Public Works and Government

Services, not in this capacity—even though he gives out many contracts, 35% of which are awarded without tender—but rather as a political organizer for the Liberal Party of Canada in Quebec. He also notified the President of the Treasury Board, not in his capacity as President of the Treasury Board but as the federal minister responsible for Quebec.

One can wonder if it was not in the interest of the Prime Minister, who won his election, winning by a very narrow margin in his riding of Shawinigan, to keep this matter under wraps during the election campaign. One can also wonder what position it would have put them in if the Liberals had had to explain why they were using the same financing methods as the Conservatives, whose methods they denounced time and time again when in opposition. But they are using the same methods, as we have seen in this case. We may discover that the same thing happened in other regions of Canada as well. Quebec may not be unique with respect to financing.

I can just imagine the Minister of Public Works and Governmental Services explaining during the election campaign that his government's code of ethics is different from that of the Liberal Party of Canada. He stated that the Liberal Party was required to comply with the Criminal Code. The reverse would have been surprising. The fact is we are not sure any more, since these allegations were made.

When they talk about their code of ethics, we must ask ourselves: what ethics? It is like the Lourdes or Fatima secret. Revelations are made about something that is never made public. We are aware of the existence of a code, but not of its contents.

It is also surprising that the matter was not submitted to cabinet to ensure government integrity. I am surprised because we are dealing with a system that connects the federal government to the Liberal Party of Canada as far as financing is concerned. The Minister of Human Resources Development told us that confidential lists are handed over to the ministers responsible for the various regions. The minister responsible for Quebec, who is also the President of the Treasury Board, told us, although this was said outside this House, he received confidential listings not only from Human Resources Development Canada but also from other departments.

It was interesting to learn about that yesterday, not during oral questions however, because the minister would not answer. He had more to say outside the House, but what he said was nonetheless interesting.

A member of the minister's staff is under investigation, yet the minister does nothing. That is surprising. He did nothing yesterday and nothing today.

# • (1055)

We might ask whether the President of the Treasury Board is the godfather of the government. We might ask. We might also ask whether his department is the clearing house for influence peddling, which can only be explained by the weakness of federal legislation on the funding of political parties.

The deputy minister did not act in order to protect government integrity. The Prime Minister did not think it wise to inform the other ministers of the danger that threatened the government as the result of the actions of his party.

The leader of the Liberal Party and the Prime Minister are, until proven otherwise, one and the same person. What one knows, the other should know. It is strange though that he did not inform his cabinet of the allegations.

This is why legislation on political party funding in Canada must be reformed. This is why the federal government should turn to the laws of Quebec for inspiration. They are, and I use the word advisedly, unique in Canada. These are the laws that the Liberal Party of Canada and the other federal parties ignored in the last referendum. They came and told us how much they loved us, spending all the money they wanted.

This morning, the Supreme Court of Canada invalidated the Quebec referendum act, while the federal government, sitting under the weight of allegations, has no such legislation. We can see that the Supreme Court, biased as it is, is under the control of a regime that puts partisan interests before ethics. That is where things are at today.

Hon. Don Boudria: Madam Speaker, on a point of order.

I believe it is contrary to the Standing Orders of this House to comment in this way about a Canadian court, and especially about Justices of the Supreme Court.

According to *Beauchesne's* rules, these sorts of statements are inappropriate—

Mr. Yvan Loubier: What section?

**Hon. Don Boudria:** —and I would ask the Chair to consider the matter.

The Acting Speaker (Ms. Thibeault): I would ask all members to temper their remarks. In the past, under Standing Order 18, there were rulings to the effect that members were not to criticize court rulings. Resuming debate.

**Mr. Gilles Duceppe:** Madam Speaker, I refer to Beauchesne, something I do rarely so as not to trouble the House.

It says clearly, in citation 493, that:

—all references to judges and courts of justice of the nature of personal attack and censure have always been considered unparliamentary, and the Speaker has always treated them as breaches of order.

#### (1100)

This is not a personal attack, but a collective one. It is as simple as that. I think that the farce now taking place—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member, but I must give the floor to the hon. member for Scarborough—Rouge River.

[English]

**Mr. Derek Lee:** Madam Speaker, I rise on a point of order. I was shocked to hear the words of the leader of the party opposite. The words that have been used here today are, at a minimum, contemptuous of the Supreme Court of Canada but they also potentially undermine the entire legal system in this country. They undermine the federation.

I would like to ask the party leader who spoke these words to withdraw them. In the absence of a withdrawal I think he must, like a child, carry these words with him for a very long time.

I am not prepared to sit here and have the Supreme Court of Canada trashed in this House. I would ask him to consider withdrawing and speaking in a more temperate fashion about our high court.

[Translation]

The Acting Speaker (Ms. Thibeault): Once again, I urge members to be temperate in their remarks. Resuming debate.

**Mr. Gilles Duceppe:** Madam Speaker, if I understand correctly, there were two minutes remaining to me before the interruptions.

The Acting Speaker (Ms. Thibeault): I do not think so.

**Mr. Gilles Duceppe:** Look, I was interrupted by two points of order. It would be an easy matter to raise a series of points of order throughout someone's speech so as to prevent him from speaking.

The Acting Speaker (Ms. Thibeault): We have not lost that much time. You may certainly conclude your remarks rapidly.

Mr. Gilles Duceppe: Madam Speaker, as long as I have more than five seconds.

What I said this morning, given the serious allegations hanging over the Liberal Party of Canada, over the government, was that it seems to me that there is an urgent need here for legislation similar to that in Quebec so as to ensure that democracy does not have a price tag attached to it, that we do not find ourselves with a system in which financial interests are more important than the expressed wishes of voters, a system in which a court would hand down

# Supply

anti-democratic rulings in Canada, the world's greatest country, a system in which money, not democracy, rules the day.

Mr. Denis Coderre (Bourassa, Lib.): Madam Speaker, knowing the leader of the Bloc Quebecois' leadership problems, he is obviously looking for something to rally his gang around him. And what a lovely sight it is to see them all flocking along behind him this morning.

If the head of the Bloc Quebecois and the leader of the party are one and the same person, I would have some questions to put to him. When the father of the Bloc Quebecois, Lucien Bouchard, was elected in 1988—different party, Conservative, but the same man—he reported \$41 000 in campaign expenditures under "other parties", "other organizations". There were amounts for individuals, and there was the amount of \$41 000 from other organizations for his campaign.

#### **(1105)**

First of all, does he agree with this? Second, is it true, as is alleged, that the Bloc Quebecois might possibly have received funds from financial institutions that are not individuals? Can the leader of the Bloc Quebecois tell me whether he has received considerable amounts from certain banks, that is corporate entities and not individuals?

**Mr. Gilles Duceppe:** Madam Speaker, if I understand correctly, we are speaking of the 1988 election of Mr. Lucien Bouchard, when he was in the Conservative party. Is that indeed what we are speaking of?

It is quite possible that things were going on within the Conservative party of the time, as there are within the Liberal party.

Mr. Bouchard has changed, unlike the hon. member for Bourassa, who ran against me in 1990. It took him three or four tries to get himself elected here. I remember when he was passing himself off as the reincarnation of Jean-Claude Malépart, over the Malépart family's objections.

Returning to the matter of financial institutions, all of the Bloc Quebecois' reports have been tabled in this House. Banks have never been shown to be supporters of the Bloc Quebecois. That is public knowledge.

Moreover, when the reports will have been submitted for this campaign—I do not have them myself, since they were all completed on October 2 and we have until December 31—my colleague will be able to see for himself that the Bloc's rules apply.

However, let us not confuse matters. There may have been loans against a line of credit, but that is not a donation. It is something very different, and I can tell you that the loans are being paid back. Such accounting details may be too complicated for my colleague for Bourassa, however.

[English]

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, the hon. member from the Bloc stated that financial interests are not more important than the interests of Canadians. He is asking this government to consider making sure that happens.

I suggest that after what we saw yesterday in with Bill C-2, obviously this government does not have the interests of Canadians at heart. It is silencing us in this House on some of the most intrusive legislation, referring to Bill C-2, by not allowing debate and not allowing us to proceed.

I am sure the hon. member from the Bloc would agree that this government does not have the interests of Canadians at heart. It is no surprise to us after we saw what happened on the most intrusive legislation against young Canadians in this country. It does not surprise me that this government is acting in this way and we cannot expect anything different from it.

[Translation]

**Mr. Gilles Duceppe:** Madam Speaker, this is not the time to be talking about Bill C-2. We are talking about another very important matter today, the financing of federal political parties.

I would like to hear the views of Reform members on this issue. As long as we do not have an act similar to the one which exists in Quebec, we will have situations like the present one where there are allegations of influence peddling on behalf of the Liberal Party of Canada and maybe the office of the President of Treasury Board, someone of some importance within the government. You could say he controls the purse strings. Moreover, he is the federal minister responsible for the province, an interested party, as the hon. Minister of Human Resources Development was saying.

I believe that it is high time we adopted a modern piece of legislation that would guarantee that big bucks will not be what matters, nor the very legalistic point of view of those who make decisions like the one we had this morning. It would guarantee that these people would not be the ones who decide which measures are passed here, in ways that have nothing to do with the very essence of democracy, I migh add.

Mrs. Monique Guay (Laurentides, BQ): Madame Speaker, I am happy to speak today in this House.

Unfortunately, the buzz word in the House these days seems to be "influence peddling".

**●** (1110)

All the more so that there is presently in my riding a hotly debated issue which could literally burn the Liberal government since it could involve once more, influence peddling and partisanship in its organization.

It is about the much criticized relocation to the neighbouring town of Saint-Antoine-des-Laurentides of the employment centre that has always been located in Saint-Jérôme, the economic capital of the Laurentian area. But to really understand what is involved in this case, it is essential to go back over the events from the beginning.

The CEC has always been located in Saint-Jérôme's downtown core. In 1991, after the public works department accepted the bid of the property management company RAMCO Développement Inc., the latter invested \$1.7 million to expand its building located in downtown, so it could accommodate the Saint-Jérôme CEC and meet the department's requirements.

Last summer, public works elected to make use of a one year renewal option on CEC's lease ending in April 1998. In June of this year, Public Works Canada suddenly informed RAMCO, without going into great detail, that there would be a call for proposals on invitation. The location perimeter for that proposal call, which is without precedent in the history of the CEC of Saint-Jérôme, will be extended as to include the town of Saint-Antoine-des-Laurentides, where there is space available in a shopping centre. Now rumour has it that those premises belong to a friend of the Liberals, someone who had contributed to the party's election fund. How peculiar.

Members will agree that this is where the problem lies. Why extend the location perimeter of the CEC's premises? Why does the federal government feel compelled to get involved, with its not so subtle approach, and without any concern for the development priorities established by the locals?

In this regard, on July 26, the Rivière-du-Nord RCM undertook to review its development plan in an interim control resolution, which provided, and I quote: "That any new government or quasi government service be established in downtown Saint-Jérôme". The resolution was passed by a majority of the mayors of the Rivière-du-Nord RCM on September 17.

The Minister of Human Resources Development was in fact made aware of this in a letter from Gaston Laviolette, the mayor of the municipality of Bellefeuille and the reeve of the Rivière-du-Nord RCM and Marc Gascon, the mayor of the city of Saint-Jérôme.

Despite the relevance of their remarks, the minister turned a deaf ear. On the strength of this we can assume that the minister has no sense of what is involved in regional development, since this is what it is all about.

I too put pressure on the two ministers concerned in this matter. On many occasions I called the offices of the Minister of Human Resources Development and of the Minister of Public Works. I finally managed to meet the executive assistant of the Minister of Public Works with my colleagues Mr. Gascon, the mayor of

Saint-Jérôme and Mr. Laviolette, a mayor and the reeve of the Rivière-du-Nord RCM. Here again, nothing came of the contact.

Unable to meet the Minister of Human Resources Development, I took the initiative of stopping him in the Liberal's backroom. After hardly a word was said, the minister, who was already on the defensive, made it clear he did not want to hear anything about partisan politics in the matter.

However, after I added new facts, which, I add, disagreeably surprised him, he changed his attitude to some extent and assured me that he would look into the matter and would get back to me about my concerns. However, I still have heard nothing from the minister.

I am still waiting for word from you, Mr. Minister. I assume he is too busy with the RCMP investigation of allegations of influence peddling—

**Mr. Denis Coderre:** Madam Speaker, I rise on a point of order. The member is to address the Speaker and not the minister directly.

Some hon. members: Oh, oh!

The Acting Speaker (Ms. Thibeault): I would ask the hon. member to address the Chair.

**Mrs. Monique Guay:** To come back to the issue at hand, Madam Speaker, even the director of the employment centre deplores the minister's decision. He told us that he had always been very satisfied with the quality and service of the premises and that he wanted to stay in the building located at 222, Saint-Georges Street, in downtown Saint-Jerôme.

# • (1115)

According to the director, the visibility and pre-eminent location of the employment centre are essential to serve Saint-Jérôme and the surrounding area and especially the other cities served by Saint-Jérôme following the streamlining of the employment centres by the minister. Now, adding insult to injury, the minister wants to relocate the centre to the outskirts of downtown Saint-Jérôme, which is the economic capital of the Laurentides region. The centre's director was very blunt on one point: if it were relocated in Saint-Antoine-des-Laurentides, the centre would lose all of its present high profile.

The support I have received to prevent this move does not end there. On September 19, 1997, Mrs. Louise Harel, Quebec labour minister, wrote a letter to the Minister of Human Resources Development, asking him for a moratorium on this move since it goes against the spirit of the Quebec-Canada agreement in principle on manpower training, which is aimed at making both federal and provincial service points more accessible, not less so as is the

case here. As of September 10, the minister had only received an acknowledgement of receipt of her letter.

With regard to the firm RAMCO développement Inc., its president, Mr. Jacob A. Attias, is rightly surprised and mostly quite shocked by he lack of transparency of the Liberal government's process in the matter of moving the CEC out of its present location.

In 1991, RAMCO développement spent \$1.7 million to add to the building in order to make room for the employment centre. Mr. Attias had even offered to lower the rent by close to 30%.

To add insult to injury, RAMCO had agreed with Public Works to invest a further \$120,000 to upgrade and renovate the facilities in order to better meet the department's requirements.

One can imagine how Mr. Attias feels after such an experience. Not only is this businessman being overtaxed, he is being literally fleeced and taken for a ride by the very people who manage his taxes. This is totally outrageous and despicable.

Given all these facts, I am entitled to believe and to say that partisan interests or influence peddling are behind this unjustified and unjustifiable move.

The more I talk about the issue, the more I wonder. Since it is practically impossible to meet the Minister of Human Resources Development and to shed light on this vital issue for the socio-economic development of the Laurentian region, I urge the minister to take into consideration the questions that follow and to provide me with answers as quickly as possible.

First, why does his department not comply with the will of our community's stakeholders to have public services grouped together in the downtown core of Saint-Jérôme, as clearly stated in a resolution from the RCM of Rivière-du-Nord on interim control?

Second, why does his department totally disregard the very high level of satisfaction of its managers with the current location of the employment centre?

In both cases, that is the move of the Saint-Jérôme employment centre and the RCMP investigation, we find the same silence which truly gives us the impression that someone from that party has a guilty conscience.

If Liberal Party ministers or employees made mistakes or did not comply with a basic code of conduct, they will, sooner or later, have to pay for their mistakes, because no one will trust them any more, and rightly so. As elected representatives, members of Parliament are accountable to the public. However, and I deeply regret having to say this, there seems to be a blatant lack of accountability and transparency on the part of certain individuals working for the federal government.

I move:

That the motion be amended by deleting the word "in-depth" and substituting the following therefor: "complete".

**●** (1120)

The Acting Speaker (Ms. Thibeault): The motion is admissible.

Mr. Denis Coderre (Bourassa, Lib.): Madam Speaker, Saint-Antoine-des-Laurentides is in the Laurentides riding. The member for Laurentides complains because the government of Canada decided to keep that centre in her riding; she will not stop complaining.

Is the owner of that building a close friend of the member? Given the allegations and the fabrications we have heard, would I be wrong in believing there is something in the wind? They are defending that owner too diligently. They should be happy because a reasonable decision was made to keep the centre in the region, in the riding.

The member should rather be thankful since many ridings, even ridings of government members, have lost their employment centre. Her riding kept its centre. Methinks the lady doth protest too much.

Mrs. Monique Guay: Madam Speaker, the member for Bourassa shows how narrow-minded he can be. One should not speak about an issue when one knows nothing about it.

As far as fabrications and allegations of friendship between the owner and myself, if the member had truly listened to my speech he would know that this is a regional decision, that there was a regional consensus and that this government is, once again, disregarding decisions made at the regional level and agreements reached regionally. This government makes partisan decisions, such as the one to relocate an employment centre for some good friends. That is the situation.

[English]

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Madam Speaker, I listened to the speech of the hon. member and I have a couple of questions.

First, we have read in the paper that knowledge of what was going on was given on March 6 and it took until after July 12 to surface. Has the hon, member any idea why it took so long for this to come forward, other than something to do with the government?

Second, does the hon. member think this only happens in the province of Quebec or does this happen in the other provinces?

[Translation]

Mrs. Monique Guay: Madam Speaker, I thank the member for his question. I do not want make any accusations, except that decisions were made, of course, to move some employment centres to other areas, probably to satisfy certain people. These decisions went against the opinion regional or local stakeholders had voiced

at the time. What we are asking this government to do is to make decisions that go along with the wishes expressed by the local or regional stakeholders and to stop playing party politics with these issues.

• (1125)

On one hand, it signs nice Canada-Quebec agreements for employment centres and, on the other hand, the two offices end up being located three or four kilometres apart. How are we going to offer services to people who have no car, who must travel, who will have to go to one place and another, while trying to cut costs, to reach a consensus? A senior federal official is negotiating with Quebec so that the two offices, the employment centre and the unemployment office, are as close as possible and even sometimes share the same location.

In my riding, in my region, the government has decided to move the employment centre that is now located very close—some 100 metres away—to the office run by the Quebec government. It will be moved three kilometres away. This is a totally illogical decision. I hope some ministers who are here today will think about this so that this decision can be reversed and that, next time, before making similar decisions, they will think and consult.

I can guarantee one thing, I will not give up on this issue. I will see it through to a satisfacatory resolution.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am pleased to take part in this debate today.

Let us remember, in spite of what we have been hearing for the last few minutes, that the text of the motion that we are debating with a minor amendment proposed a little earlier reads as follows:

That this House condemns the attitude of the Government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties, and so on.

That is the motion put to us by the third party in the House.

Since this morning, the Bloc has been making all kinds of allegations against one person or another, sometimes even against constituents of ridings represented by Bloc members or other parties. They are using this motion as a pretext to do so. For my part, I intend as much as possible to limit my comments to the motion before the House. After all, that is what the House is dealing with.

Mr. Yvan Loubier: You can't possibly do that.

**Hon. Don Boudria:** I am sorry this displeases the hon. member for Saint-Hyacinthe—Bagot. Anyhow, I still intend to restrict my comments to the debate and to the motion before us, at least as much as I can.

The issue of the financing of political parties is an issue of interest for a large number of Canadians. Let me say first of all that the federal electoral system we have in Canada has been considered

for a long time as fair for the candidates and for Canadian taxpayers. It continues to be the envy of many countries.

Our electoral system has been imitated elsewhere. It is the envy of several countries in the world, as I just said. It tries to balance public and private financing and allows rich people—there will always be some—as well as people coming from more modest backgrounds, myself included, to run for election and to sit in the House of Commons.

We expect candidates and political parties to raise funds from private sources by presenting policies that Canadians wish to support. The candidates present their platform and ask people to contribute to the financing of their election campaign. In my opinion, the system works.

Furthermore, in recognition of the importance and of the role political parties and candidates play in our democratic system, a portion of public funds is earmarked for elections.

# [English]

Two major funding tools exist for providing that funding. In part there is the reimbursement of election expenses. We are familiar with how that system works. There is the tax credit for political contributions.

# • (1130)

I want to explain that for a couple of minutes.

With respect to candidates, the reimbursement provided is 50% of the candidate's expenditures, providing that the candidate receives at least 15% of the votes.

# [Translation]

In my riding, none of my opponents obtained 15% of the votes. Consequently, they lost the deposit I just described.

# [English]

As it pertains to political parties, they receive 22.5% of the reimbursement. There is a condition which was added during the last Parliament. I was a member of the committee which brought the change, which is that a party that has official status must receive 2% or more of the number of valid votes cast at an election or 5% of the votes cast in any individual riding where the party has a candidate. This amendment was brought forward by an hon. member of the Reform Party during the last Parliament. The committee agreed that it was a valid amendment. I believe that member is now the House leader for the Reform Party. It was a good amendment and we approved it.

Political parties may accept contributions if the parties have registered status. They may issue receipts year round for tax credit purposes.

# Supply

Candidates, on the other hand, may only issue receipts once they have filed their nomination papers. At election time each candidate also issues receipts for the period after filing their nomination papers. Those receipts are issued by our respective financial agents.

There are a number of other restrictions. A person who is not a Canadian citizen or a permanent resident in Canada cannot make a contribution, nor can a corporation or an association that does not do business in Canada. This is to ensure that it is Canadians who fund the Canadian electoral process.

Foreign political parties or governments or trade unions with no bargaining rights in Canada are also prohibited.

Although there is no limit on the size of any contribution, candidates and political parties are restricted in their use of such funds by the limits which are in place at election time.

There is a further restriction, which is that the tax credits, once a certain amount is reached, become null and avoid. In other words, if someone makes a further contribution they do not receive a tax benefit.

# [Translation]

The members of the Bloc Quebecois, this morning, are saying that the system must be changed and replaced by a system where political parties will not allowed to receive contributions from corporations. I see that the member for Saint-Hyacinthe—Bagot is saying that, yes, that is precisely what they want.

The Lortie commission, an important commission which published a report on electoral financing—I have a copy of the report here, but of course I cannot show it to the camera—made several recommendations. I must point out to you that the commission has recommended neither that only individuals be allowed to make contributions nor that a maximum be established for contributions. It is important to note that the commission, which is non-partisan—I hope nobody says that the Lortie Commission is partisan—, never made such recommendations.

# [English]

I see some members opposite making light of the recommendation of the Lortie commission. However, it is important for us to note a few things.

# • (1135)

# [Translation]

The Bloc is pontificating today. Indeed, the Bloc leader told us earlier that his party does not take any money from companies. However, some of the Bloc members here in this House today have received corporate contributions. A good many of them. There were 27 corporate contributions during the 1993 election.

Some of the members who are sitting here, looking at me, received some of those contributions.

Mr. Jean-Guy Chrétien: Name them.

**Hon. Don Boudria:** An amount exceeding \$10,000.

I think it is worth mentioning. So when you want to preach, as some of the members opposite are doing, you have to be very careful. The funding system for political parties in Canada is simple. It is basically a good system.

I can tell you that we will do everything in our power to keep it good and honest. Allegations like the ones being made by the Bloc do not help to improve democracy in Canada.

Mr. Jean-Guy Chrétien: We are right, since you no longer accept certified cheques, only cash.

**Hon. Don Boudria:** We have to keep working to improve democracy in our country and avoid taking part in a discussion like the one the Bloc Quebecois wants to hold today.

Mr. Jean-Guy Chrétien: Give us some names and figures.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I have many comments to make on the biased and twisted speech just delivered by the hon. member.

The first thing I ask him is to give us the names of those who received company contributions.

Mr. Jean-Guy Chrétien: And the amounts.

An hon. member: Oh. oh!

**Mr. Yvan Loubier:** Nobody in the Bloc received contributions from companies. And do you know why? Because we are following the lessons of Mr. Lévesque, who thought that, by respect for the people and to better serve the people, big businesses, banks and trust companies should not finance political parties. I think that Mr. Lévesque was right.

The list of contributors to the Liberal Party of Canada includes the six major banks, which gave more than \$40,000. For their part, trust companies contributed more than \$35,000 each.

In that situation, nobody will be surprised that the government cannot muster enough political will to act when asked to fix the tax loopholes which allowed family trusts to transfer \$2 billion in the United States without paying taxes.

Grassroots financing means that the funds are gathered among those who ask us to represent them and do a good job at it instead of representing big businesses, like they like to do across the way.

How does the hon. member dare say that his government can represent each and every citizen when it is being bribed by big business and refuses to take the necessary actions to fix the tax loopholes—

Ms. Jocelyne Girard-Bujold: That is true.

Mr. Yvan Loubier: —but maintains privileges—

Mr. Denis Coderre: Point of order, Madam Speaker.

The member for Saint-Hyacinthe—Bagot is always full of baloney. He is talking about bribes. He should know that he must show respect to this institution and to all parliamentarians. And when—

The Acting Speaker (Ms. Thibeault): I think members on both sides of the House should be more careful in their choice of words. I would ask you to please continue the debate calmly and peacefully.

**Mr. Stéphane Bergeron:** Madam Speaker, I think all my colleagues here in this House heard the derogatory remarks made by the member for Bourassa, who called the members of my party hypocrites.

This word being unparliamentary, I call on you to ask the member for Bourassa to withdraw that remark.

The Acting Speaker (Ms. Thibeault): In this case, I will check the blues, but I would ask you once again to remain calm. The member for Sainte-Hyacinthe—Bagot has the floor.

**●** (1140)

Mr. Yvan Loubier: Madam Speaker, I will repeat my question since I was interrupted. How can the member claim to be serving ordinary Canadians when his party is being bribed by large corporations and banks to the tune of \$40,000 in donations to the Liberal Party of Canada? How can this government not have its hands tied by all this generosity on the part of corporate Canada?

Mr. Stéphane Bergeron: Its hands are tied.

**Hon. Don Boudria:** Madam Speaker, I want to say two things. First, any small business in my constituency that wants to make a contribution to my election compaign has as much right to do so than any individual. I do not claim otherwise. The members opposite claim they do not take donations from corporations when they actually do, and that is what is not right.

Mr. Yvan Loubier: We do not.

Some hon. members: We want names.

An hon. member: Liar.

**Hon. Don Boudria:** Second, I want to tell you about my own campaign. Each year, my constituents make contributions to the election campaign. I hold a huge fundraiser to which each person contributes \$65. That is how I finance my election campaign.

Recently the finance minister visited my constituency and 344 persons came to listen to his speech. That is how I finance my election campaign. And I can tell you now that my association has \$100,000 in its election fund. I have no qualms about it; I say so publicly.

I finance my election campaign by collecting \$65 from each of my supporters. This is the way I am accountable to my constituents. Each and every one of them made a contribution. They bought a ticket, some even bought two, to come to my fundraiser. Tickets cost \$100, including \$35 for the dinner and \$65 for the contribution. That is how I financed my election campaign and that is how I was elected to this House.

Some hon. members: Oh, oh!

**Hon. Don Boudria:** I am not ashamed to say this. I am not ashamed to appear in front of my constituents. The accusations made by the hon, member opposite are irresponsible.

**Mr. Jean-Guy Chrétien:** Half goes to Corbeil and the other half to the other one.

[English]

Miss Deborah Grey (Edmonton North, Ref.): Madam Speaker, I congratulate you and wish you well. I wonder if you are ruing the day you got the appointment to be in the chair.

I would like to enter the debate today on the motion. The House leader from the government talked about one part of the motion, financing federal political parties. I would like to talk about another phrase which may upset him, the phrase about the existing legislation that allows for a wide range of abuses. I think that is what we need to look at here today.

I would like to thank the voters of Edmonton North, the new constituency in which I ran in this past election. It was an honour for me to win the election and to voice their concerns on the floor of the House of Commons.

I would also like to pay tribute to the voters in the now defunct riding of Beaver River in northeastern Alberta, those people who took a chance and voted on the first ever Reformer in the House of Commons back in March 1989. Although I am away from the riding of Beaver River because the electoral boundaries commissioners blitzed that riding in the last election, it was a tremendous honour for me to sit here for several years on their behalf. I am close to them still in heart and also geographically as I am literally the girl next door in the riding of Edmonton North.

I would also like to pay tribute today to a very special aunt of mine, Reta Yerex, who died of cancer two days ago. I dedicate my maiden speech in the House of Commons in this Parliament to her. I want to say to her husband Art and family that I love them and I will do the best job I can do in the House. She loved me and she supported everything I did. I want to do this today for her and everything else that I do here also because she is not with us any more.

# Supply

• (1145)

I would also like to say how pleased I am today to have my mother, Joyce Levy, and my sister Alison Horne with us. They have watched me grow up. They have watched me make Canadian history and they are watching me today in the chambers of the House of Commons. I want to do the best job I can do for them as well.

I want to thank my greatest friend and confidant, my husband, Lewis Larson, for the support that he has given me over the years in the Chamber and at home. He knows and understands politics probably even better than I do. He is my greatest advisor. I just want to say thank you, Lew. I appreciate everything that you have done and will continue to do for me. I think he is pretty upset right now about some of the ways political parties use and abuse their funding powers.

Therefore, I want to say several things in the debate today. We never have enough time to talk about all the things that we should talk about, but this whole phrase "allowing for the abuse of legislation for federal political parties that can in fact misuse and abuse the trust of the Canadian public". I do not find anything more reprehensible than that. Somebody under the guise of a federal political party that looks as if he is on the up and up should not be able to bully people into making donations.

This government used to be against free trade but now it seems it is all in favour of it. "I'll trade my promises, contracts, all those kinds of things to you if you vote for me and put me in". That is shameful. We have been addressing this during question period over the last several days and we will continue to address it in question period and every other chance we get. We want to make sure that this dirt comes to the surface in order to find out what the answers are.

I am not making allegations today. I am not making any assumptions of wrong-doing but I am going to continue to ask questions so that people in government are not doing the literal free trade "you vote for me and I'll pad your pockets later with a government contract". That is shameful and nobody in that situation should ever be voted into office.

Let us look at the Liberal bagman who is being investigated right now. He is somebody who raised funds for the Liberal Party. We have to ask the question: What was the trade-off? What was the free trade deal they were talking about? This was even more deplorable than what we have been suggesting the last couple of days and asking questions about.

Here is a letter that came from the Prime Minister's office concerning Liberal fundraising during the election campaign. I thought that was wrong. In fact, I thought it was not just immoral or unethical, I thought it was illegal for someone who is the Prime

Minister of the country. That is wrong, but it does not seem that the things that he does are wrong. This letter is going to the Liberal national director stating that the election has been called and it is the time to start rallying Liberals across the country, to get the Liberal message out during the campaign. It refers to encouraging all Liberal friends to climb on board and show their ongoing personal and financial support. This came out of the Prime Minister's office.

If ever the question needed to be asked in this place about the abuse of fundraising for political parties it is this kind of thing. It is wrong at the beginning, wrong in the middle and wrong now at the end. People must not be allowed to do that in government. Signing his name, Jean Chrétien, from the Prime Minister's office, sending out Liberal stuff asking for Liberal money and Liberal donations so they could try to form a Liberal government. That is not right.

As Her Majesty's loyal opposition, which we are proud to be, we will continue to make sure that we hold these people accountable for the abuse of some of the funds. The timing of these suspicious grants is certainly questionable and we are going to continue to ask the questions that need to be asked.

What about federal political parties that become government and interfere and manipulate some of these arm's length groups? How about the CBC? It is always said here that these are arm's length people. What is at the end of the arm? A hand, a great big hand that can go around the neck of the CBC or, for instance, the Canadian Armed Forces, to say "Here is our free trade agreement with you; you support us, give us good coverage and talk about us and the military well or else. You may be at arm's length but our hand is attached to the end of that arm. We have a stranglehold on you and we will cut your grants for the CBC. We will cut your funding for equipment and staff in the Canadian armed forces". It is wrong. What is at the end of the arm's length relationship with the provinces, for instance with health care? The government was to fund the provinces 50:50 when medicare came in in 1965. Now the federal government is down to 10% cash donations for transfer payments and it is falling fast.

# **●** (1150)

What is wrong when a federal political party can finance itself any way it sees fit, even though it goes against the red book promise, yet it turns around and says it is the great champions of health care, the great champions of the defence department and the Canadian Armed Forces and of public broadcasting and the CBC. It is a farce and nothing more.

What about Canadian taxpayers? How many people have gone around in ridings during the campaign saying "You vote for me and I will get you this, I will get you that. I will make sure that your company gets a grant." Surely those days should be far, far behind us. It is wrong, very wrong for someone to go around a constituency and make promises that if "you vote for me, I will make sure I look after you."

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I rise on a point of order. Earlier in her comments, the member

indicated that she would not mention the Prime Minister's name and she did. She also used the word "illegally" in reference to actions on behalf of the Prime Minister's signing. As well she has imputed that members during the election campaign were going out and soliciting votes in exchange for some consideration which is contrary to the Canada Elections Act.

Madam Speaker, all of these items are contrary to the rules of this place and I ask you please to enforce the rules of the House.

The Acting Speaker (Ms. Thibeault): Given the nature of the discussion at this time, I think we can give the hon. member a little leeway.

Miss Deborah Grey: Madam Speaker, I am not begging for leeway in the House, what I am begging for are answers to the questions that have been raised about some people. I am not stating that something is illegal. I am not accusing the member of going around asking for votes. I am saying that if this type of thing is allowed to happen, as we are talking about in question period right now, surely to heaven the member would like to see it cleaned up. I do not think he would like his name besmirched anymore that I would like mine besmirched.

We need to make some fundamental changes so that the Canada Elections Act cannot be abused during writ periods. Further, when a government is in full blown operation and is now the victim and its members at arm's length in an RCMP criminal investigation, it is wrong. I do not think the member is very proud of that.

Let wrap up with this. Here is a little quiz for the House. Who said this? "The best party that deals with the issue of morality and ethics in government will win the next election." I bet a dime no one can guess. It was the member for Glengarry—Prescott—Russell in November 1987. Does that sound like a broken record? "Integrity and honesty must be restored to the political process," page 91 in the red book. I do not think the Liberals have moved on that promise.

I say to the government, do not just tell us, show us. Do not just think about it, do it, do it, do it.

[Translation]

**Mr. Denis Coderre (Bourassa, Lib.):** Madam Speaker, I am all the more pleased since these are my first comments against the official opposition.

We are used to hearing fine speeches, and very emotional ones too, from the hon. member for Edmonton North.

**●** (1155)

[English]

She talked about shameful. What is shameful is to try to make political capital when you do not have any proof. It bothers me that in this specific case she used totally incorrect facts without a shred of evidence. She has attacked the reputation of an honest and outstanding member of the Shawinigan business community. She should apologize for what she did.

# [Translation]

Not only does she have no evidence, but she attacked a member of the business community and she sullied a reputation. To top it off, in with all the falsehoods she has uttered, as a member of Parliament, she has undermined this whole institution. I can see the Bloc's histrionics have started to spread to the Reform Party.

Finally, on this issue of the financing of political parties, the hon. member stated that, because a corporation has given us money, we are in the pay of this corporation. I have a question for her. Since, according to the latest report, the Reform Party received 925 donations from companies, for a total of \$815,520, does that mean that the Reform Party is in the pay of those companies that contributed money to the official opposition? This is nonsense.

[English]

**Miss Deborah Grey:** Madam Speaker, the member talks about me doing this as a violin playing matter. I hardly think that was the best analogy to use. I do sing although I am not a violin player, that is for sure. Quite frankly, I do not like the tune he is singing.

He accuses me of incorrect facts. I am trying to get any facts that I can. That is what the difficult part is, trying to get facts from the government. We are trying to get the facts. When he says that we are bringing this up I have to remind him and jog his little memory that this criminal investigation was launched by the Minister of Human Resources Development.

This was not something I dreamt up during the campaign. This is not something my party thought would be fun to investigate. It is his own guy. He is the one who decided that this should be looked into because he smelled a rat. I think it is probably a good thing that he did. I have some concerns about the fact that we did not hear about it until five days after the election was over. I am not making these accusations, I am asking questions. If he were in opposition surely he would be doing exactly the same thing.

He accuses me also of shirt rending, Madam Speaker, and I want to give you this assurance. What we saw on *This Hour Has 22 Minutes* the other night was bad enough. I promise I will not be rending my shirt in here.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I rose on the point of order earlier because as a backbencher I and most hon. members are here to hopefully earn back respect for the role and position of members of Parliament. In this speech I did not hear things that I felt very good about. In my view it was an attempt

# Supply

to link partisan party activities and the office of the Prime Minister in ways which could lead to the perception that there was some wrongdoing on behalf of the Prime Minister.

I would suggest to the member, based on information I have received, that the letter from the Prime Minister on the Prime Minister's office letterhead to which she has referred in fact was merely an artist's rendition of it included in a Liberal Party fundraising package—

An hon. member: Oh, a reasonable facsimile thereof.

Mr. Paul Szabo: —and not in fact a letter from the Prime Minister's office which was within his role as the Prime Minister of Canada.

Miss Deborah Grey: Madam Speaker, the entertainment just does not end. He talks about the link that I was trying to make between bringing back respect to the office and this idea of fundraising and linking partisan party activities. This was not my letter. This says "Liberal fax transmission from Jean Chrétien to Terry Mercer, National Director, Liberal Party of Canada", and it says Prime Minister's office at the top. So the link has been made. It was not made by me. It was made by the prime minister, the PMO having absolutely direct political party activities begging for money for the campaign. I think it is wrong.

(1200)

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Madam Speaker, I am pleased to participate in the debate on the Bloc motion which condemns the attitude of the government in that it refused to introduce complete reform of legislation on the financing of federal political parties, even though the existing legislation allows for a wide range of abuses.

Before I get into the substance of the debate I wish to take this opportunity, my first opportunity, to thank the constituents and the voters of Regina—Lumsden—Lake Centre for electing me to this assembly.

They voted for me in the majority because they felt the work I was doing was important to them and to our country. I acknowledge their support over the last four years, in particular in the last election, that returned me to this assembly.

I pledged during the campaign to work hard on their behalf to make sure that their voices were heard in parliament. I will continue to do that as long as I am a member of Parliament.

I also wish to take this opportunity to thank the workers in my constituency who worked hard for me, those who put up signs and made political contributions to my campaign. I would like to extend my appreciation to my family who sacrificed a fair amount of time, energy and money to see me re-elected.

The issue we have before is a very important one. It is on the floor of the House of Commons because of developments in Quebec where there were suggestions or allegations of influence peddling.

This is not a first. We have seen allegations and actually substantive proof and convictions in other provinces of influence peddling and of patronage, whether it is constituency patronage or politicians doing things for money provided to them by sources other than the taxpayers.

We in the NDP believe the regulations which govern party financing in Canada are like hunting dogs that will not hunt. They are there but they do not do the job they were intended to do. We believe there must be extensive reform in that area.

We have seen across the country, in particular in Quebec lately, a practice in backroom politics called tollgating. Tollgating is when a company is either on a list to bid for contracts or is actually receiving government contracts and is visited by a bag person. They used to be called bagmen. We call them bag persons. The bag person points out that the company received a contract from the government and now it wants a contribution for its political purposes.

That kind of politics is bad politics in Canada. It is bad politics anywhere. It is frontier politics that have not seen the light of day very frequently except for Quebec recently. We have seen examples in Nova Scotia and in Saskatchewan.

The Liberal Party is not the only guilty one. The Conservatives were very guilty of these practices in the past. As a matter of fact we have a Reform member of Parliament, the member for Souris—Moose Mountain, who was a member of the former Conservative Party and Conservative Government of Saskatchewan. Some 20 Saskatchewan MLAs that governed the province of Saskatchewan have either been charged or convicted on practices that are unacceptable to public and party financing and for other reasons.

The Reform Party is guilty. The Conservatives and the Liberals are guilty of influence peddling, tollgating and doing all sorts of illegal things with respect to people's money.

We even have former members of the Socred Party who would know what this is all about because they practised it in B.C. Now they belong to the Reform Party. We also have members from the Western Canada Concept Party who are now members of the Reform Party that do the same sorts of things.

We want these issues on the floor of the House of Commons to be transparent. We want political party financing to be changed so that it is transparent and open; so that constituency patronage and regional patronage end; and so that tollgating and other such issues end. **●** (1205)

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I rise on a point of order. Would you ask the member to be intellectually honest in the connections he makes?

It is a deprecation of the quality of debate in the House to hear him talk like that. It is wrong.

The Acting Speaker (Ms. Thibeault): That is not point of order. I ask the hon. member to continue the debate.

**Mr. John Solomon:** Madam Speaker, members will know that political parties were originally established to advocate ideas based on principle. They are tied together as political parties on the basis of principle. We put forward the world view on issues important to people who support our particular philosophies.

The Reform members who are chirping from their seats are concerned about being brought into this debate. They have track records with respect to some of the issues before the House today. It reminds me of the old saying that when you throw a rock in the dark and a dog barks, you hit a dog. I think we have a problem here. I think the Reform is barking because it has been hit with the same allegations as the Liberal Party.

We have a political process that is still tied to the old slogan of he who pays the piper calls the tune.

The NDP believes there must be an inclusive, fair, transparent political contribution system to include as many people as possible in our democracy. In a certain way we are on the right track. We have a political tax credit system which includes average, ordinary Canadians. They can contribute money to a political party and obtain a tax break on their income taxes.

We think there must be an extension of that system. There has to be a ceiling of contributions from businesses and other organizations so that he who pays the piper indeed calls the tune. We want Canadians to pay politicians. We want Canadians to be involved in supporting political parties so that we are accountable to the taxpayers and not to the banks or the oil companies that now run the country.

Government must be the balance to the economic powers that run our economy. The Liberals, the Reform and the Conservatives all believe they should be funded by huge corporations so they can continue to tip the balance against ordinary Canadians and in favour of the large corporations that run our economy already.

I want to provide some evidence with respect to what I say on he who pays the piper calls the tune. We are not only talking about tollgating, influence peddling and political patronage on a riding or regional basis. We are also talking more insidiously about political parties financed by corporations doing their bidding in the House of Commons on issues that hurt Canadians.

The best example is the banks. In 1996 the banks gave a total of \$544,000 plus to the Liberal Party. What does this mean? We can

look at the bank tax rates, the bank services charges and their flexibility in charging interest rates to their customers.

The Bank Act, passed by the House of Commons and supported by the finance committee made up of Liberals, Reform members and former Conservative members, allows banks to do whatever they want. Why? It is because \$544,000 in 1996 went from the banks and other financial institutions to the Liberal Party. The Reform only received about \$68,000. Obviously Reform bag persons were not doing their jobs. They have been doing the bidding of the banks since 1993 when they came to the House.

I have raised the issue of energy pricing and fair gasoline pricing. The Liberals, the Reform and the Conservatives opposed it. Why? It was because the oil companies contribute to their parties. They support the big oil companies. Imperial Oil is owned 70% by Exxon in the States. They do the bidding for Imperial Oil, Shell Oil and all other huge corporations. This is patronage. It is political influence peddling. It is worse. The NDP oppose that 100%.

We wonder why Bill C-91, the drug patent legislation, has not been changed. We wonder why the Reform and Liberals embrace huge international pharmaceuticals in gouging Canadians on prescription drugs prices. It is because they get huge contributions of \$26,000 from Merck Frosst and \$33,000 from Glaxo. That is patronage and political party fund raising at their absolute worst.

# **●** (1210)

We in the NDP are committed to ensuring that is ended and ceilings are put on contributions by those organizations. We will continue to fight in parliament for taxpayers as long as we are here.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Madam Speaker, some things never change in life. I have been here a long time and a politician in British Columbia a long time.

Members of the NDP get up in the House to talk about other parties. They talk about how nice and clean they are and how pure they are. Obviously the member has never read a paper from British Columbia or looked at what happened to his government in British Columbia, the New Democratic Party government.

Members who sat in this House who were members of that government were under investigation on charges of abusing public funds, the Commonwealth Nanaimo federation.

They used to fund all their constituency moneys through one account and run their bingo games, all for charity. It was fraudulent and they will pay the price.

It is unfortunate that we are debating this issue in the House today. The motion reads:

# Supply

That this House condemns the attitude of the government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuses.

All parties in the House set down the regulations. We all go through the same list. When anyone donates more than \$100 to any of us it is recorded and listed. Anybody can get the list.

If the people who made the abuses by offering to peddle influence are guilty and are charged, they will go to jail. If any member gets involved, it is unfortunate.

To try to label everybody in parliament with going out at election time to raise money and maybe buy political favours with it is very unfortunate in the Parliament of Canada. It is a disgrace to the Parliament of Canada that people make these kinds of speeches.

An hon. member: The truth hurts, doesn't it?

**Mr. John Reynolds:** They yell out from the NDP side that the truth hurts.

Let us look at the list of donators. I do not mind. People phoned me yesterday from my riding. I had calls from newspaper reporters. Obviously the lists of contributions to members are out.

One question they asked me was about donations to the New Democratic Party member. They said he got \$8,000 from the union. I said that was too bad. They should have thought better of him and given him a lot more because he is a good New Democratic Party member. He works for MacMillan Bloedel and he was a very credible candidate.

Why is it that a union can give \$8,000 but MacMillan Bloedel cannot give that to a free enterprise candidate? The public has a right to know and it is there. Anybody can look at the statements of any member of the House that were filed by October 2. If anybody has any shame it is just too bad for them. That is the way our system works.

We live in a democratic system where people have a right to make donations to the candidate and the party of their choice. I hope that never changes. NDP members might like to see that change. Because of the way they talk about how they would run the country, not too many corporations would give them money. Corporations large or small would not want to give them any money because they would not do the country any good.

Let us look at the province of British Columbia which has a New Democratic Party government. I am sure its members will not get too many contributions from business because they are ruining business in that province.

That is the way the system works. I think it is a good system. We take donations. We declare who they are and the public has a right to know.

If the odd time we have a problem like we have across there right now, the police will solve the problem sooner or later. If anybody in the government is involved in it, they will pay the price.

The system is a good system. It is a democratic system. I find it very strange New Democrats do not like the system. They sat on the committee that set out the rules. Now they want to change the rules again. They are a lot different.

When I ran in 1972 and 1974 we did not have to declare any names at all. We just took in the money and spent it. There were no limits on spending. That was not fair. It kept many people who wanted to run for the House of Commons from getting here.

There were good committees of the House that sat and worked very hard. The members of the New Democratic Party sat on the committee and recommended the changes we are living under now. It is unfortunate they had to get up in the House and try to turn this motion around to make it look bad. It hurts everyone in Parliament. It is fine for them to question the government, but they should not knock the parliamentary system. Their party was involved in setting down the rules. They are good rules and we should stick with them.

#### **(1215)**

**Mr. John Solomon:** Mr. Speaker, I would like to respond to the member by saying that since the last time he was a member in the House of Commons things have changed a fair amount.

The member who is now a member of the Reform Party changes his politics like a dirty shirt. He was a Conservative member of Parliament. He was a member of the Social Credit Party of British Columbia. He was a good friend of Bill Van der Zalm, that upstanding fundraiser. He was a good friend of Bill Bennett, that upstanding fundraiser who has been before the courts for the last 15 years.

Now he is a member of the Reform Party. I wonder what he will bring to the Reform Party in terms of integrity, in terms of fundraising, in terms of cleaning up the system which exists now, which quite frankly is not in tune with contemporary politics and contemporary thinking in society.

We are saying to the House of Commons and to the people of Canada that the system we have now which provides financing to political parties has to be revisited. It has to be cleaned up. Here is an opportunity which was provided to us by the Bloc. I congratulate the Bloc for the motion. I believe all members should focus on it and work toward that objective.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I want to indicate that this is my maiden speech

in the House. I would like to give the mandatory congratulations to you, Mr. Speaker, on your appointment to the Chair.

I also want to pay tribute and express my thanks to the people of Pictou—Antigonish—Guysborough for entrusting in me this very sacred responsibility. I certainly will endeavour to represent the people of my constituency in the province of Nova Scotia with vigour, honesty and integrity.

With those words I must say that it is with some regret that I rise to speak on the issue which is before the House. I want to indicate that I am in support of the motion which has been brought forward by the Bloc.

It is important to look at the origin of this debate. I want to give thanks to our Conservative member for Richmond—Arthabaska for his hard and diligent work in bringing this matter to the forefront. I also pay tribute to members of the Bloc and the Reform Party for having the good sense to join us in this open debate concerning government accountability.

The stench of corruption that now hangs over this government is something which we have to deal with in a very timely and effective manner. This stench exists because of questions surrounding the relationship of ministers of this government and their departmental information and agents of the Liberal Party of Canada.

We need to ensure that campaign fundraising activities are no longer shrouded in obscurity. Because of the outright refusal of the government to deal with the simple, straightforward questions that have been posed to it on the floor of the House of Commons, we have this sudden shroud and feeling of insecurity on the part of people both inside and outside the House.

We need to ensure that the government is moving in the direction of accountability and responsibility. These are not just words that are thrown around lightly. I am afraid to say it—and I think we are all aware of the fact—but there is a great deal of cynicism in the general public, a growing cynicism about political practices. That is why I stress the importance of the timeliness of this debate.

My colleague from Richmond—Arthabaska and I were asking earlier this week what the government has done. What has the government done?

The Minister of Human Resources Development we know filed his concerns and complaint with the RCMP back in March. He did that to ensure, and rightly so, that the practices were not going to continue. However since that time, the question has been posed repeatedly by members of all parties: What else did the government do? Simply reporting it is not enough. I would stress the importance of the government's responsibility to do something more than simply bring this to the attention of the RCMP.

The questions which we have posed in the House of Commons have been repeatedly answered with the old chestnut "It is under investigation and we cannot comment. We cannot interfere". At no time are we asking the solicitor general or any member, any minister of the crown to actually interfere. We are asking for answers about what they did subsequent to the reporting and what other assurances the House has that the practice will not continue.

# **●** (1220)

As a former crown prosecutor I do agree with the line that the government should not directly partake in an RCMP investigation. That is standard and it is not something we are suggesting. However Canadians do have a right to know whether their government did act properly in response to the allegations that are before the Commons.

The government is in a different position than members of the opposition, a distinctly different position in the fact that it has direct control over where government funding is directed. This is what is at the very root of this question. Was government information used for the purposes of a political party's fundraising activities? These are the answers we are probing for.

Unfortunately, due to the response and the patent answers that we are receiving from the government, the issue has now expanded and goes far beyond the boundaries of the province of Quebec and I would suggest far beyond the boundaries of only the Liberal Party of Canada. As has been suggested by members of all parties, none of us are squeaky clean in this. There is unfortunately a history in the House of parties of all political stripes being tainted by allegations. This again ties into the issue of having more openness, more accountability and more responsibility when it comes to the issue of political fundraising.

Again with respect to the specific issue that has been on everyone's mind of late, we are looking for information about ministers of the crown who accompany fundraisers. Mr. Corbeil is the one name that seems to have garnered a lot of attention. However we have information to suggest that there may be others. These are the questions we are asking. Because of the shrouded responses we are receiving, the issue has gone far afield.

The government has an opportunity to set the record straight on this issue and perhaps put the issue to rest but it has not done so. It has made no attempt to do that. People need to know if ministers of the crown continued to employ individuals without any sanction knowing that these individuals were under an RCMP investigation. And while under investigation, were these same individuals provided with confidential government information for the purposes of political fundraising. This no doubt is what is at the root of the RCMP investigation.

# Supply

We have heard some references made to the fact that the investigation is nearing its end. One can only hope that this is the case and that there will be no delay or interference.

The RCMP and the commissioner were advised of this a long time ago. Six months ago they were made aware of that. The question we asked last week was whether the Clerk of the Privy Council was also advised of this to ensure the integrity of the government and to ensure the integrity of cabinet discussions. That is not undue interference. That is called government accountability.

To paraphrase the prime minister's recent comments in the House, it is high time that this government put up or shut up on this issue. This is the same government that has promised transparency and integrity in bringing its matters before the House.

In 1993 the Liberals promised to bring about integrity by appointing an independent ethics counsellor to be accountable to Parliament. They promised stricter guidelines so that the government appointments would be based on merit and ability. They promised tougher regulations of lobbyists. Each and every one of these promises has not been fulfilled and to this date I would suggest they have been broken.

The Liberals also promised to close loopholes in campaign finance laws. That has not happened. The activities and the government's response prove that these loopholes still exist and that these loopholes are large enough to drive large kickbacks through.

As much as we would like to dwell on the history of political fundraising abuses, I am more interested in getting to the root of the problem and trying to fix the problems associated with the current system. The reality is that fundraising is the mother's milk of political activity. The time has long since passed to open a meaningful and real dialogue that will bring integrity, transparency and accountability, not just these bold words but the reality of these words to this House.

# **•** (1225)

This House and every member of it have been tainted with this particular scandal. It is high time that we got to the bottom of it. My friend in the Reform Party referenced the fact that the NDP members themselves have been tainted by bingo-gate and raising money that was supposed to be going to charitable organizations. The leader of the Reform Party himself was alleged to have dipped into secret trust funds and expense accounts for trips, clothes and a private pension plan.

The leader of the Bloc, who is now the current Bloc House leader, saw nothing wrong with granting taxpayer funded severance packages to former staffers who then quit to go to another political venue in the province of Quebec.

The Conservative Party has baggage as well. I am not going to dwell on that because everybody else has certainly beat that one to death.

What I would suggest is what we have done in our party. We have consulted extensively with our membership. We have had workshops and conferences in all the provinces and the territories. We have been united in the need and the cause for accountability and transparency collectively in the use of management funds. We have consulted with our members and we have acted on recommendations and have enshrined a better degree of accountability and communication measures between our PC Canada fund and the local constituency associations.

We have broadened and opened public dialogue and we have done this for the sole purpose for what this House itself is now trying to do. We are not going through simple machinations. We are trying to get this matter brought forward for debate.

Politics is a public rather than a private process. The standards applied for public fundraising must be given proper scrutiny. As parliamentarians let us restore the lost public confidence in our political parties and the democratic process.

Mr. John Harvard (Charleswood—Assiniboine, Lib.): Mr. Speaker, first I want to say thank you to the new member who just spoke. He reminds me of his father. I was here when his father was here. In fact his father was here a good many years before I arrived in 1988. His father left his mark on this institution. He made an enormous contribution and I am sure that his son will do exactly the same thing.

I want to comment on a couple of things that he did say. In the period of the existence of Canada and going back to 1861, I suppose every political party has been tarnished and sullied by a financial scandal of one kind or another. It certainly does not bring honour to this institution and certainly does not bring honour to politicians. It concerns all Canadians. I think all of us are very concerned when we hear allegations of financial scandal, influence peddling and that kind of thing.

One of the things that concerns me about the debate that is taking place today is that I smell a bit of a witch hunt. I was in opposition once too and this kind of an issue lends itself to all kinds of serious questions as to where we are going and is the world coming to an end. Most of the questions are very responsible.

One of the things that we should keep in mind is that the RCMP as far as I know have not yet completed the investigation. As far as I know they were told back in the month of March and yes, that is a few months ago. I am not a policeman so I do not know how long it takes police agencies to investigate this kind of an issue.

However before we go off the deep end and make all kinds of assumptions, particularly that the government has wronged and wronged, why do we not just wait for the investigation? I can assure the hon. member who just spoke that if the RCMP find in their wisdom, and if it is confirmed by a court later that there was influence peddling, I will be as concerned as he is, and I should be. But why do we not wait until the RCMP investigation is finished? It seems to me that in itself will answer some of the questions. It may raise some other ones later on and we may have to shore up the system that we have.

#### • (1230)

I do not agree with the member from British Columbia who spoke a few minutes ago. I do not think the system is perfect, but I do not think it is as rotten as perhaps some other speakers have suggested. All I suggest is we just hold on to our hats and wait for some of these answers.

I know there can be a lot of impatience but let us wait for the answers. I am absolutely convinced, because I think I know the prime minister very well, that if this investigation leads to some serious allegations by the police and if someone is found guilty there will be things done to correct the system. No political party can tolerate this and certainly the voters in Canada cannot expect to tolerate this for a minute, if this kind of thing did indeed happen.

**Mr. Peter MacKay:** Mr. Speaker, I must thank and acknowledge the remarks of the member opposite in reference to my father.

I do not take issue with the fact that the integrity of this House is something we should all value and something we have to put a great deal of emphasis on. I do take some exception to the indignation that the member opposite expresses with respect to due process and the presumption of innocence when it was the hon. member's own party that initiated a witch hunt far across the ocean in a foreign land that involved a former prime minister. There was very little reasonable and probable grounds. This is very ironic given the fact that we now have allegations involving the party opposite. There seems to be a bit of a contradiction there in terms of how the approach is taken when it is an opposition party as opposed to a government party.

There is no question we all want to get to the bottom of this, that due process has to kick in and that we need time for the RCMP to complete its investigation. We understand that is coming soon. Let us not have any further delay. There was an initial reporting in March. Six months have passed. Let us be open and honest about this. Let us find out what is really rotten in the state of Denmark.

# [Translation]

**Mr. Pierre Brien** (**Témiscamingue**, **BQ**): Mr. Speaker, I am pleased to take part in today's debate on the financing of political parties.

But first, since this is my maiden speech in this new Parliament, I want to take 30 seconds to thank the constituents of Témiscamingue for renewing their trust in me and tell them I will do my best to represent them adequately during this Parliament.

We are now beginning a new Parliament and it reminds me of what happened when we started out in 1993. One of the first things discussed in the House was the cancellation of the contract for the construction of a terminal at Pearson airport, which aroused a lot of suspicion and brought forth allegations of traffic peddling.

Claridge and Paxport were two companies that were mentioned. The people involved, who enjoyed close ties with the old traditional parties, the Liberals and the Conservatives—or the Conservatives and the Liberals, if you prefer—allegedly filled their pockets with compensation money paid directly by cabinet. The whole process was kept as obscure as possible so they could reward their political friends.

Today, at the beginning of this new Parliament, an important issue is resurfacing: the Liberal Party is accused of influence peddling and of using lists that may have been obtained from influential ministers in this government. These allegations of influence peddling are extremely important.

Some factors must be considered. We must look at the causes. If you examine the way federal political parties are financed, you will immediately understand what caused the present situation.

There is no limit to how much money companies can give. Do you sincerely believe that any major bank who makes a \$100,000 contribution to a political party does it without ulterior motives? Or do they do it to maintain good relations and establish contacts? Those people are not philanthropists. They do not give to appease their social conscience.

• (1235)

Contributions are made mainly to the Liberal Party and the Conservative Party, especially when they are in power. Is this a coincidence? Contributions get bigger when those people are in power. It is easy to see that there is a direct link. Several times in the last Parliament, we in this party suggested amending legislation on the financing of political parties in order to adapt it to a more modern context.

Let me tell you about a discussion I had with one of your colleagues after the 1993 election. As we were travelling for a parliamentary committee, he told me the following: "when I was asked to be a candidate for the Liberal Party, I was told, first, to raise \$50,000 and, second, to sign up 1,000 members". He told me that this requirement was impossible to fulfil. I told him that he

was right, that it was not easy to raise \$50,000. And he replied, "No, no, I am talking about the 1,000 members."

Now, those people say they enjoy grassroots support. It is not easy to raise money at \$5, \$10, or \$20 a head but this reminds us of a hard reality. When you knock on a door to ask for a donation of \$10 or \$20, the people who answer are tempted to say what they truly think about politicians, politics and the government's actions. This forces us to stay in touch with the people. But as we can see, membership is something these people find embarrassing. Money is no problem. Fifty thousand dollars, especially in the Toronto area, is not very difficult to collect.

We must reflect seriously on this situation. Today, I heard other political parties, other members say that we should indeed examine the situation. But obviously, on the government side, they want to avoid any debate, to divert it with details or to look at a different aspect.

I want to come back on what is happening. The allegations in question are very serious and appear increasingly well founded as we learn more about the involvement of a Liberal Party activist who was able to approach companies with confidential information. It is not true that information on projects under study or in the process of being approved can be obtained by anyone.

Only some of us are consulted because of the dubious practices in some ridings. In my case, it is true that we are consulted on the approval of projects tied to the transitional job creation fund. But when I am consulted, my office does not consider this information to be public. I checked with officials from the Department of Human Resources Development in my riding and they do not consider this information to be public either. The same applies to the Société québécoise du développement de la main-d'oeuvre, which is also involved; it does not consider that to be public information.

How is it that the Minister responsible for the Treasury Board estimates that this information can be made public, that it is normal for it to be released? Is the same thing in all other departments? In Quebec it is known that the federal Office of Quebec Regional Development is very often an extension of the Liberal party in certain regions. Do these people also provide privileged information on the applications under study, the loans from various government bodies to businesses in the region in order to ensure that the Liberal party bag man passes by right afterward?

I would like to take advantage of this opportunity to describe the situation. One of the four businesses mixed up in the present situation and under investigation by the RCMP is the Raglan mining company located in my riding. It met with the gentleman in question, Pierre Corbeil of the Liberal party.

I will review the approval process on the amount obtained from the transitional job fund. We know that this company was awarded \$1.3 million for an extremely important mining development in northern Quebec, one that is extremely beneficial to the people of Abitibi—Témiscamingue in general and one that will have major economic impact. Today, that company finds itself tainted by association, because of a Liberal party fundraiser, and because of information leaked to him by someone with access to it, which has complicated things enormously.

What happened? The matter was approved by the local human resources development administration on January 22, 1997. Six days later, on January 28, it was given approval by the regional Société québécoise du développement de la main-d'oeuvre. It was then passed on to Montreal, because the Canadian department of human resources development projects have to be approved in Montreal by Quebec division. On January 30, therefore, it was also sent to the Société québécoise du développement de la main-d'oeuvre's head office.

#### (1240)

On February 17, a letter of approval from the MP was added to the file, in occurrence the letter I wrote to back the project, and it would appear that a very important meeting took place on February 25.

On March 7, the Minister of Human Resources Development approved the project, and on March 21 the SQDM or Quebec manpower development board issued a similar positive recommendation.

One may wonder why the minister, who claims to be waiting for the SQDM's opinion before going ahead, gave his approval prior to receiving it. This is somewhat puzzling, but it might be justified under certain circumstances.

However, on February 25, a date I want to come back to, what happened? Pierre Corbeil, from the Liberal Party, went knocking on the door of the Raglan Mining Company and met with one of its executives, asking him for a contribution, a cash contribution, which does not appear anywhere and cannot be traced, to get the project through the maze of the government's backrooms.

Blackmailing a firm into contributing money to a political party in exchange for a grant is unacceptable. Such practices should never be condoned in our society. I hope my colleague from Abitibi, who is from the same area as I am, agrees with me and is going to condemn this practice by a Liberal Party organizer named Pierre Corbeil.

Many questions remain unanswered, and because my time is running out, I would like to mention them before concluding.

Did people from the Liberal Party of Canada in our area directly or indirectly take part in these practices, were they in contact with Mr. Corbeil, did they also share this information?

Perhaps Mr. Corbeil did not come to our area simply to make this one and only intervention. Some questions are still unanswered. Who provided the list? Who provided the information to Mr. Corbeil in the particular case of the Raglan mining company? Who provided him with this information?

I hope I will not be accused of providing it to him, but someone did.

There are still unanswered questions about these lists. I hope the RCMP will be able to do its work freely and to arrive at some conclusions that will be extremely important and that will certainly implicate people who are very close to the government.

In closing, I want to say it is unacceptable for a so-called democratic society to tolerate such blackmail, to tolerate the existence of a patronage system—I repeat, a patronage system—within the government and the defaming of proud people who help build our regions and do not deserve to find themselves in the middle of such a controversy.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, I would like to praise my distinguished colleague, the young member for Témiscamingue, for his skill as a speaker.

I jokingly asked the new Liberal member for Abitibi, who sits next to my colleague who just spoke, and who sat in this House for nine years with his former colleagues from the Progressive Conservative Party but has now changed vehicle—he bought a red car to get elected—I asked him if they use the same fundraising methods as those he employed when he was a Tory. He said: It is the same, except the cheques have changed colour.

You can see how candid the member for Abitibi is; he says the method is the same.

If the Liberal Party is in such a mess right now, it is because of its tradition of scheming. What disturbs me most however is that now they ask for cash. They no longer accept certified cheques. They ask for cash and they say: "Just shut up, or you won't get your grant". Unfortunately, that is what we have come to.

You will remember Gérald Martineau from the Union nationale. He was quite something. In his days, all contractors who could get a contract from the Quebec government had to increase the price they would normally ask by 10% because Gérald Martineau was to receive 10% of all contracts. It was standard practice. At that time, the Liberals strongly condemned that practice. But now, we have a similar system.

# • (1245)

I ask the member for Témiscamingue to tell us if, in his region, only one mine or only one industry was approached. He was very clear. He invited the public to put the question to the Liberal members, to ask them if they knew some people from the Liberal Party in his region. He even sought help from his neighbour, the new member for Abitibi, so we could get some names. However, I am convinced that the member for Témiscamingue could shed some light on the issue or could ask a more precise question.

**Mr. Pierre Brien:** Mr. Speaker, I appreciate my hon. colleague's question.

It will give me an opportunity to be more specific. Mr. Corbeil, who was referred to earlier, is an organizer for the Liberal Party of Canada. He arrived in our region shortly before a Liberal convention. Were those seeking the nomination at the time informed of the situation by Mr. Corbeil? That is one question. Were the individuals looking to run under the Liberal Party banner in our region involved in this fundraising scheme?

There is also the question of whether this was an isolated case. One company was kind enough to notify the minister and complain about a practice it found unacceptable. I applaud that company's courage in deciding to make such a move under the circumstances, because we must not forget that its application had not been approved yet. It took a chance by complaining to the minister about the harassment it had been subjected to and about what was a rather questionable practice.

I am talking about asking for cash donations, which cannot be traced. In the words of a former minister, there could be no paper trail. They asked for cash because they did not want any connection to be made between the favours granted and the contributions collected by the Liberal Party. Nobody is fooled by what is going on

I will conclude by saying there are questions being raised that need to be answered. I hope that this situation can be cleared up in the local Liberal associations, where individual candidates may have been involved as part of the nomination process. I hope they were not involved, but it is up to them to provide answers. Everyone from our region who is watching the debate today will have noticed something. Our Liberal colleague, the hon. member for Abitibi, who is in the House today, did not speak on this issue. He remained silent and his silence speaks volumes.

An hon. member: He's gone all quiet on us.

**Mr. Guy Saint-Julien:** Mr. Speaker, is it a practice in the opposition to remark on the presence of another member in this House? We all know that under the Standing Orders we are not to make such comments, but I am pleased he mentioned that I am here.

# Supply

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, I find it astonishing that a former member of the House is not familiar with the Standing Orders. I find this strange, since the hon. member has been a member of this House for nine years.

That having been said, I will proceed directly to the motion by the Leader of the Bloc Quebecois. I will use my brief 10-minute speech to describe the vision that haunts me when I put the terms "transparency" and "Liberal Party of Canada" together. It is certainly not the most appealing image and that is why I want listeners to know right off the bat that I intend to be very critical but realistic in my remarks. This is the sad price people must pay when hoping to gain more insight into the government they are dealing with today and, unfortunately, for a few years to come.

For over a week now, members have been trying to shed light on this dark side of the Liberal Party organization and, more specifically, the federal government. For over a week now, members of each of the opposition parties, particularly the Bloc Quebecois, have been trying to find out about this transitional fund scandal in the last election. Unfortunately for them, the Prime Minister has decided to dodge the embarrassing issue and take refuge behind the RCMP investigation. No matter, the Bloc Quebecois is there to ask the real questions and that is why we are presenting today an opposition motion on this extremely important matter.

# **(1250)**

Rather than go all over what has already been said by the leader of the Bloc Quebecois or other Bloc members who have taken part in the debate, I am going to denounce once again the unhealthy situation in which the Liberals have landed themselves. Indeed, who would not do a double take on hearing of certain odd doings like those engaged in by organizers of the Liberal Party of Canada, who had the lists of grant applications in their possession before they had even been approved? These are confidential lists. Who would not protest when we know that these same lists were used to blackmail potential contributors to the coffers of the Liberal Party of Canada? Could that be described as democratic? Nothing could be more ethical, we might say.

Let us now look at the issue of ethics, which I deeply care about and worked very hard for during the 35th Parliament. We discussed the famous Liberal code of conduct on several occasions in this House. Originally, the code was supposed to restore the government's integrity and image. This instrument has definitely, and unfortunately, not been overused. The Liberals were so concerned about projecting a positive image that they forgot that a code of ethics is not a makeup kit. Its primary purpose is to deal with conduct related issues that can hinder the proper operation of our democratic institutions.

Obviously, the Liberals do not use their code often, assuming they even know it. The scandal surrounding transitional funds shows without any doubt that the Liberals tricked us when they drafted this phoney code. How can the government claim to be acting in compliance with a code of ethics when it stubbornly keeps on its payroll people who are said to have deliberately tried to corrupt entrepreneurs for the sole purpose of bringing money into the party's coffers? Why was Pierre Corbeil not immediately suspended? Why is Jacques Roy, an assistant to the President of the Treasury Board, still working for the government in spite of the fact that his actions are currently under investigation? Mr. Roy is still working for the minister.

Mr. Jean-Guy Chrétien: He is the scapegoat.

**Mr. Michel Bellehumeur:** And what about the Prime Minister's statements to the effect that the code of conduct does not apply to the Liberal Party of Canada, but only to the government?

Mr. Jean-Guy Chrétien: Outrageous!

**Mr. Michel Bellehumeur:** If I understood the Prime Minister correctly, what a minister cannot do because of the code of conduct, he has his staff or political organizers do it. It is just terrible.

Once again, I get the impression they are laughing at us, that some members opposite are trying to fool the public. How can the Prime Minister suggest that the Liberal Party and the government are so much at arm's length when ministers of the Crown give confidential information on subsidies to Liberal bagmen? That shows that ethics is a consideration for Liberals only when it suits them.

What became of the nice principles they were so proud of in the red book? If I had time, I would go through the list of the irregularities the Liberals have done during the 35th Parliament. We already have a pretty long list after only a few weeks.

What we have seen this week is but the tip of the iceberg. How can you explain that the Prime Minister did not issue a directive on an ethical conduct to his ministers after the Minister of Human Resources Development informed him of the RCMP investigation?

How could anybody believe that the Liberal government made such an omission because it cares so much about the ethics guidelines. What are we to make of the fact that the Solicitor General of Canada, who is in charge of the mounted police, like the Prime Minister calls them—somebody ought to tell him that it is now called the RCMP—was the only cabinet minister who did not know the Liberal Party of Canada was being investigated?

How can we explain the long delay between March 1997, when the scandal was discovered, and the search in the premises of the Liberal Party of Canada on June 12, 1997, just a few days after the government was re-elected? Something smells funny in all this! Perhaps there would have been a different public reaction on June 2, and perhaps the government would not be where it is today.

**(1255)** 

Are we to believe, and this is an extremely important question the public is asking today, that no government minister was aware that a certain Mr. Corbeil, a Liberal party staffer, was collecting funds at \$25,000 a shot? Do you think that no one in that government was aware of it? Come on! Everyone knows that within the very organization of the Liberal party, they knew what was going on. They knew the Corbeil fellow.

In light of these facts, we are saying that it would have been in the Liberal government's best interest to respond favourably to the Bloc Quebecois invitation, when it proposed the creation of legislation on the public funding of political parties. Adoption of such an act would, of course, have had repercussions on the millions in the Liberal Party coffers which come from multinational corporations and various lobbies.

But that would have been the lesser evil, considering that our entire democratic system would have benefited in future from funding from party members and supporters. Passing such legislation would have made it easier for the famous ethics I speak of so often to find a place in our federal political mores.

But I can already hear those opposite saying that the member for Berthier-Montcalm is totally unaware that they have an ethics commissioner even. Let us talk about this ethics commissioner. I was involved when the position was created, but the government opposite completely disregarded the remarks and requests of the Bloc Quebecois, the official opposition at the time.

The commissioner is not independent, since he is appointed by the Prime Minister, advises the Prime Minister on the sly, on a confidential basis, and has no say in decisions. I therefore have little to say for the ethics commissioner, because, between you and me, he is not very good at his job and is certainly the government's accomplice in keeping silent on a number of matters.

The initial weeks of the new Parliament have revealed the true face of this patronage government with its taste for light ethics. Everything is permitted—from dubious practices to partisan appointments.

Since I have little time left and since I am the justice critic, I cannot resist raising the latest and most offensive of this government's patronage appointments, while we are on the subject of dubious practices and partisan appointments. I am referring to the appointment of the new justice to the Supreme Court of Canada. This appointment of Michel Bastarache is the worst of the government's political appointments. He was appointed a justice of the supreme court.

Who is Michel Bastarache? A former colleague in the law firm where the Prime Minister did his Liberal Party of Canada purgatory. He is a good friend of the Liberal Party of Canada. He was part of a firm that gave thousands of dollars to the Liberal Party of Canada in its funding drive. Michel Bastarache's appointment is one of the worst the government opposite has made.

The worst of it all is that I heard the Prime Minister himself say he did not know Michel Bastarache. I would remind him that the signature on the preface to the book written by Mr. Bastarache in 1986 was that of Jean Chrétien.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, I would like to ask my distinguished colleague, the hon. member for Berthier—Montcalm, to go back in time and tell us about the nine years that preceded the arrival in office of the Liberal Party.

Surely, the hon. member for Abitibi must have known former member Richard Grisé, who was president of the Conservative caucus in Quebec and who, like several other Conservative ministers and members at the time, must have been implicated in scandals as shameful as the one which the Liberal Party has been covering up for two weeks already.

# **(1300)**

Earlier, the hon. member for Richmond—Arthabaska, who, as the former mayor of Asbestos, presided over the destiny of his RCM's economic development corporation, dared mention in this House the dubious actions of the Liberal Party. The worst in all this is—and I ask the hon. member for Berthier—Montcalm to comment on this—that it is not surprising to see fundraiser Pierre Gobeil demand cash contributions. Was part of the \$50,000 or \$25,000 he collected in Drummondville or in the Abitibi-Témiscamingue region going to the party, with the rest going somewhere else? Sometimes, there are potholes along the way and it is necessary to patch up here and there.

I find it very strange that a fundraiser for the Liberal Party of Canada would demand cash contributions. Worse still, that person even went so far as to give advice to the human resources director on how to cover up the misappropriation of funds, because this is what it is. It is criminal. It is a very serious matter to tell someone how to bill for false computer purchases. It is a serious offence.

This morning, I was listening to the former assistant director general, who is the new member for Bourassa. The member rose and pretended to be offended by our comments, but I wonder if, in fact, the Liberal Party does not agree. All the opposition parties could settle the issue within a week by proposing legislation whereby only voters could contribute to a political party's fund. The government could give, for example, one dollar for each vote received by a party during the previous election, to make up for the loss of revenues from major companies.

# Supply

When Laurent Beaudoin, the president of Bombardier, gives \$100,000 to the Liberal Party—as shown in the ledgers—it is not to get \$100,000 out of it but hundreds of millions of dollars.

So, I would appreciate it if the hon. member for Berthier—Montcalm could elaborate on these issues.

**Mr. Michel Bellehumeur:** Madam Speaker, I will attempt to answer this question. However, I fear it might take the rest of the afternoon.

I need not give a report on nine years of Tory government since the people spoke, very clearly, I believe, in 1993. With the exception of two MPs, they were all turfed out of the House of Commons. The message could not have been more clear, I think.

However, with regard to the present Liberal Party, I remember how in 1993 it ran on a platform almost exclusively dedicated to government ethics, claiming it was going to change the way things were done, and so on and so forth.

Those who were crying wolf in 1993 turned into wolves themselves by 1997. They are even worse than the previous Tories. Day after day we hear how the system set up by the Liberals had been planned all along. This is what is so revolting. This is the most serious aspect of this whole affair. One day we will learn that this is not limited to the Department of Human Resources Development, we are of the opinion that many other ministers are involved in this kind of practice to get cash.

# **(**1305)

**Mr. Guy Saint-Julien (Abitibi, Lib.):** Madam Speaker, what is nice about my being here today is that I seem to keep certain members of the Bloc Quebecois awake. That is nice. Here is my answer.

The opposition motion put forward by the Bloc Quebecois asks the House to condemn the attitude of the government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuses. They want to talk about party financing? Let us do just that.

The first thing I did after reading the motion this morning was to visit the library of Parliament. I have a few books here. What matters is to understand the process of party financing in Canada and Quebec. We all know that, on September 27, 1994, the hon. member for Richelieu, a member of the Bloc Quebecois, presented a motion asking that the government bring in legislation limiting solely to individuals the right to donate to a federal political party and restricting such donations to a maximum of \$5,000 a year.

I am not convinced that limiting donations solely to individuals will actually prevent corporations from making donations by giving bonuses or instructions to their employees. Company money may get to a political party through its employees.

If the party financing system is so effective in Quebec, why did the Bloc Quebecois change the amount that can be donated to make it higher? In Quebec the maximum amount an individual is allowed to donate to political parties within any given year is limited to \$3,000. They are asking for a \$5,000 limit. That is twice as much. We have nothing against it. What matters today is the truth.

If according to Bloc Quebecois policy only individuals are allowed to contribute to the financing of political parties, how can the Bloc Quebecois justify that, in 1994, candidates for the Bloc Quebecois accepted corporate donations amounting to several thousand dollars in spite of the fact that their internal regulations preclude it?

Mr. Jean-Guy Chrétien (Frontenac—Mégantic), BQ: Madam Speaker, with nine years of seniority and after a four year absence to recycle himself, the hon. member for Abitibi has changed sides. He is making certain allegations and I want to know the names, the amounts and the companies who made contributions. If he cannot answer these three questions, then he should pipe down and go for another makeover.

**Mr. Guy Saint-Julien:** Madam Speaker, I knew I was keeping him up. He was asleep a while ago.

As regards these contributions of several thousands of dollars, I cannot give members' names because we are not permitted to do so.

We will talk about the 1994 election. It is all public, and is available in every library in Quebec and in Canada. In Charlesbourg, they received \$1,070; in Drummond, \$1,500; in Manicouagan, \$485; in Laval-Ouest, \$2,500; and so forth. I have the whole list. It is public information, my friends.

Mr. Jean-Guy Chrétien: Go on.

Mr. Michel Bellehumeur: The total.

**Mr. Guy Saint-Julien:** It must be several thousands, but if I answer their questions, I will not be able to go on with my speech.

**(1310)** 

Mr. Jean-Guy Chrétien: Seven thousand dollars.

Mr. Guy Saint-Julien: He says \$7,000.

Mr. Jean-Guy Chrétien: That is right.

**Mr. Guy Saint-Julien:** No it is not, it is \$7,939. It seems he cannot count. There are \$939 missing from the Bloc Quebecois figures. That is not peanuts. It is a few trips to the grocery store for people in my riding. There are \$939 missing. Get your math straight.

They think I was born yesterday. But tell me. What is the use of having pearly whites if your nose is dirty? Think about it, my friend.

Need we remind members that the Bloc Quebecois received a cash advance of \$1.5 million from the Mouvement des caisses populaires Desjardins to launch its 1993 election campaign? The member for Témiscamingue talked about big banks and contributions, but he forgot to mention the caisses populaires in Quebec, \$1.5 million from small investors for the Bloc Quebecois's election campaign in Quebec. That is what corporations contributed, that is what the caisses populaires contributed. They have two different discourses.

**Mr. Benoît Sauvageau (Repentigny, BQ):** Madam Speaker, just like some members were saying, you would have to tie him up to get him to tell the truth.

I would like to remind the hon. member that there is a difference between a contribution and a loan. I would appreciate it if the hon. members were honest in what he says in the House.

**Mr. Guy Saint-Julien:** Madam Speaker, to me a gift or a loan is the same thing and they know it.

We should not forget that the Quebec electoral legislation does not prevent financing activities where some people often pay in excess of a \$1,000 to sit close to a minister or an MNA they wish to talk to. This is how Daniel Paillé, a former PQ minister, became rich. That way of doing things was also used in \$2,000-a-plate dinners attended by the likes of Jacques Parizeau, Bernard Landry, Jean Campeau. These are back-door contributions, through attendance at fundraising dinners. The Bloc may very well idolize the Quebec legislation, it remains that it does not prevent minor and serious violations, like the ones committed by Marie Malavoiy, a former PQ MNA who contributed to party coffers although she was prohibited from doing so by the legislation because she had not yet become a Canadian citizen.

If the Bloc wants to imply that business contributions could have an illegal impact on the allocation of government contracts, we could remind them that the Quebec legislation does not prevent the PQ from rewarding generously those who contribute to the party or serve its cause, and we could give several examples.

Some hon. members: Give us some.

Mr. Jean-Guy Chrétien: No.

Mr. Guy Saint-Julien: I was hoping you would ask. All together, now.

Mr. Jean-Guy Chrétien: Michel Bastarache.

**Mr. Guy Saint-Julien:** Take, for example, the famous and pathetic episode about the Le Hir reports and the improprieties in the contract awarding process. Parizeau finally admitted, in December 1995, that he had known since June 1995 about these things, about the backroom schemes for the awarding of contracts.

Yvon Cyrenne, one of the Le Hir report authors, gave \$900 to the PQ in 1994. Yvon Martineau, who became CEO of Hydro-Québec, contributed \$1,000 to the PQ fund the year before his appointment.

People really want us to discuss the issue of political party contributions. We can do it. They want us to speak about Abitibi. If the Bloc members in this House go to the library, they will see my campaign expenses in the report of the Chief Electoral Officer of Canada. I was a candidate in Abitibi.

Mr. Jean-Guy Chrétien: In what year?

Mr. Guy Saint-Julien: In 1988.

Mr. Michel Bellehumeur: For which party?

**Mr. Guy Saint-Julien:** In 1988. Madam Speaker, they say I switched parties. I know Lucien Bouchard. He switched parties six times.

Mr. Michel Bellehumeur: Brown-nosed chameleon.

• (1315)

The Leader of the Bloc Quebecois in Ottawa changed party three times.

Mr. Michel Bellehumeur: Brown-nosed chameleon.

**Mr. Guy Saint-Julien:** It happened twice in my case. I am happy to have moved from one political party to another.

But let us come back to books and history. What did Guy Saint-Julien receive during the 1988 election? Oddly enough, we don't hear them talk about their electoral contributions in the last election. We don't hear them talk about their expenses and the contributions they received. I received \$23,870 from 109 donors, and they were only individual contributions.

Mr. Benoît Sauvageau: And companies?

**Mr. Guy Saint-Julien:** None. No company at all. But if I take a look at Lac-Saint-Jean, during the same 1988 election, Lucien Bouchard received \$441,388 from 448 individuals. The political organization made a donation of \$105.

But something bothers me a little. Lucien Bouchard is a friend of mine and I worked part time for three weeks in his riding during an election. It's too bad he is now in Quebec because I could have asked him to tell me the meaning of "other organizations". What does that mean? Does it come from Zimbabwe, from the United States? He received a donation of \$41,065. A donation.

Mr. Jean-Guy Chrétien: Aren't you a jealous guy.

**Mr. Guy Saint-Julien:** Forty-one thousand dollars for one campaiagn, under "other organizations". They don't even have the decency to indicate where it came from.

**Mr. Jean-Guy Chrétien:** You were in the government at that time.

Supply

**Mr. Guy Saint-Julien:** Madam Speaker, it is true that Quebec was the first province in Canada to limit the election expenses of parties and candidates and to reimburse candidates for part of their expenses.

They then turned around and said, "One of the innovations in the financing of political parties in Quebec concerns the contributions that can only be made by voters".

It is true that the Canadian Parliament changed the Canada Elections Act provisions on election expenses. This was in accordance with the increases in election expenses of all political parties and of the Chief Electoral Officer in his statutory reports for 1979, 1980 and 1983. Essentially, maximum election expenses were raised by 30%. These expenses can no longer be incurred by third parties. Candidates will have their expenses reimbursed. Under a new scheme, political parties will have part of their election expenses reimbursed also.

Members opposite have been talking about the hon. member for Abitibi several times and the financing of his campaign. It is quite true that the public cannot be fooled. People in Quebec and Abitibi will not be fooled. But maybe—

Some hon. members: Oh, oh!

**Mr. Guy Saint-Julien:** They can keep talking all they want, but I may be the first member of this House to talk about the campaign preceding the June 2 election. That is not so long ago.

I have here the list of contributions to my campaign. No Bloc member could hand me his own list right away. I will give them 60 seconds.

Mr. René Canuel: I have mine right here.

**Mr. Guy Saint-Julien:** We are talking about contributions. I do not have a single contribution from mining companies, although we have a number of them in my area. The Raglan mining company is located in the northern part of my riding.

Mr. René Laurin: They make cash contributions.

**Mr. Guy Saint-Julien:** The hon. member for Rouyn-Noranda is right when he speaks about the Raglan mining company. He is dead right. I know Michel Rioux of that company quite well. He is a man of integrity.

**Mr. Jean-Guy Chrétien:** Madam Speaker, would you please remind the hon. member for Abitibi that everything that is being said here is recorded in *Hansard*. He should be more respectful of the truth. He should know that the Liberal Party collects cash contributions. When it is cash, it goes right into the party coffers, and just about any name can be used.

That is probably the reason why there are no mines on his list.

Mr. Guy Saint-Julien: Madam Speaker, it is strange, but—

Some hon. members: Oh, oh!

(1320)

The Acting Speaker (Ms. Thibeault): That is not a point of order. Resuming debate. Resuming debate with the hon. member for Abitibi.

**Mr. Guy Saint-Julien:** Madam Speaker, my constituents in Abitibi know that I stand up for what I believe in. I am an honest person. I get books out of the library. I dig up figures. I even go get—

Some hon. members: Oh, oh.

**Mr. Guy Saint-Julien:** You know, everything is public information nowadays. My expenses for the June 2 election have already been tabled. There was a deadline. They have been tabled and if anyone wants to see them, they have only to pay for copies from the returning officer in my riding.

On the topic of mines, Madam Speaker, I do not think that that person has ever visited Abitibi. Abitibi covers 802,000 square kilometres, and has a population of over 92,000. It stretches from Val d'Or, the mining sector, to the Raglan sector in the east. The Raglan mine is 2,000 miles away. That is the same distance as from Abitibi to Tampa, Florida.

But I want to get back to Raglan. The member for Rouyn-Noranda is right. As I was saying earlier, the head of Raglan, of Falconbridge in New Quebec, is Gerry Bilodeau. I visited that mine in August. I know Michel Rioux very well. It is regrettable that such things are being said in Quebec.

Mr. Jean-Guy Chrétien: We are honest folks.

**Mr. Guy Saint-Julien:** He can say what he wants, but at least I visit my riding.

Moving along, a single election does not help much. Let us go back to the 1996 by-election in Lac-Saint-Jean. The Bloc Quebecois said: "We want to do the right thing. We are for individual contributions. Individuals must contribute". Their principle is \$5,000 and under.

I find it strange that, in the 1996 election, there are no contributions from individuals, none. However, we see: political organizations, \$5,000; registered parties, \$51,154. We do not know where that money comes from. We do not know where this \$51,000 comes from. We do not have the list. It is just a \$51,000 contribution.

Mr. Michel Bellehumeur: Be honest, now.

**Mr. Guy Saint-Julien:** We are. The figures are all available from the library. Ask the Chair. He is asking me to be honest. I got this from the library this morning. All the figures are public information, but I am not saying they are not dishonest, Madam Speaker. What I have said is the truth for everyone to hear. That is what is important.

Mr. Benoît Sauvageau: On a point of order, Madam Speaker.

The hon. member for Abitibi is waving a piece of paper and he claims to be honest. I would ask the unanimous consent of the House for the hon. member to table this sheet of paper.

Some hon. members: Hear, hear.

The Acting Speaker (Ms. Thibeault): Is there unanimous consent?

Some hon. members: Agreed.

Some hon, members: No.

The Acting Speaker (Ms. Thibeault): We do not have unanimous consent.

**Mr. Guy Saint-Julien:** On the same point of order, Madam Speaker.

I will table this copy only after I am done with my speech. I will not take orders from this House before I am done with my speech. I need to refer to my notes. This is a directive from the Bloc Quebecois. I did not have the time to finish my speech. I need to refer to those notes.

They hurt because I am really shaking them up today. I need to refer to my notes in order to be able to finish my speech. So, I would ask that I be allowed to finish my speech before I have to table my notes. I will not need to make another trip to the library. I want to save myself some running round.

• (1325)

The Acting Speaker (Ms. Thibeault): We normally let members deliver their speech without being interrupted. The member for Abitibi, on debate.

**Mr. Guy Saint-Julien:** Madam Speaker, I knew you would be impartial. It is important to conclude one's speech. I have my notes here and I know why the member wanted me to table them immediately. He wanted me to stop speaking. Truth is funny, sometimes. The member did not want me to go on with my notes.

Again, in 1996, the numbers for 1996 are in this library book. I will tell you what book it is. I have it here and I can even table it. It gives the official results. I want to finish with this document.

**Mr. Benoît Sauvageau:** Madam Speaker, I do not know what citation of Beauchesne's says so, but there is one that says it is forbidden to use props like that during a speech.

The Acting Speaker (Ms. Thibeault): The member for Repentigny is right, so I ask the member for Abitibi to act accordingly.

Mr. Guy Saint-Julien: Madam Speaker, since I have no right to pick up props and show them, I will look at them. Take for example the 1988 election campaign—my two hands are up, I have nothing up my sleeves or under my belt, I have personal papers, I have no pay cheque, but I do have a pen in my pocket. Props have been mentioned. The truth comes from the library, but I have no right to

show it. As for the 1997 campaign, everything is public and I could come back on several matters.

Let us get serious. We are having a bit of fun here. We are in the House of Commons, but it is as if we were at a hockey game. It is true that some aspects of financing need to be improved. Quebec has good legislation on financing. Many things can be pointed out, but I will never be opposed to improving the financing of political parties and the government will never say clearly that it does not want to improve it. It will always find new ways.

I am honoured to have been able to keep the members of the Bloc Québécois opposite, who are defending their ridings, awake. I want to tell you one thing: the people of Abitibi are proud of the fact that I am here and I have nothing to hide.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I am not too proud of hearing someone from my region make such a speech and talk so much nonsense in so little time. And I doubt the constituents from Abitibi are proud to see their representative make such a scene in the House.

Before asking my question, I would like to go back over parts of the hon. member's speech. First, thank God he is not the Minister of Finance. Anyone who cannot differentiate between a loan and a donation has a serious problem. A financial institution lending money to a political party for a campaign and being paid back later certainly is not comparable to a bank making a \$500,000 donation to a political party. Saying that there is no difference is either very dishonest or very ignorant. I will let you decide which. It is one or the other, but not both, I hope.

Second, the hon. member spoke about the contributions made in Abitibi in 1993. He declared that he never received contributions from businesses. The 1993 election report that was published states that the riding of Abitibi received 29 donations, for a total of \$9,400.

# • (1330)

The member says he has a large riding to visit. Let us talk about his visits to his riding.

Let us take 1993, the last year he was a member of Parliament. In general, for the eight years he was a PC member, between 1984 and 1992, the highest travelling expenses claimed for the riding were about \$50,000. That was the highest total claimed in a year.

In 1993, for half a year, from April 1 to one month after election day, he claimed \$72,749 in travelling expenses. In six months. That is a 300% increase over the same period in the previous year.

One cannot talk through one's hat here. Some day, the member will have to answer for his actions and I can assure you that his constituents will know the truth and I will condemn this double talk.

# Supply

Here is my question: Some reference was made earlier to the Raglan Mining Company and we will clarify that, because this is one of the companies that is involved because of the Liberal Party and that has unfortunately been dragged into a messy situation.

First of all, does the hon. member for Abitibi denounce this Pierre Corbeil's schemes? Does he know him or has he ever met him? Another interesting question: Has he been aware of these schemes between the Liberal Party he represents and the people at the Raglan Mining Company, which is a subsidiary of Falconbridge? He must answer those questions, and I ask him to correct all the nonsense he has been saying.

I pointed out a number of things a moment ago: the basic difference between a donation and a loan, but also the fact that he said he did not get any contribution from companies whereas the list shows the contrary.

The least the member should do is tell the House the truth. I am not accusing him of doing the opposite. I am giving him a second chance to correct things. But he must tell the House the truth.

I conclude by saying that I do not feel any pride when I see the representative of the area I too represent making such a clown of himself in the House of Commons.

**Mr. Guy Saint-Julien:** Madam Speaker, as I understood—and I apologize if I am mistaken—the caisses populaires made a contribution or something like that.

I will now get back to my expenses for 1993. It is an honour for me to tell the people of Abitibi and all Canadians exactly what my expenses were. On April 19, 1995—

The Acting Speaker (Ms. Thibeault): The member for Repentigny has the floor.

**Mr. Benoît Sauvageau:** He is waking up after nine years. He probably was in hibernation all that time. I would remind the member, who is drawing a pension on top of his salary, that he cannot use props.

**Mr. Guy Saint-Julien:** Madam Speaker, if it is a prop, I am going to drop it, but I sure hope I do not have to drop anything else.

In his point of order, the member mentioned that I am presently drawing a pension as a member of Parliament. Is the member allowed to mention that? If so, I would like him to mention the amount of that pension because, as a matter of fact, I stopped receiving a pension on the evening of June 2. Some of your colleagues to your right and in front of you are now receiving two salaries from Quebec, at \$36,000 and \$32,000.

Getting back to my expenses, The amount was made public on April 19, 1995, on page 19 of La Frontière. The member said \$72,000, but it was \$72,749.18 to be exact. It is important to give the correct figure. July and August is the only time of year one can take time away from this House to visit the riding of Abitibi, a

riding that covers 553,000 square kilometres and that includes New Quebec. It is also the safest time to travel in these parts.

This member of the Bloc does know New Quebec. I invite him to come and visit that area to understand what New Quebec is all about

#### • (1335)

Speaking of expenses, I sent a letter to the hon. member for Témiscamingue and I also sent *La Frontière*, a newspaper, an open letter listing all of my expenses, even those incurred by my wife, including \$5,851.18 for moving our furniture from our private home in Ottawa to Abitibi. Do you know what precipitated those specific expenses? The Bloc Quebecois, whose candidate defeated me in the 1993 election. So that can be deducted.

There is one thing I want to mention in answer to the question put by the hon. member for Témiscamingue. He wants the province of Quebec to separate from Canada but, when he talks about my expenses, he forgets that my family, my wife and my daughter, came to Ottawa, otherwise our family would have been separated. We will never agree to Quebec separating from the rest of Canada and I will never agree to be separated from my family. We have a budget to travel to our ridings and to maintain our relationships with our wives and children. Try to take away that money in Ottawa, Mr. the hon. member for Témiscamingue, and I promise you, you're going to get it.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, since debate has drifted slightly off on to the extraordinary expense account of my colleague from Abitibi, I find it ironic to hear that his riding is large.

Was not New Quebec in his riding a year before, in 1992? How is it that he had go there in 1993 only? You will recall that he had been a member of Parliament for eight years before that, for the same riding, and never had he claimed more that \$50,000. In six months, in 1993, he claimed \$72,749 and, according to him, 18 ¢. I am ready to accept dropping the 18 ¢ and limiting ourselves to the sum of \$72,749. Something appears unacceptable to me, and I will leave it to the people of my region, who are also his constituents, to judge this case.

I would like to go back to a question I asked him and that he did not answer. It concerns two things. First, the fact that, in 1993, he received contributions from corporations and, second, did he come in direct or indirect contact with Pierre Corbeil, who is accused of influence peddling, of having solicited corporations for cash and of fraudulent practices?

**Mr. Guy Saint-Julien:** Madam Speaker, I will be brief. If you allow me, I will just have a look, since they do not want me to. I have the answer here.

An hon. member: No.

**Mr. Guy Saint-Julien:** He wants an answer to his question. I have it here. If we are talking about 1993, I received donations from individuals, it is true, and I received from 29 businesses and business organizations—

Some hon. members: Aha.

Mr. Saint-Julien:—\$9,400. In 1993, \$9,400.

Some hon. members: Aha.

Mr. Guy Saint-Julien: If they let me speak, I could complete what I had to say on spending. I want to tell you that in the previous years, I was travelling with the Quebec government, the Liberal government in Quebec, aboard its F-27. In 1993, I got more invitations to travel to New Quebec and—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon, member. The hon, member for Charlesbourg, on debate.

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, I would like to begin by thanking the hon. member for Abitibi because he told things that I did not know, for example, that we can borrow a donation. He taught me something and I thank him for that. But I would like him to explain how that can be done, because that would help me understand a little better the economic policy of the Liberal Party of Canada.

# • (1340)

I was again listening to my colleague from Abitibi, who treated us to some most amusing antics while trying to blacken the reputation of the Bloc Quebecois, unsuccessfully as we have seen. In English, the only true language of the Liberal party of Canada, "it's the pot calling the kettle black".

The question we are debating today is one of fundamental importance. It is too important to be a partisan one, for it goes to the very core of our democratic life.

Our political life centres on our political parties. Whether that is a good or a bad thing, that is the way it is, for politics cannot operate outside reality, to quote Charles de Gaulle. Since political parties are necessary to our democracy, those political parties must be healthy, alive and involved in the health of our democracy.

The business of the financing of political parties is dear to the heart of the Parti Quebecois, to those of us who are the sole true representatives of democracy here, because we are the only ones who accept funding only from individuals. This is a matter to which I personally attach a great deal of importance—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member. The hon. member for Abitibi on a point of order. **Mr. Guy Saint-Julien:** Madam Speaker, may I have the permission of the Bloc Quebecois to hand my props to the clerk?

**The Acting Speaker (Ms. Thibeault):** I would ask the hon. member for Charlesbourg to please speak without any props.

**Mr. Richard Marceau:** Madam Speaker, it is unfortunate that the Standing Orders of the House require the cameras be trained only on the person speaking, because our audience missed a real burlesque show.

Permit me to share with this House some thoughts on the distressing performance by the government since the allegations of influence peddling became public. According to the Prime Minister, this is a model government. Since 1993, the party and the government have boasted of their honesty and integrity: no scandal, clear sailing. They were lucky, but the good times are finally over as we can see.

I will not go over the facts, as they were related several times earlier. I will, however, say the following. It is all very sad for the Solicitor General. The Prime Minister knew, the Minister of Public Works and Government Services knew, the Minister of Human Resources Development knew, the President of the Treasury Board knew, but the Solicitor General did not.

Section 5(1) of the Royal Canadian Mounted Police Act provides that: "The Governor in Council may appoint an officer, to be known as the Commissioner of the Royal Canadian Mounted Police, who, under the direction of the Minister—that is the Solicitor General—has the control and management of the Force and all matters connected therewith".

It is unbelievable that the minister responsible for the RCMP is practically the only member of the Liberal cabinet unaware of the events. Does the Solicitor General still have any credibility?

Either cabinet has no confidence in him—in which case it would be very difficult for the Solicitor General to do any sort of sensitive work if his cabinet colleagues did not trust him—or the Solicitor General is not on top of the issues. I am sorry, but, if there is one position here in Canada that requires a person be aware of the issues, it is that of minister, and especially that of Solicitor General. Another possibility, and this is becoming downright dangerous, is that the Solicitor General has lost control of his responsibilities, which include the Canadian Security Intelligence Service and the RCMP, which, coincidentally, has been in the headlines of late.

# **●** (1345)

If the Solicitor General is not in control, democracy is in jeopardy.

# Supply

The kind of scandal in which the Liberals are currently involved—and this is indeed a scandal—has not been seen in Quebec for over 20 years, ever since the Parti Quebecois first came to power. And it is no coincidence.

René Lévesque came of age politically under Maurice Duplessis and had grown to despise the dubious financing practices of the Union nationale, obviously, but also of the Liberal Party. His feelings in the matter were shared by a whole generation of men and women in Quebec. Consequently, on August 26, 1977, René Lévesque had the National Assembly pass the bill to govern the financing of political parties and amend the Elections Act.

By restricting political party financing to voters only, Quebec was sending a very clear message: politics is to serve the common good, not the interests of corporations, be they large corporations or major trade unions. In the province of Quebec, politics serves the citizens, and Quebec is a model of democracy around the world.

To my colleague, the hon. member for Bourassa, I say that we are not tearing our shirts. We are bursting with pride, and rightly so

What is incredible is that the situation at the federal level has not changed. Remember when the Tories were in power, which was not so long ago, all kinds of scandals broke out. There was the Sinclair Stevens affair, the Oerlikon affair, the influence peddling affair involving MP Grisé, the tainted tuna affair and the Airbus affair, which is still causing a stir today.

During the entire time when the Conservatives were in office, the Liberal Party, which was the official opposition at the time, acted outraged over all these scandals and strongly condemned the government. But what did they do when in government? Absolutely nothing.

Mr. Jean-Guy Chrétien: They did worse.

Mr. Richard Marceau: My colleague, the hon. member for Frontenac—Mégantic, is right, they did worse. It is clear today that the real reason why Liberal members denounced the Conservative government's scandals was that they were not the ones at the receiving end. That was their only reason for denouncing these scandals.

How can I walk through my riding and tell constituents on Grands-Ducs Street in Stoneham, Vaillancourt Street in St-Émile or Mathieu Boulevard in Charlesbourg that federal politics is completely clean, as provincial politics is in Quebec? I simply cannot, as two of Canada's major political parties have proved the contrary.

The Liberal Party has made it clear that it does not want the current situation to change and is perfectly happy with the status quo.

I am reminding the other parties that the Bloc Quebecois has already made a commitment to accept only contributions coming from voters, from individuals. Can the Reform Party make the same commitment? Can the Conservatives? Can our colleagues from the New Democratic Party? I am waiting for an answer.

In closing, the revelations made just recently show that a major cleanup of federal politics is in order. It can be done, but do we have the will? Where there is a will, there is a way, as they say. The Bloc Quebecois found the way to do it because it wanted to. My question to the other parties is: Do you want to?

**Mr. Denis Coderre (Bourassa, Lib.):** Madam Speaker, the member opposite sounds like Tartuffe who said: "Hide thy bosom from mine eyes".

Let us look at contributions received by the Bloc Quebecois. If they want to talk principles, that is what we will do.

In the riding of Drummond, someone received a contribution of \$1,500. Does this mean the person is working for the corporation that gave the money? Would Bloc members rather have ten contributions from members of the board than one from the corporation? Would they rather have preferential rates and a loan from the Mouvement Desjardins? Are they in the pay of the Mouvement Desjardins?

#### **(1350)**

I find it despicable to come up with these allegations, to continually act like Tartuffe, when we all know that the Canadian system is probably one of the best in the world. The Bloc must stop tarnishing our institution to promote its separatist dream. The Bloc's own true leader, Lucien Bouchard, ran under the Conservative banner. In 1988, he received \$41,000 from organizations that were not individuals. When I see members opposite continually cry murder, I feel sorry for them, Madam Speaker.

I have a question for the member for Charlesbourg. Does he find it normal that, on the one hand, his colleagues receive contributions while, on the other hand, they say that these people are not in the pay of those corporations? Does he believe one can be bought with a contribution in return for some assets? When will the hon. member talk seriously, Madam Speaker?

**Mr. Richard Marceau:** Madam Speaker, I thank the former assistant director general of the Liberal Party of Canada, who in fact held that position when the allegations—

Mr. Denis Coderre: I rise on a point of order, Madam Speaker.

I left my position as general manager in October 1996 and the allegations are supposedly about something that took place on March 6, 1997. I ask the member to withdraw his remarks.

**Mr. Richard Marceau:** Madam Speaker, what took place on March 5 and 6 is that the RCMP was informed about what was going on and about what had gone on earlier.

In true parliamentary spirit, I would like to begin by congratulating the member for Bourassa. I had not had a chance to do so and his presence in the House today is a measure of his tenacity and determination.

Not once, not twice, not three times, but four times he ran before winning an election. And just as a little aside, he might like to tell us a little later why, having had to run four times to get elected, he does not want to allow Quebeckers to vote a third time on Quebec's sovereignty? That is a good question and one he should perhaps answer.

That having been said, I would like to inform the former general manager of the Liberal Party of Canada that, during his 1993 campaign, his third campaign, which he lost by the way, that he received \$13,222 in corporate donations. So, once again, before casting aspersions, before making any accusations whatsoever, let the former general manager of the Liberal Party of Canada look in his own backyard, in his own party and in his own riding.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, when I was at college, I took two courses on statistics. And we were told that, when a general survey is mailed out, for every person that answers, there are between 75 and 119, if memory serves, who read the document, and who are interested in replying, but who are afraid to, or do not have the time or the guts to do so.

# • (1355)

As regards the trail of wrongdoings now plaguing the government and the Liberal Party, five corporations, five businessmen informed the Minister of Human Resources Development that they had been asked for cash contributions, and asked to keep quiet about it.

If five have done so, according to the figures I recall, there may well be 800 to 1,200 industries, businessmen, who have had their arms twisted to contribute very large amounts of money. We have learned that in certain cases, and this is absolutely scandalous, amounts as high as \$50,000 were involved. I must applaud the businessmen, the entrepreneurs who took the trouble to write or telephone the Minister of Human Resources Development to tell him that this seemed dishonest, that it had a certain odour about it, and to bring it to his attention.

Naturally, the minister took the trouble to write to Mr. Murray of the RCMP to ask that the matter be investigated. If five individuals brought this to the minister's attention, it means there are many others who coughed up large amounts. And I suspect that certain companies in my riding coughed up money.

S. O. 31

Mr. Richard Marceau: Mr. Speaker, I would just like to pick up on what my colleague, the member for Frontenac-Mégantic, was saying. Surely this is just the tip of the iceberg we are talking about right now, and it is important that the government one day shed light on this whole affair. But unfortunately it seems this is not its intention.

The Speaker: It being almost 2 p.m., we will proceed to Statements by Members.

# STATEMENTS BY MEMBERS

[English]

### WORLD RURAL WOMEN'S DAY

Ms. Aileen Carroll (Barrie-Simcoe-Bradford, Lib.): Mr. Speaker, I would like to take this opportunity to recognize and support the celebrations of world rural women's day on October 15.

The idea of an annual celebration of rural women originated in 1995 during the fourth United Nations conference on women held in Beijing.

It is appropriate that the day chosen to celebrate this day is one day before world food day as women in rural areas around the world make an invaluable contribution to the production of food and the management of other natural resources.

Despite their crucial role, many rural women face serious limitations in access to land, credit, agricultural extension services and other key resources.

If governments are to achieve international development goals such as world food security and sustainable development we must support the contribution of women and their full participation in agricultural and rural development.

Please join me in honouring the contributions to our welfare made by these one billion rural women.

SIKHS

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I am proud to join Sikhs across Canada in celebrating the 100th anniversary of the arrival of Sikh pioneers to Canada.

After experiencing hardships, racial discriminations, Sikhs and people of South Asian origin should be commended for their openness, success and contributions to Canada.

Our heritage values, strong family ties, community involvement and peaceful coexistence enrich Canada and its cultural mosaic.

Yet memories of hardships and prejudice experienced endure. The 1914 Komagata Maru incident mars Canadian history; 356 persons, most of them Sikhs, were detained for two months and forced to depart resulting in the loss of many innocent lives at sea. The government of Canada owes these people an apology.

By remembering history, government must learn the importance of equality and fair treatment of all people.

\* \* \*

**●** (1400)

## RADAR VETERANS REUNION

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, it is with great pleasure that I rise today to acknowledge two of my constituents from Huron-Bruce, Mr. James Henderson and Mr. Bruce Wamsley both served in the Royal Canadian Air Force during the second world war. They are present here today in Ottawa as part of a special World War II radar reunion.

During the second world war, Canada served the vital function of providing the combined Commonwealth forces with the bulk of their tactical assistance and expertise. More specifically, Canadian Forces Base Clinton, a base that was located in my riding, was primarily responsible for this function. CFB Clinton trained hundreds of Allied airmen in the use of radar, thus enabling them to carry out their duties with greater efficiency, accuracy and safety.

I proudly salute all former servicemen. Their efforts and sacrifice during what was the world's darkest hour ensured the preservation of the values and traditions that all Canadians enjoy today.

[Translation]

#### C.D. HOWE INSTITUTE

Mr. Gilles-A. Perron (Saint-Eustache—Sainte-Thérèse, BQ): Mr. Speaker, yesterday the C.D. Howe Institute released an analysis which confirmed what we have been saying for a long time. It says that Canada and a sovereign Quebec would be well advised to negotiate promptly a mutually beneficial agreement.

The arguments of the Minister of Intergovernmental Affairs are once again refuted by common sense. It must be that the oft-repeated words of the Quebec premier are finally finding an echo in English Canada.

I remind you that Mr. Bouchard was saying recently to English-Canadian businessmen that Canada and a sovereign Quebec would negotiate an agreement in good faith, simply because it would be in the best interest of both parties. This is the truth.

Those who try to intimidate Quebec can talk all they want, reality will overtake them and common sense will prevail.

### S. O. 31

# CANADIAN MEDICAL ASSOCIATION

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, as a physician, I am pleased to mark the 130th anniversary of the Canadian Medical Association, or CMA.

The CMA was born on October 9, 1867, under the leadership of Dr. William Marsden, who was soon considered to be the father of this association. In those days, the CMA had 167 members. Today, it represents the vast majority of physicians at the federal level.

The CMA speaks on behalf of physicians and provides a full range of services through its member service centre and its various branches, including corporate affairs, research, professional affairs, marketing and commercial activities, professional development and public affairs.

Long live the great family of the Canadian Medical Association, its twelve independent provincial and territorial divisions and its 42 affiliates.

\* \* \*

[English]

### CANADIAN MEDICAL ASSOCIATION

Mrs. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, on October 9, 1867, three months after the proclamation of Canadian Confederation, 167 physicians from the then four provinces of Canada met in Quebec City to establish the Canadian Medical Association. The first president of the CMA was Sir Charles Tupper who would later in 1896 serve as Prime Minister of Canada.

Today the Canadian Medical Association celebrates its 130th anniversary, making it one of the oldest associations in Canada. The mission of the CMA is to provide leadership for physicians and to promote the highest standard of health and health care for Canadians.

It is an honour for me as a physician to commemorate this anniversary and I ask that you, Mr. Speaker, and my colleagues join me in extending our best wishes to the doctors of Canada.

Some hon. members: Hear, hear.

# RADAR VETERANS REUNION

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, as a former airman in the Royal Canadian Air Force of the 1960s I am pleased to announce today we are honoured by the presence in the gallery of veterans who manned the Commonwealth radar installations in the second world war.

These men and women of the Royal Canadian Air Force operated and maintained these never sleeping, ever-vigilant eyes of freedom. The use of radar was pioneered by our visitors, developing into a technology that protected Canada through the cold war

but, more importantly, by detecting the earliest stages of enemy air attacks. The radar network saved countless lives and helped ensure victory for the Allies.

I invite all members of the House to give recognition to Canada's honourable radar veterans of the Royal Canadian Air Force.

Some hon. members: Hear, hear.

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**●** (1405)

### RADAR VETERANS REUNION

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, I am pleased to rise in the House today to echo the tribute to the Canadian men and women who were called by the British government to assist the Allies' air defence and they answered "Ready, aye, ready". We have them here today as a testimonial. This may be their last reunion as time catches up. We love to have the opportunity to salute their efforts.

I would also like to pay special tribute to the role women played in this vital service to the RAF.

Thousands of Canadians responded and offered their services to meet the Royal Air Force's critical shortage of personnel in the radar systems on land and sea and in the air. These brave men and women were required to train for eight rigorous weeks and went on to serve honourably at radar stations in Europe, Asia, Africa, Arabia, India. China and other Far East countries.

Many military historians attribute the victory in this war to the Allies' superiority in radar air defence.

All this week the radar technicians have been in Ottawa for what may be their last reunion because many of their operators may be too old to keep it going.

\* \* \*

[Translation]

# LIBERAL PARTY OF CANADA

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, since last week, the Liberal government has been in hot water. Allegations of influence peddling have been pouring down on the Liberal Party of Canada and on certain individuals in key positions within the government.

Yet the Prime Minister and the President of the Treasury Board refuse to budge, hiding behind lame excuses.

Those who spend years teaching others to keep clean cannot take any risk when it comes to cleaning up their own house.

Yet the government's ethics counsellor works quietly, behind closed doors. Departmental employees are blithely breaking the government's code of ethics. There is still no legislation to make

S. O. 31

political party financing more transparent. The real policy of the government in this area is nothing but a sham.

Considering the way the government has been acting, it can no longer afford to give anybody lessons in public ethics.

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[English]

#### RADAR VETERANS REUNION

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, I too want to pay tribute to the nearly 6,000 Canadians who volunteered to serve during the second world war as radar technicians with the Royal Air Force.

They served around the world, but they also helped to defend Britain against invasion by air, warning of air raids and bombing attacks and thus helping the people of Britain through their darkest hour.

The efforts of these radar technicians were crucial in withstanding the assault of the Third Reich, the eventual victory for the Allies and the end of World War II.

The British government sent certificates of appreciation to these Canadian heroes, but instead of being distributed at the time they were destroyed. I am proud to have been instrumental last year in ensuring that a half century later, at their 50th reunion, these veterans finally got the certificates they deserved.

Today I am pleased to invite members of Parliament to meet and personally thank our radar technician veterans in Room 237-C immediately after question period.

# THE SENATE

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, next week will mark the anniversary of the first Senate election in Canada. On October 16, 1989 Albertans elected the late Stan Waters to the Senate.

Albertans chose Stan Waters and the Prime Minister honoured their choice by appointing Stan to the upper chamber in 1990.

Stan Waters made Canadian history when he was elected by the biggest majority of Canadians in any election. He was chosen by the people to represent the people, not the interests of the political party in power.

Stan Waters set the example that the Prime Minister can follow, if he chooses to respect the principles of true democracy and honour the will of the people, because Senate election acts currently exist in both British Columbia and Alberta.

Canadians deserve more than government by patronage and appointment. Today an elected Senate is possible without constitutional change. Let us follow the—

• (1410)

[Translation]

#### JOB CREATION

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, I would like to draw the hon. members' attention to the actions taken by the Government of Canada to revive and develop the site of the military base and the airport area in Saint-Hubert and their surroundings.

The Federal Office of Regional Development for Quebec decided to contribute \$990,000 to a local initiative for the creation of the Saint-Hubert military base and airport area corporation.

This corporation will be responsible for managing \$1 million in adjustment money that the defence department made available to the area.

Moreover, \$6 million will be invested over three years to transform the economic base of the area and promote technological development. The financial assistance will be used to help implement expansion plans for the small businesses in my area, Montreal's south shore.

This is a fine example of how good long-term jobs can be created in Quebec.

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[English]

# **HEALTH CARE**

Ms. Michelle Dockrill (Bras d'Or, NDP): Mr. Speaker, I have good news and bad news for Canadians today.

The good news is, two-tier health care is not a threat any more. The bad news is, it is a reality.

Alberta's first private hospital is now up and running; a private for profit hospital where those who can afford to pay get service and those who cannot are left behind.

Allowing a private hospital to operate paves the way for two-tier health care. The government, egged on by the Reform Party, is standing aside to let it happen. This new private hospital is chomping at the bit to set up shop in Toronto, Edmonton and Vancouver.

Canadians want the Minister of Health to take action, not to sit idly by as foreign companies line up to rake in big profits while they dismantle medicare.

Surely patient care must always come before profit.

. . .

[Translation]

# NATIONAL FAMILY WEEK

**Ms. Diane St-Jacques (Shefford, PC):** Mr. Speaker, I would like to take this opportunity to bring National Family Week to the

attention of the House. Like many other Canadians, I am pressed for time by my work schedule and my other activities.

We should all relax a little. We should take time to play with our children and look after those we love, the members of our family.

We must not forget our family, whether it is a traditional family, a reconstituted family, an extended family or a single parent family. We must each remember our own family, and those governing us must do the same.

Unfortunately, the average Canadian family is growing poorer every day. I wish the government would remember whom it represents. Between National Family Week and National Child Day, November 20, I hope it will finally set its own targets for the reduction of poverty, for the good of our children and of their families.

\* \* :

[English]

#### OKTOBERFEST

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, Oktoberfest in Kitchener-Waterloo, Ontario is an annual event which this year is from October 10 to 19.

This festival underscores the German heritage of our area in Ontario and in Canada. The Oktoberfest parade on October 13 is a nationally televised event which enables families everywhere to enjoy the spirit of "Gemutlichkeit" which means good cheer and good will which is so much part of this celebration.

I encourage all Canadians to join Kitchener-Waterloo in this great celebration.

# YOUTH EMPLOYMENT

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, over the past several years youth in particular have been made to bear the brunt of the needlessly high level of unemployment imposed on this country by the Liberal government.

In my riding of Tobique—Mactaquac, more specifically school district 12, progress was being made. District 12 had implemented a school based youth internship program that was extremely successful, resulting in 60% of the participants having paid employment after the school year.

That is the good news. The bad news is that the Liberal government took one look at the results of the program and did what came naturally. It cut its funding.

I hope that some of the \$90 million announced in the throne speech and earmarked for youth internship will find its way to Tobique—Mactaquac so that the school program can be reinstated.

# NIAGARA-ON-THE-LAKE, ONT.

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, Niagara-on-the-Lake, a town I have the honour of representing federally, may rank as the second prettiest town in the world. But in the hearts of those who live there and of the 3.5 million who visit our community each year, Niagara-on-the-Lake is and will always be the most beautiful town in the world.

**(1415)** 

At the Community in Bloom contest hosted in Madrid, Spain, Niagara-on-the-Lake was competing against four other finalists, one of which, Stratford, Ontario, came first.

Today I would like to salute Niagara-on-the-Lake and congratulate its citizens who made it possible for this beautiful Canadian town to participate in this important international competition and place second.

While I congratulate Stratford, I would like to point out that three of the four finalists were Canadian towns. This speaks volumes for Canada, the best country in the world in which to live.

# **ORAL QUESTION PERIOD**

[English]

# **GOVERNMENT GRANTS**

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, when the Liberals took office back in 1993 they spent a lot of time talking about integrity. They made a big show about appointing an ethics commissioner and they promised that the days of Mulroney style political corruption were over.

Now reports of patronage ridden contracting, unethical fundraising and politically motivated grants keep piling up. The police have even raided the Liberal Party headquarters.

My question for the Prime Minister is, besides calling in the RCMP, what is he going to do to remove the clouds of corruption that are surrounding his government?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when the allegation was made that somebody was asking people for money, the minister did not wait one day. He immediately on the same afternoon called the RCMP and informed them of the allegation. This is what had to be done and it was done promptly. The RCMP are now investigating a case involving one or two people.

When I hear the Leader of the Opposition make an extravagant statement like that, I say he should wait for the investigation to finish.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, there was no reference to words like ethics or integrity in the Prime Minister's reply, nor was there any reference to those words in the Speech from the Throne this year. At the operational level those words have been replaced by words like influence peddling, string pulling and shakedown.

I have a question about the transitional jobs fund, the \$300 million kitty that the federal government doles out with special attention to Liberal ridings.

What is the Prime Minister going to do to remove the cloud of suspicion that now hangs around the transitional jobs program?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the transitional jobs fund is allocated to areas where there are a lot of unemployed people. The program is still there. Most of these ridings, particularly in Atlantic Canada, are not Liberal ridings any more and the program is still there.

The member for Edmonton North made a very strong accusation the other day and she did not even know the difference between Winnipeg and Montreal. She talked about the Shawinigan shakedown but the person who was eligible to receive the grant did not-

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, mere weeks before the election was called this spring, millions of dollars from this transitional jobs fund were funnelled into the Prime Minister's own riding. They were trying to make sure that his job was not transitional.

What influence did the Prime Minister exert to make sure that those grants to his own riding were announced just prior to the federal election?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Prime Minister of Canada who is the member for Saint-Maurice, will always work to make sure that the people who live in his riding are treated the same way as people in the other ridings in Canada.

I have never had a temporary job here like the Leader of the Opposition. I have been elected 11 consecutive times and I have never lost an election federally.

(1420)

Miss Deborah Grey (Edmonton North, Ref.): No wonder, Mr. Speaker, if he can keep buying his way into office. We have some pretty serious questions here.

Some hon. members: Oh, oh.

The Speaker: I would urge all hon, members now to be very judicious in their choice of words.

Miss Deborah Grey: Mr. Speaker, I would like to judiciously say that on March 5 the minister for HRD sent a letter and asked the police to investigate illegal fundraising. He knows that. But just 24 hours before that, the same minister approved \$3 million out of that same jobs fund to go into the Prime Minister's riding.

Oral Questions

Let me ask the minister for HRD this. Just how is it that he signed cheques one day and called police the very next day?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the member has a hard time with chronology. I could not know on March 4 things that I found out on March 5, the very day I called the police in.

These people are so cynical. They do not understand a thing about integrity in government. I will say one thing. All projects have been approved based on merit.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, there is something strange here because on the Tuesday the minister approved \$3 million for companies in the Prime Minister's riding, paid from the transitional jobs fund. On the Wednesday he wrote to the RCMP as if there was some amazing new revelation that he had received to blow the whistle on corruption in that fund. The ink was not even dry on those cheques.

Let me ask him this and please come up with a better defence. Did it just hit the minister that something might be wrong as the clock struck midnight?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, all the projects in the Prime Minister's riding or in any other riding have been approved by the province of Quebec. They have been approved by the department and are based on merit all the time, so much so that after I called the police in, I asked my deputy minister to review the whole process in which my department was proceeding. My deputy minister conferred with me that our process was transparent, that our process was with consultation, the strength of our system and they invited-

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

[Translation]

# RCMP INVESTIGATIONS

Mr. Gilles Duceppe (Laurier-Sainte-Marie, BQ): Mr. Speaker, the President of the Treasury Board would appear to be the Quebec godfather in the Government of Canada. He provides the link between the government's action and the Liberal Party of Canada.

We have learned that one of his political assistants, an individual at the very heart of the government's activities, is currently under investigation by the RCMP, and the President of the Treasury Board is not doing anything about it.

Is the Prime Minister not aware that these elements combined together oblige him to submit the case of his minister—

The Speaker: The Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** The Mr. Roy in question has sent a letter to the CBC asking it to retract, because his lawyers are saying he was never under investigation by the RCMP.

Before rising in the House and saying he is under investigation, it would not be a bad idea to do a little research.

As to our course of action, in all such cases I consult the ethics commissioner. I did so in this one. He is looking into the matter. I consult him each time a question of ethics is raised in the House. I discuss it with Mr. Wilson so he can check the facts.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, can the Prime Minister tell us whether on or about March 6 he consulted his ethics commissioner and whether the commissioner told him that he should not take any action with respect to the permanent employees of the Liberal Party of Canada or the employees of the President of the Treasury Board and that he should wait for charges to be laid in connection with allegations made regarding an employee of the Liberal Party of Canada around the middle of June, after the June 2 election, as perhaps the member for Hamilton is aware?

**(1425)** 

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I can only add that the person whose integrity was attacked by the CBC and subsequently by everyone else has formally demanded that the CBC make a retraction, because he is not under investigation by the RCMP. So, as far as I am concerned, the answer is clear.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in 1985, the current Prime Minister said in this House that any innuendo or any suggestion of irregularities would undermine the confidence of Canadians and that it would be better if the suspect were to hand in his resignation. At the time, the Prime Minister was quick to criticize another government.

How can he explain today how incredibly tolerant he is in this matter which involves the President of the Treasury Board and which is under investigation?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I will repeat that there is simply no RCMP investigation, as mentioned in the letter Mr. Roy's lawyers sent on this issue. So, no employee from the office of the President of the Treasury Board is under investigation.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, one fact remains. Given everything we have found out these past two weeks about this influence peddling business, I want to ask the Prime

Minister the following question: What good is a government code of conduct that nobody knows anything about and that has no appropriate provision for this type of situation?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor is there for everyone, for all the hon. members, for everybody, and everybody consults him. He is a very honourable and highly respected man.

I have, as I always do, referred the issue to the counsellor, who will determine if the guidelines that apply to the government and members of Parliament have been breached. He has yet to report back. Every time I have to deal with this type of problem, I refer the issue to the ethics counsellor. As soon as he reports back, I will let the House know.

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[English]

### ATLANTIC CANADA

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister. On his way to today's Atlantic Vision Conference the Minister of Industry had the arrogance and the audacity to tell Atlantic Canadians not to expect a fair hearing from this government because they made a "mistake" when they fired Liberals in the last election.

Will the Prime Minister tell this House whether he has demanded a retraction from his industry minister for his colossal contempt toward Atlantic Canadians? If not, will he do so today?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we all argue that it is better to vote for your party than to vote for another party. I never asked my electors in my riding to vote for the NDP. They always lost their deposit.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, yesterday the Prime Minister's Office confirmed this government has no plan to extend, renew or replace the TAGS program. This will condemn thousands of families to continuing poverty and hardship. Even longtime Liberal backbench MP Russell MacLellan admits the Liberal cuts have been excessive and brutal. Will the Prime Minister give his word today that fishing families and others reeling from excessive and brutal Liberal cuts to Atlantic Canada will not continue to get short shrift?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, yesterday in this House I defended the TAGS program very strongly despite the fact that the opposition Reform Party blamed us for giving money to people who could not fish. The program is to be terminated next year because it is a program with a deadline. We are now reviewing the situation to see what can be done under the circumstances that will prevail next year.

We defended the program—

**The Speaker:** The hon. member for Pictou—Antigonish—Guysborough.

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● (1430)

### RCMP INVESTIGATIONS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, it was earlier confirmed that a search warrant was executed at the Liberal Party headquarters in Montreal.

We now have an indication from an officer of the court in Montreal that the RCMP issued a search warrant on or about June 12, 1997, this time at 400 Place d'Youville where the regional minister's office is located.

My question is for the President of the Treasury Board. Was this search warrant executed at his ministerial office?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I think the question is entirely irrelevant.

The RCMP may have executed a search warrant but no employee of my staff is under investigation at present. That is the end of it.

The Conservative Party is merely trying to deflect the implication of Pierre Corbeil who happens to be the brother of an ex-Conservative minister.

[Translation]

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, I am pleased to inform the minister and give him the number. It is 500-26-007787-974. I give it to him for his information

Can the minister confirm that he will do everything necessary to assure himself that no member of the Montreal office has had contact with an individual under investigation by the name of Pierre Corbeil? This is very important. The government's integrity is being questioned.

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, an investigation is under way at the present time, as everyone knows.

An individual named Pierre Corbeil is being investigated at this time. I called Jacques Roy of my office this morning and he told me that he had no knowledge of any investigation whatsoever being carried out on himself. At this time, no one in my office is under investigation.

The Conservative Party ought simply to allow the investigation to run its course.

[English]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, timing is everything. The government is now suggesting that the human

### Oral Questions

resources development minister is some kind of a boy scout because he called the police on this fund-raising extortion scandal. Would a boy scout sneak through \$3 million to the prime minister's riding just 24 hours before he called the police?

My question is for the Minister of Human Resources Development. When the prime minister was lobbying him, when he was saying "show me the money", where were his boy scout ethics then?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am outraged at this kind of behaviour. This is why Canadians are disappointed.

Some hon. members: Oh, oh.

**Hon. Pierre S. Pettigrew:** I am treated as a boy scout. Someone who has done his duty and called in the police is now being told that this is the behaviour of a boy scout. These people think we are boy scouts when do our duty with integrity.

This is not correct. The prime minister has never lobbied or influenced me. Good projects are part of the role of a good member of Parliament.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, no doubt that will win a lot of points with the boss.

What an amazing coincidence. We are starting to see how corrupt the government and its transitional jobs fund are. RCMP affidavits say that top Liberal bagman Pierre Corbeil told companies that if they did not pay the Liberals big time he could nix the grant request, but if they paid in cash with fake invoices he could seal the deal.

When will the prime minister get to the bottom of this mess, or is it to the top?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there is an ongoing investigation by the RCMP at this moment. If a crime was committed the individual who committed the crime will be prosecuted.

• (1435)

The Minister of Human Resources Development, within three hours of learning about the accusation, informed the RCMP in writing. The RCMP is doing its job. If somebody has committed a crime he will have to face justice and accept the decision of the court.

That is the system. The minister did exactly the right thing. He informed the RCMP. Let the RCMP do its work.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

First, will he tell us whether or not a search of his regional office in Montreal was carried out and, if so, how can he say there is no investigation going on?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the Bloc leader should get his facts straight and let the RCMP do its job.

According to my information, a warrant was issued but not executed. Why was the warrant issued but not executed? The answer lies with the RCMP. To their knowledge, there is currently nobody working for me who is under investigation.

The fact that the Bloc insists on mentioning names-

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

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, will the President of the Treasury Board pledge to inform this House when a search is carried out, since a warrant was issued, as the minister himself acknowledged, will he pledge to state all the reasons why a warrant was issued to search his regional office, and why such a search was carried out?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, when a warrant is issued, the reasons are stated on it.

I should not have to tell this to the Bloc leader. But he should know that such documents are part of an investigation. The investigation was requested by our own minister and we want to see it completed as soon as possible. We have a duty to let the police conduct its investigation, reach its conclusions and take whatever measures are appropriate.

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[English]

### **CANADA PENSION PLAN**

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, yesterday the Liberals killed debate on the biggest tax grab in Canadian history. Now they are to appoint a bunch of political friends to manage over \$100 billion of taxpayers' money. That is scary.

Will the Minister of Finance tell us today if his Liberal friends in the new Canada pension investment board will be subject to access to information guidelines? Yes or no.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would really suggest that members of the Reform Party hire better researchers. If they did, they would know that in terms of the investment board a nominating committee has been put together of members named by the provinces and the federal government. The nominating committee, in turn, will name an arm's length board of experts.

All the hon. member has to do, rather than standing here and making a bit of a dope of himself in the House of Commons, is a little research and he would understand what is going on.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, in case you did not get it, the answer was no. He also said to all of us "trust us".

Canadians trusted the Liberals with the current pension plan and now it is in a \$560 billion debt hole. Trust is simply not good enough.

Will the Minister of Finance display a real commitment to openness and transparency and say today that he will see that the new CPP investment board will in fact—

The Speaker: The hon. Minister of Finance.

**●** (1440)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I suggest to the hon. member that he might want to take a look at the legislation.

The board's deliberations will be public. It will report to Canadian contributors. It will be operating the same way as any other pension fund does. It will be an arm's length board from government. It will be subject to exactly the same rules as every other pension plan.

What more does the hon. member want?

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[Translation]

#### **GOVERNMENT CONTRACTS**

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, my question is for the Minister of Public Works.

Last Friday, the Minister of Public Works admitted that more than 35% of government contracts, totalling some \$3 billion, were untendered. The day before last, the Auditor General of Canada gave the example of a department that achieved a 40% saving by systematically going out to public tender.

Given the party financing practices at the federal level—

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have already answered this question in the House. Yes, the vast majority of contracts awarded by the Government of Canada are awarded by public tendering. A number of other contracts, amounting to approximately 35%, while they do go to tender, are awarded to sole source suppliers. This is done for national security reasons or in an emergency. In each case, the information is made public and everything can be checked.

The hon. member should check and see what the procedure is, in the Government of Canada, for awarding contracts.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, will the minister admit that the fact that more than one third of all contracts are awarded without going to public tender is giving the business community the message that they better make generous donations to the ruling party if they hope to get a share of the pie?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I understand that the hon. member is trying to score political points, but if she looked at the facts, she would see that even the auditor general stated clearly in his reports that my department and this government are making tremendous progress.

When we took office, 50% of government contracts were sole sourced. Now there are only 35%. We are currently putting measures in place, and our objective is to reduce their amount to zero if at all feasible.

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[English]

#### **FISHERIES**

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, when the Liberal government introduced TAGS four years ago it promised to restructure the Atlantic fishing industry. Last night on national television the fisheries minister admitted that the Liberals "will have to face up to the fact that we still have a restructuring problem".

Will the minister now admit to the House that the government has failed the Atlantic fishermen who turned to it for help? The Liberal game of TAGS has left fishermen holding the bag.

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, in light of the report of the Harris committee, the Cashin report, the Fisheries Resources Conservation Council report and now the auditor general's report, it is perfectly clear there is a continuing problem in Atlantic Canada with respect to the fishery.

We have had a moratorium on the catching of groundfish. We have discovered that stocks are not returning as we had hoped four years ago.

There is still a problem to be addressed. I hope the Reform Party will continue to assist in finding a solution to this serious problem.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, four years ago Atlantic fishermen were told that TAGS would help lead them to a new life. Instead TAGS tied them to a government program, destroyed their hopes and betrayed their trust.

Will the Prime Minister show leadership now and apologize to Atlantic Canadians for betraying that trust?

**(1445)** 

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, let us not exaggerate things here. We are talking about the livelihoods of Canadians that have disappeared, and we care for them. There are already excesses again on this side of the House.

This strategy was put forward in a situation of crisis and urgency, and out of the 40,000 there are 15,000 who have been able to adjust outside of the industry. That is something.

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[Translation]

### EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Now that there is a surplus of over \$12 billion in the unemployment insurance fund and the auditor general, and I quote, "—urges Human Resources Development Canada to table a distinct report to Parliament with respect to the Employment Insurance Account to ensure its transparency", does the minister intend to follow up on this urgent recommendation of the auditor general or not?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we are obviously aware of what the auditor general told us in his report and we have also noticed that he asked us for certain information that already appears in the government's budget each year.

So we were told that they did not know what we were doing with the employment insurance surplus. I wish to take issue with this approach, because this information is clearly indicated in the budget we table each year.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, the minister should know that when it comes to credibility, in my opinion, the auditor general's word is certainly as good as that of the Minister of Human Resources Development right now.

In the present case, when all Canadians are wondering how there can be a \$12 billion surplus, when seasonal workers and new entrants to the labour market are being penalized, will the minister finally agree to shed some light on the situation so that we can finally learn where the money workers contribute to the fund, money the government used to reduce the deficit, is going?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I find the remark about my integrity a bit stupid in today's context. Coming from the other

side, however, that sort of petty partisan politics does not surprise

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

Hon. Pierre S. Pettigrew: But I would like to tell you that we have inherited an employment insurance system that did not work, that did not meet Canadians' current needs. The new system is supposed to help these people back into the job market, so that they are no longer dependent on it. This was a very important reform, something we are taking care over to ensure that we are measuring its impact everywhere that we said we would. That is what we are doing in the department.

# THE ENVIRONMENT

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

[English]

As we get closer to the Kyoto conference this December, more and more public attention is being directed at the reduction of greenhouse gas emissions. On the one hand, some people think we can carry on as before. On the other hand, some people would have us believe the sky is falling.

How will the minister ensure that Canada takes a balanced position going into the Kyoto conference? Does he believe that voluntary measures will help Canada meet its emission reduction goals?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, there is indeed a vital role for voluntary action on climate change. The members of the Canadian Association of Petroleum Producers have to date shown a six million tonne improvement in reducing CO2 emissions. Pan-Canadian generated a four fold improvement between 1995 and 1996. The Canadian pipeline industry achieved a 2% reduction between 1994 and 1995. By the year 2000 Consumers Gas will improve by 25%. EPCOR will improve by one million tonnes per year.

The illustrations show that voluntary action can be very helpful. I think the private sector should be applauded for the progress it has made.

# **JUSTICE**

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, it is reprehensible and unacceptable that three rapists of a 17-year old Quebec City girl were sentenced to just two years less a day. What is even more despicable is that the Liberal government has encouraged our courts to grant these lenient sentences through its conditional sentencing laws which have allowed convicted rapists to walk free.

Will the justice minister immediately amend the Criminal Code to deny violent offenders access to conditional sentencing or does she want convicted rapists to walk free?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the case that the hon. member mentions is one involving a provincial court judge in the province of Ouebec.

• (1450)

I understand that my provincial counterpart in Quebec, the hon. attorney general, is appealing that case. I suggest that we await the outcome of the appeal.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, a pregnant 17-year old Quebec City girl was brutally gang raped, suspended by her feet from a balcony, sodomized and confined for 12 hours, and the judge justifies a two year sentence by saying there was no evidence of bruises or physical violence.

This is absolutely appalling and unacceptable. I ask the justice minister what she plans to do to protect women who have been victimized, women who have been so savagely terrorized. What does she plan to do to protect these women?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I agree with the hon. member that the facts of this case are particularly troubling.

I also point out to the hon. member that this is not a case of conditional sentencing and that this is a case the attorney general of Quebec, who has responsibility for this matter, has decided to appeal.

\* \* \*

# CANADA PENSION PLAN

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, we have heard a lot today about financial skulduggery. My question to the Minister of Finance is about demographic skulduggery.

Yesterday the Minister of Finance ordered that closure be brought against the CPP legislation, which touches the lives of every Canadian family. It has massive financial implications to individuals, to business and to communities.

The minister said we are doing this because we will have extensive debate in committee. Was it the minister who decided this should be referred to a subcommittee of the finance committee, fobbed off to a subcommittee where a number of members will not even have voting rights? Is this his idea of extensive debate?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, committees are masters of their own business. To suggest that such decisions are taken by the government is simply incorrect.

The hon, member across knows procedure. He has been a member long enough to know better.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I want to ask a question of the Minister of Finance, who says he is very keen about the democratic system. He wants to do the right thing. He has indicated we want to hear extensive debate on what is the most important social program change in the last 20 years happening in this country.

Will the minister do the right thing and reconsider the decision to fob this off to a subcommittee so that the entire finance committee can hold decent hearings across the country on this very important legislation?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as was mentioned, committees make their own decisions. Given that the finance committee hopefully will be involved in the most extensive prebudget consultations that we have ever seen in this country, it makes a lot of sense to refer it to a subcommittee.

I remind the hon. member that there will be the occasion in this House after report stage and at third reading stage to have full and extensive debate.

I also remind the hon. member that there was extensive debate province by province—

**The Speaker:** The hon. member for Pictou—Antigonish—Guysborough.

# PRESIDENT OF THE TREASURY BOARD

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the President of the Treasury Board has made a grave and troubling admission here today.

He told us, when pressed on the issue, that he was aware of an as yet unexecuted confidential sealed search warrant for his ministerial office.

How did the minister know? Who told him? Was he given the heads up on the executed warrant on Liberal Party headquarters as well?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, they themselves mentioned the existence of that search warrant. How can they, after that, comment on it?

The truth is the Conservative Party has been making all kinds of innuendoes, all kinds of false accusations, God knows for what purposes, but the fact is there is somebody under investigation. We know it is Mr. Pierre Corbeil.

### Oral Questions

There is an investigation that is taking place. I hope the results will be known very soon. Until we know these results, the opposition should be very careful about whose reputation it attacks.

• (1455)

[Translation]

Mr. André Bachand (Richmond—Arthabasca, PC): Mr. Speaker, what is at stake here is the integrity of this government and this Parliament.

The President of the Treasury Board has admitted spoke to Jacques Roy this morning. Mr. Roy may have told him that he has been questioned by the RCMP, maybe about the fact that he could be the one who gave Mr. Corbeil, currently under investigation, confidential lists of businesses.

Can the President of the Treasury Board confirm that Mr. Roy told him that?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, this Parliament's integrity depends not only on our party's integrity, but also on the integrity of individual members of this House. The integrity of individual members can be questioned when they make unfounded accusations, when they smear reputations, and when they cast innuendos that can destroy people's reputations.

The right thing to do now is to wait for the investigation to run its course. That is what integrity prescribes.

\* \*

[English]

# FOREIGN INVESTMENT

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, my question is for the Minister for International Trade. Every billion dollars in new investment creates 45,000 jobs over five years. How does Canada measure up against our competition in attracting foreign investment?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, let me thank the hon. member for his question. Our government today received and released an independent KPMG study that shows that when we compare Canada, the United States and five leading European countries, the best cost of doing business anywhere is in this country.

Firms setting up in North America need not look beyond Canada, and this is good news for Canada, which I know hurts the other side.

# INDIAN AFFAIRS

\* \* \*

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, early in the summer an Alberta judge called for a crown investigation into

### Privilege

the social and economic conditions of the Stony reserve because of the serious problems in his courtroom. The minister of Indian affairs rejected his request because "it wasn't in the tribe's best interest to air the community's dirty laundry".

Does the minister still believe there should be no investigation into the reserve because of dirty laundry or is it the dirty laundry of her department that she fears will be aired?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the issues facing the Stony people are of grave concern to me. That is why since taking office as the minister there are three things I have done.

To deal with the present there is a third party, Coopers & Lybrand, that is managing the day to day operations of the First Nation. To deal with the past, a forensic audit is being completed by KPMG, looking at the band's records and the records of my department to ensure things have been managed appropriately.

To deal with the future I am working with the Minister of Health and the province to make sure the programs available to support the Stony people are managed and developed in appropriate ways.

I would ask the hon. member to-

The Speaker: The hon. member for Drummond.

\* \* \*

[Translation]

# ABORIGINAL PEOPLES

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health.

In his report, the auditor general noted serious flaws in health programs for aboriginals. These flaws cost \$1 billion, lead to drug abuse and cause serious addiction problems.

The exploitation of aboriginals by health professionals is a problem that has been known for ten years. How can the minister explain to Canadians that his department has not yet found one single solution to this problem?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we have been working with aboriginal communities and with my provincial counterparts. We have been working for the past ten years to meet this challenge.

We will continue doing so. By the end of the year, we will have new technologies in place across Canada to help the authorities find instances of drug abuse. **(1500)** 

[English]

#### PRESENCE IN GALLERY

**The Speaker:** I would like to draw to members' attention the presence in the gallery of His Excellency Viktor Petrovich Orlov, Minister of Natural Resources of the Federation of Russia.

Some hon. members: Hear, hear.

\* \* \*

# **BUSINESS OF THE HOUSE**

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I would like to ask the House leader the nature of government business for the rest of this week and for the week when we reconvene.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, tomorrow the House will consider a motion to refer to committee before second reading Bill C-9, the marine legislation. This legislation passed the House in the last Parliament.

We will then rise for the Thanksgiving adjournment. I do not propose any other legislation for tomorrow.

On the day we return, October 20, we will consider the international tax treaty legislation that was introduced this morning. Subject to its availability, our next priority would be the bill to modernize the customs tariff which will be based on the notice of ways and means tabled a few days ago.

If there is time available between the tax treaty bill and the customs tariff bill, after completing the latter we will consider Bill C-5, the co-operatives legislation, second reading of Bill C-8, respecting the Yukon, and second reading of Bill C-6, respecting the Mackenzie valley.

Tuesday, October 21 and Thursday, October 23 shall be allotted days.

### **PRIVILEGE**

INTRODUCTION OF PUBLIC BILLS IN SENATE

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, I rise on a question of privilege in regard to the matter of introducing government public bills in the Senate.

My leader raised the issue with you under the provisions of Standing Order 52. It should be noted that since my leader's application for a special debate, a third bill has appeared on the Senate order paper today.

**●** (1505)

I bring this to your attention at this time, not as a matter of ministerial responsibility and not as a matter of debate, but as a matter of our procedures and practices which only you, Mr. Speaker, can entertain under the guise of privilege. The situation is unique to this Parliament, so I ask that you be patient and consider my arguments carefully.

This situation is unique because three out of the five recognized parties in the House of Commons do not have representation in the other place. The Prime Minister's use of the Senate as the first house to consider his government's legislation is insulting and offensive to the dignity of this elected House. It is also disrespectful to the new political reality of this House and its members.

Beauchesne's sixth edition, citation 28, states "Parliament is a court with respect to its own privileges and dignity and the privileges of its members".

In Erskine May's 21st edition, at page 115, it states that an offence for contempt "may be treated as contempt even though there is no precedent for the offence".

This is the first time that the Senate will consider government public bills prior to the House at a time when the party representation in the Senate is so out of sync with the wishes of the electorate. While there is clearly no precedent for this situation, we are not precluded from finding that the action of the Prime Minister is in contempt of this House.

Mr. Speaker, I refer you to Beauchesne's citation 3 which describes some elements of the Constitution Act as follows "If the electorate so wishes, the system presupposes an opposition ready and willing to attack the government in an attempt to have its legislation altered or rejected".

Our system presupposes that the elected members be the real opposition to government legislation. The electorate has elected its government and its opposition. The role of the Senate is for sober second thought and must not be the front line of opposition to ensure government accountability.

Some might argue that the procedure the Prime Minister is using is in order. What they fail to recognize is the changing circumstances that guide our practices. I refer you, Mr. Speaker, to Beauchesne's sixth edition, citation 11, which reads "The House is to adjust the interpretation of its precedents and tradition in the light of changing circumstances".

In conclusion, we claim the right to consider government public bills first. The Prime Minister's conduct in introducing government legislation in the Senate is offensive to the dignity of this elected House, disrespectful to all of its members and is a contempt of this House.

Mr. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, I want to say a word in support of the question of privilege before the

### Privilege

House and to welcome the Reform Party to the feeling we have been having for years. There has always been something out of sync and out of character in the history of the CCF and the NDP in that we have never had representation in the other place, nor did we want it.

It is even more pronounced now that three parties in the House have no representation in the other place. That is the new fact which makes this a very legitimate question of privilege.

The other point I want to make is that we also have a duty in representing our constituents to offer constructive criticism to government bills. Since three parties do not have a voice in the other place, that is very difficult to do at the important initial stage.

I conclude by saying that there is a history of technical bills being introduced in the other place. I believe that practice will now be expedited by the government. Just because those bills have been introduced in the Senate in the past does not make it right. There has been an evolution of thought in the country over the last number of years and people want more input. They want their elected members of Parliament to play a more meaningful role. In view of that fact, we must have evolution in the practices of the House as well.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, on the same question of privilege, I think you should give positive consideration to the proposed motion because, in our evolving parliamentary system, it is extremely important to give more authority to the elected and less to those who are backward-looking and who do not reflect today's reality.

**(1510)** 

I think that elected representatives as a whole and the people of Quebec and Canada want above all for decisions on legislation to be the responsibility of the House of Commons and that this be the only way to proceed.

[English]

**Mr.** Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I wish to add to this point of privilege.

It may be a small thing to some people, but normally in the course of our day's Routine Proceedings, bills are routinely brought before the House of Commons, the elected house in this Parliament, for printing and for examination.

The bills which are introduced in the Senate are not introduced that way to this body. We only see them after the fact, after debate of whatever depth and degree that the other place decides. Only then are they brought to this House for consideration.

### Privilege

The standing orders have gone through an evolution since I have been here. For example, on referral after first reading, we have tried to increase the influence of this place and of ordinary members on legislation in committees and otherwise in an attempt to bring the new political reality we are all talking about to bear on the 1990s and into the next millennium.

The practice that is obviously taking place now, which is to short circuit the normal, the average, the common way of introducing bills by sending them off to the Senate to be talked over and agreed to in the old boys club and then brought here only after it is a done deal is an affront to Parliament. I think it is affecting our privileges as the elected body in this Parliament.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if this was not so silly it would be—

Some hon. members: Oh, oh.

**Hon. Don Boudria:** Hon. members across the way have, in fact, tried two methods, each one as unsuccessful as the previous. Today there was a call for an alleged emergency debate on the same issue and now an alleged question of privilege.

There is nothing before the House today on which a question of privilege can be raised. Hon. members will know that any proceeding in the other place is totally out of bounds in terms of raising it in this House. We all know that is the case.

It may well happen some time in the future that the House will receive a message from the other place informing us that it has passed a bill, or a number of bills for that matter, and inviting us to consider those measures. Some of those measures will be sponsored by ministers and set down for consideration under Government Orders.

The standing orders of the House explicitly provide for the introduction of Senate public bills and the subsequent consideration thereof. As a matter of fact, I will read the Projected Order of Business for today. Members I am sure will be familiar with the document. It is not something that happened at some point in our history. It states the following: Tabling of Documents, Statements by Ministers and so on. Just before Motions is First Reading of Senate Public Bills. This is today's Order Paper for the House of Commons. Therefore, under today's standing orders this applies.

All measures will be considered by this House in the same manner, whether they are initiated here and debated in the other place subsequently, or initiated in the other place and debated here subsequently. The alleged argument made by members is that somehow this sequence constitutes a question of privilege.

Mr. Jack Ramsay: What are you afraid of? The fix is in.

**Hon. Don Boudria:** Mr. Speaker, we just heard a remark from someone who I think had better brush up on the rules. Whether a

bill is introduced in one House or the other, they are of course debated in both Houses.

#### **(1515)**

It is also a reversal of policy for the Reform Party. I invite hon. members, especially him, to pay attention because in the last parliament and in all parliaments we have had Senate public bills debated in the House.

In the last parliament government Bill S-2 respecting a tax convention, which was very similar to one of the bills presently before the Senate, was passed without any recorded division. In other words members of the Reform Party voted for it.

Today they issued a press release saying that introducing bills is undemocratic, yet they have voted for what they considered to be undemocratic bills.

Government Bill S-9 respecting a tax treaty with the United States was also introduced. There were two divisions on that bill. There were two division bells.

One was on an amendment proposed by a member on this side of the House. It is recorded at page 2020 of the *Journals* of October 17, 1995 that Reformers thought so highly of the Senate's legislative work they voted against the proposed amendment.

More important, this is against an amendment proposed by a member of the House and in favour of the version proposed by the other place.

As well, on page 2021 of the *Journals* for that day we see on the motion to concur in the Senate government bill that the Reform Party voted in favour of the bill, once again telling us that the procedure is quite correct.

In the last parliament Reformers were so comfortable with government bills being introduced in the Senate that they specifically voted on them when division bells were rung.

I draw the attention of the Speaker to the October 17, 1995 *Journals* at page 2022. In that division a number of Reform members voted for the bill: the hon. member for St. Albert, the hon. member for Kootenay—Columbia, the hon. member for Calgary—Nose Hill, the hon. member for Macleod, the hon. member for Cariboo—Chilcotin and a number of others.

All these members and a number of others from the Reform Party voted in favour of a division supporting a Senate bill and against an amendment made by a member of the House. They cannot today claim that the Senate procedure is illegitimate when they fought so valiantly in favour of it.

This is not a question of privilege. This is a concocted argument by the Reform Party in a desperate attempt to find some way of getting pubic attention. Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I have several points that will constitute new information to assist you in making your decision.

The House leader's defence of this practice just given rested on two points. The first one, and he quoted a number of references to support it, is that what happens in the Senate is out of bounds in the House. That notion is completely out of sync with the reality in the country.

What if our constituents want us to make what goes on in the Senate the business of the House? Are we not under an obligation as members to bring that to the House, including the relationship between the House and the Senate? Surely the will of our constituents takes precedence over these earlier precendents he quoted.

The second point is that he made reference to the last parliament and instances in which members of the current opposition received and supported bills that had originated in the Senate. We simply reply to that by saying that was then and this is now. The composition of the House is moving further and further away from the composition of the Senate.

At the last election the composition of the House passed the point where three of the parties, including the official opposition in the House, are not represented at all in that other chamber.

#### • (1520)

Both of the arguments raised by the House leader are extremely weak. We are simply standing before you, Mr. Speaker, to claim the right to consider government public bills first in this place.

**The Speaker:** As always when questions of privilege are raised I am very much interested in them and how they affect the House. You have empowered your Speaker to specifically interpret the rules of the House and to give rulings on the rules we have agreed on as an assembly of the House of Commons collectively.

I am looking at the standing orders that were referred to by the hon. Leader of the Opposition and by the government House leader. Standing Order 69(2) at page 36 reads:

When any bill is brought from the Senate, the question "That this bill be read a first time" shall be deemed carried, without debate, amendment or question put.

We have adopted our standing orders from proceedings in the British House of Commons in which there are ways to introduce a bill. It may be brought in upon an order of the house. It may be presented without an order under the provisions of Standing Order 58(1), which is what we base it on. It may be brought down from the House of Lords which is our Senate.

Members have asked me to rule on a procedure on which the House collectively has decided. Unless and until the House collec-

### Points of Order

tively decides that it wants to change the standing orders, as your Speaker I am bound to follow the rules.

I would rule that in this particular case there is no question of privilege.

#### \* \* \*

#### POINTS OF ORDER

COMMENTS DURING ORAL QUESTION PERIOD

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, my point of order refers to question period and a question raised by the Liberal member for Oak Ridges and directed to the Minister for International Trade.

Could the Speaker rule whether the question was in order? He asked the Minister for International Trade how Canada compared to other countries with respect to investment and jobs.

#### **(1525)**

Everybody who reads their own briefing notes and papers that all members get would know that we compare quite favourably. I wonder what the purpose of his question is. Perhaps he did not read his briefing notes.

**The Speaker:** With respect to all members of Parliament, I am not here to judge the quality of a question or the quality of an answer. I am here to see to it that a question is properly put and that the minister, the government or the person to whom it is directed has a chance to answer.

What the member is asking me to do is outside the purview of the Speaker. If that were the case, should I judge on the quality of all questions in the House?

I urge all hon. members to pose questions that will be of interest to most Canadians, or at least to a certain part of the country, perhaps a constituency where a specific answer is needed on something.

I decline to ever judge on the quality of either a question or an answer. My colleagues, you are the judges of that. You are the ones who will put the questions and you are the ones who will answer them.

# MEMBER FOR SURREY CENTRAL

**Mr. Chuck Strahl (Fraser Valley, Ref.):** Mr. Speaker, I rise on a point of order. During the S. O. 31 period the member for Surrey Central gave a tribute to his Sikh heritage and to the anniversary of the Sikh presence in Canada. Unfortunately both the announcement of his name and his riding on the television screen were wrong.

It was the member for Surrey Central who made that statement.

**The Speaker:** If something like that occurred I accept responsibility for the simple reason that I—

An hon. member: It was my fault.

**The Speaker:** Then it was the fault of the hon. member for Elk Island and you ought to have a word with him.

# **GOVERNMENT ORDERS**

[Translation]

#### **SUPPLY**

ALLOTED DAY—FEDERAL PARTY FINANCING

The House resumed consideration of the motion and the amendment

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, before I get to my speech, I would like to review what happened before question period.

On a point of order, I asked that the member for Abitibi table a document he was referring to. He was reading from a sheet. The House gave its consent, but the member for Abitibi asked to keep the paper until the end of the debate.

We have checked all the documents the member for Abitibi tabled after his speech but that particular sheet was missing. It shows that, in 1993, the Tory member of the time, who is now a Liberal member because he switched sides, received eight contributions from individuals, for a total of \$1,950 and 29 contributions from businesses for a total of \$9,400.

Since the member for Abitibi surely forgot in all good faith to table that sheet of paper, I would simply ask that the document be now tabled.

Do I have your consent, Mr. Speaker? I can tell the answer is yes.

**The Deputy Speaker:** The hon. member is requesting unanimous consent of the House to table this document. Does he have the unanimous consent of the House?

[English]

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): No, Mr. Speaker, there is no unanimous consent. If there could be previous consultation perhaps that could be arranged, but there is no such unanimous consent at this point.

[Translation]

**The Deputy Speaker:** There is not unanimous consent. The member for Repentigny.

**●** (1530)

**Mr. Benoît Sauvageau:** Mr. Speaker, the member for Abitibi said he was willing to table the document in question, but I see the government leader does not want the document tabled. It does not matter really. I think the public can see the Liberal flip-flop on this whole issue.

Before I start, since this is my first speech in this 36th Parliament, I would like to thank the people who sent me here to represent them. It is my first term as member for the riding of Repentigny, but my second term in this House. So I have the honour of being the first member of Parliament for Repentigny and I hope I will also be the last since that riding will soon disappear.

I want to thank the whole team who helped me get re-elected and who worked very hard throughout the campaign. I want to thank the members of my family for their support and the people of the five municipalities of my riding, namely La Plaine, Mascouche, Lachenaie, Charlemagne and Repentigny, who have placed their trust in me for the second time.

The debate was a bit chaotic this morning. Therefore, it is very important to read the motion again just to know what we are supposed to be debating and put aside the kind of outrageous remarks we have heard from some members, namely the member for Abitibi—if he does not agree, he can stand in this House and say so—as well as the member for Bourassa.

The motion reads as follows:

That this House condemns the attitude of the Government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuse.

I can see that the members opposite agree, even the member for Abitibi who spoke out against this motion earlier today.

It is important to note that public financing has been part of our tradition for more than 20 years now. It is important to note that all political parties, even federalist parties in Quebec—and by that I mean the Liberal Party—have adopted that type of financing to achieve a healthy democracy in Quebec.

We are proud that, in 1977, the Parti Quebecois passed a law that says that only a voter can make a contribution. This legislation eliminates possible political influence from pressure groups whose objectives are more to change the direction of public policies than to allow a party whose ideology is close to that of their members to assume and retain power. The legislation limited contributions to \$3,000 per year per voting citizen.

The objectives of the legislation were to limit to voters—and this is true democracy—the right to contribute to political parties, because we speak on their behalf and we should not be influenced by companies roping us in with lavish contributions.

We have been trying for a long time to make the government understand that this legislation is something normal that should also apply to the federal level, the Canadian level. As early as March 1994, our colleague from Richelieu tabled a motion that read:

That, in the opinion of this House, the government should bring in legislation limiting solely to individuals the right to donate to a federal political party, and restricting such donations to a maximum of \$5,000 a year.

We know that at the provincial level the ceiling is \$3,000. We did not want to be too restrictive and we set the maximum at \$5,000 a year.

We may go through a lot of debates and often try to skirt the actual facts, but we have to wonder why the Liberal Party voted against that proposal. Clearly, they had something to hide. This is quite obvious, since they say that contributions to party financing should not be limited to individuals.

In a while, I will give you some figures on the contributors to the Liberal Party. Then we might be able to understand why the party does not want to depend only on individuals for its financing.

#### • (1535)

Why would anyone oppose a bill which specifically seeks to clarify and to improve the fundraising process for federal political parties?

It is suspicious to say the least. When people will know who is making contributions to the Liberal Party fund, perhaps they will understand why Liberals are opposed to such and such a bill or why they are against a motion like this. An article published in *La Presse* on July 22, 1993, revealed that Bombardier had given \$29,932 to the Liberal Party. Air Canada gave \$957 to the Liberal Party and \$31,000 to the Conservative Party, after receiving a subsidy and being awarded contracts worth \$75 million. Imperial Oil chose a more balanced approach and covered all the bases by giving \$34,000 to the Conservatives and \$34,000 to the Liberals. They were covered in any case. Following these generous contributions, the company was awarded contracts worth \$186 million. Canadian Airlines gave \$11,415.08 to the Liberal Party, while Pratt & Whitney made a \$7,500 contribution to the Liberals.

Mr. Speaker, with your permission, I will continue to tell the House who is giving money to this generous party. In 1994, the Royal Bank of Canada gave \$88,700 to the Liberal Party; RBC Dominion Security, \$99,000; the Toronto Dominion Bank, \$77,000; Wood Gundy, \$106,000; Richardson Greenshields, the investment firm, \$99,000.

We would have thought that, after coming to power following the 1993 election, the Liberals would have gained some wisdom. We would have thought that, after having written in the red book that it wanted to increase the voters' confidence in their elected representatives, the Liberal Party would have changed its ways and accepted a bill on the financing of political parties that would make things a little more transparent for the public. But no, the Liberals did no such thing.

In 1996, when they were in power and getting ready for another election, they continued to collect money. Another article from *La Presse*, this one dating back to 1996, states that it was business which made it possible for the Liberals to collect more money that

the previous year. The most generous ones, Nesbitt Burns for one, gave \$88 000, \$81 000, \$73 000. We are not talking here of normal contributions, Mr. Speaker, we are talking of donations of more than \$75,000.

In closing, I would like to ask a few questions of my Liberal colleagues, and I would like the answers from the hon. member for Abitibi. Could it be that the Liberals called an election more than six months before the usual time, and a year and a half before the end of their mandate, because the government feared that the RCMP investigation was going to break? How does the Prime Minister explain that the code of ethics has nothing in it about influence peddling? Why did the Prime Minister not give his ministers any guidance on ethics after the minister responsible for human resources development alerted him to the RCMP investigation? How is it that the Prime Minister, the Minister of Public Works, Pierre Corbeil, and the director general, Mr. Béliveau, were informed of the allegations by the Minister of Public Works himself? Why does the code of ethics not apply to the Liberal Party of Quebec when it applies to the government? Why was Pierre Corbeil not suspended from his duties as soon as this information was learned? I would like all these questions answered, Mr. Speaker.

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, in question period this afternoon, we saw the bubble burst as we say back home. I do not know whether the leader of the Bloc Quebecois will be laying people off, but we discovered that some had not done their homework properly. They sullied people's reputations. They named people. There was talk of an investigation, when none existed. I hope they will do the honourable thing and prove their integrity and their honesty by rising and apologizing to Jacques Roy and to the President of the Treasury Board.

# **(1540)**

One thing is clear, there are two sets of rules. We are used to that, in the Bloc. That is how they are.

They can get loans at preferential rates to finance their election campaign. They can get millions of dollars because they need cash. But does that make them dependent on the Mouvement Desjardins? Does that mean, since the Mouvement Desjardins loaned them money at preferential rates—I could not get preferential rates, but the Bloc did, I do not know why, but it did—,that they are in the pay of the president of the Mouvement Desjardins? To answer is obvious, since the president of the Mouvement Desjardins is a well-known separatist.

We are talking about contributions. We are talking about all sorts of things. We saw that the Bloc quebecois also received contributions from corporations that were higher than \$10,000. The member for Drummond received a \$1,500 contribution. Is she in the pay of the contributor? The answer is obvious.

Quebec's motto is "I remember". Looking back at past actions, they might do well to remember that if one spits into the wind, it blows back into one's face.

On October 3, 1993, we read this headline in *La Presse*: "Témiscamingue enumerators complain about being held for ransom by the Bloc". The article read, in part: "The methods used by the organization of Pierre Brien, who was running for the Bloc quebecois in Témiscamingue, led to strong protests by Elections Canada enumerators who, apparently, were pressured to hand over half of their salary as political contributions". They were told this: "If you want to work for Elections Canada, give us half the cheque that you will get and we will give you a job".

They have principles. They are real Tartuffes, as I said earlier. They try constantly to tell us how we should behave, and yet they bring this kind of pressure to bear on people who have almost no money—as we know, enumerators also need their wages. I hope this does not happen in every riding but the current member for Témiscamingue should really be ashamed of using this method for his own financing. He should be ashamed because those persons need this money. And that is how the Bloc Quebecois gets its financing.

Does the hon. member for Repentigny agree with this method? That is what we want to know.

The Deputy Speaker: I remind all members that they must refer to each other by constituency and not by name.

The hon. member for Repentigny.

**Mr. Benoît Sauvageau:** Mr. Speaker, I will be pleased to answer all the questions of the hon. member for Bourassa, who has proved quite resilient because he ran three times before winning on the fourth attempt.

He has said that maybe we should be looking at the relevancy and shortcomings of our research services. I could tell him exactly the same thing. When he clipped that story from a newspaper, he should have known that that criticism had been levelled by the man who was running for the Liberals in Témiscamingue, and that it proved unfounded. It is all right to make foolish remarks in this House, but one should at least consider what is actually going on.

Speaking about contributions to candidates—

An hon. member: Oh, oh.

**Mr. Benoît Sauvageau:** Could we have some respect, Mr. Speaker? The hon. member should at least have learned some manners in the four campaigns he ran before getting elected to this House.

On a second point, concerning contributions to the Bloc Quebecois, I do not think there is any comparison between a total contribution of \$7,000 to five or six candidates, or a \$1,000

contribution in one riding, and contributions of \$100,000 by Air Canada, \$90,000 by the Toronto-Dominion Bank and other contributions of about \$100,000.

In the riding of Abitibi alone, nine individuals and 29 corporations made contributions to the 1993 campaign. In that same riding, 397 individuals contributed to the Bloc Quebecois candidate's campaign.

In conclusion, I notice that the hon. member for Bourassa has learned something from his colleague for Abitibi, because he does not make any distinction either between a loan and a contribution.

**(1545)** 

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, first of all, I would like to congratulate you on your appointment since this is the first opportunity I get to do so. For the next few minutes I would ask you to be patient because, as this is the first time I have had the opportunity to take part in debate, I would like to offer a few thanks.

As you mentioned, I am the member for Notre-Dame-de-Grâce—Lachine. First, I would like to thank my constituents. Then I would also like to thank the team of volunteers who worked with me during the election campaign. For most of them, it was their first experience in politics and all of them marvelled at our political process, our political system.

I would also like to thank my family, my husband Luciano, my daughter and all the other members of my extended family who supported me and will continue to do so during this mandate.

Now I would like to give you some of my background to explain what I am going to say about the Bloc's opposition motion.

I am the daughter of a Black American man from Alabama who emigrated to Canada in 1944 and who was able to vote for the first time in his life in Canada, thanks to our democratic system and to the election system we had at that time.

My mother was a French Canadian from Manitoba, of Belgian, French and Metis descent. The Metis background is Cree, Montagnais and Attikamek. So, my roots in Canada go back to the natives, to the first nations, and my French roots go back to an ancestor who came from France to Canada, to Quebec, to New France, in 1868.

The reason I give you this description, these details on my past, on my life and on who I am, is to point out that, if it were not for the election system we have in Canada, I would not be here today. I swear, I would be willing to bet with anyone in this House, that the vast majority of members here in the House today would not be here either if it were not for the election system we have.

One of the pillars of a real democratic system is the election system that allows residents, citizens to make themselves heard

and to decide which political party will form the government and which political parties will sit in opposition.

This political system must allow the widest access possible to all citizens, not only to make themselves heard on voting day, but even also to participate in the process, whether as candidates, organizers or volunteers.

Our system allows this. I was able to see that myself during my first experience in politics in the last election campaign. About a hundred citizens came to work as volunteers, the vast majority of them working for the first time in an election campaign, and they did it wholeheartedly.

#### **(1550)**

The Bloc Quebecois contends that only by limiting to individuals, private persons, the right to donate to political parties will it be possible to ensure integrity in our election system. I must say that I beg to differ, in fact I completely disagree.

An hon. member: Why?

**Ms. Marlene Jennings:** Bear with me, I will be glad to explain. My family always said I had the gift of the gab and that it is not easy to get me to shut up, but I do respect authority. So, as soon as the Speaker will indicate that my time is up, I will stop.

Our political system is such that it encourages thousands and thousands of Canadians to do volunteer work. That is right, even Canadians living in Quebec. In past elections, including the last federal election, these thousands and thousands of Canadians played an active role in the political process, as campaign workers for the candidate of their choice and the political party of their choice. Our electoral system allows and promotes this.

As I said earlier, if we in Canada did not have the legislation that this government passed, many of the members of this House would not be here today, and this is true for our colleagues opposite as well.

Any discussion about a democratic electoral process with integrity must address the principles openness, transparency and accountability, and that is what we have today with our electoral system in Canada. It is precisely because the Canada Elections Act guarantees a transparent process by providing control over the amount of contributions. Anyone can have access to a candidate's report and check the figures. It is because such measures are provided in our legislation that the process, and democracy, are protected.

What does transparency mean? It means precisely what took place last week and today in this House. Had it not been for our election system and the Canada Elections Act, those who reported these alleged offences under the act would never have openly talked, the Minister of Human Resources Development would

never have been informed, and no police investigation would ever have taken place.

Just look at countries that are known for being corrupt. Their citizens, whether they are company officials or ordinary individuals, do not dare inform authorities of any alleged corruption, because they know their system condones and covers up such acts. It is not the case here. A police investigation is going on.

So, unlike Bloc members, I believe that the mere fact we are discussing alleged fraudulent practices, and I insist on the word "alleged", shows the integrity of our institutions. I am a lawyer by training, and having worked in Quebec on a code of ethics for the police, I have some knowledge of the issue.

#### • (1555)

I know a thing or two about the integrity of our institutions, professional conduct and ethics. That is why I choose my words very carefully when I talk of "alleged" practices during the last election campaign. So, the very fact that we are having this discussion proves the integrity of the existing Canadian electoral system.

Perhaps you are wondering who I am—I just said a few words about myself and my professional background—to be stating so confidently that our Canadian electoral system is open and transparent and makes sure that all who are governed by the elections act are accountable.

Before taking up politics this year, as I said a moment ago, I worked in police deontology in Quebec. And, by the way, I was not appointed only by the Liberal government. The PQ government saw fit to reappoint me on the basis of my qualifications and to suggest that I get involved at the national and international level on the issue of civilian monitoring of law enforcement, at my own expense and not at public expense of course. They had enough confidence in my expertise in these matters to reappoint me.

I am coming to the motion, so you should be happy now.

An hon. member: Finally.

**Ms. Marlene Jennings:** Yes, finally. It was said time and again that the very fact the solicitor general had not been informed by the Minister of Human Resources Development of the allegations to the effect that fraudulent actions were allegedly committed proved there was something fishy about the whole thing. On the contrary, this demonstrates the system's transparency and integrity.

Bloc members say Quebec must serve its citizens. If so, how can the Bloc Quebecois justify its mission to partition Canada, given that Quebeckers have twice said they wanted to live in a united Canada? All the questions asked by opposition members lead us to think they do not believe in the integrity of a police investigation.

Is it true? For years, surveys conducted across the country have been showing that the public has a high level of confidence in our police forces and in the integrity of their investigations. I find it reassuring that these allegations are being investigated by the police, and I hope other members of this House will also find it reassuring. Given the professionalism of the RCMP, I am confident the investigation will shed light on the whole issue and will establish whether there is enough evidence to lay charges.

Would we be protecting our democracy by allowing only contributions to political parties from ordinary taxpayers, from individuals? Let me point out some facts. If the financing of political parties works so well in Quebec, why did the Bloc Quebecois change it to increase the amount of eligible contributions?

#### (1600)

How can the Bloc Quebecois justify that, in 1994, Bloc Quebecois members and candidates accepted 27 corporate donations of over \$10,000?

The Bloc Quebecois can sing the praises of the Loi québécoise sur le financement électoral, but that does not mean there are not serious discrepancies. If the Bloc Quebecois wants to suggest that corporate financing can have an unlawful impact on the awarding of government contracts, perhaps we should remind it that, despite Quebec's legislation on financing political parties, the Parti Quebecois still manages to reward contributors and sympathizers generously.

As an example, we have only to recall the sorry episode of the Le Hir report and the irregularities observed in the contract awarding process. Yvon Cyrenne, one of the authors of the Le Hir report, contributed \$900 to the Parti Quebecois in 1994. Yvon Martineau, who was appointed president of Hydro-Québec, made a contribution of \$1,000 to the Parti Quebecois in the year preceding his appointment.

Mr. Antoine Dubé: He is an individual.

**Ms. Marlene Jennings:** Now you get my point. It is not by limiting individual contributions that we are going to guarantee the integrity of the system of financing political parties. Rather, it is by ensuring that, first of all, the legislation itself contains adequate provisions for ensuring control of all contributions and the accountability of political parties and individual candidates receiving contributions, and for ensuring that they are properly and openly reported and that this process is open to taxpayers, voters, the public and residents of the country.

Now you get it. It is not by limiting the contributions to party financing to individuals that you will ensure the integrity of the system. That is the point of my speech. Now I am sure you see what I mean. I will close with that point.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I am very pleased to comment on what my hon. colleague from the Liberal Party has just said. I was absolutely bowled over by my colleague's eloquence and her enthusiasm. I was particularly fascinated when she waxed eloquent on the beauty of the parliamentary and electoral system that is ours.

I would, however, just like to point out to you, and my hon. Liberal colleague, that no one on the Bloc Quebecois side has ever disputed the democratic system, the parliamentary system under which we are operating at the present time. She devoted the bulk of her long speech to that aspect, when no one over here has ever questioned that part of her speech.

What we did say, precisely, was that we had concerns about the way political parties were being funded. In this connection, I am still amazed that the Liberal government chooses MPs from Quebec to oppose this motion on public financing of political parties.

You know, sometimes when I am sitting here in the House of Commons, I feel as if I were on Mars. If I were in the Quebec National Assembly, sovereignists as well as federalists would agree unanimously on the value of public funding of political parties.

#### **●** (1605)

I am outraged to hear my colleagues from Quebec questioning the worth of the Quebec law on public funding of political parties when all parties in the National Assembly regard this law highly.

My colleagues see the mote in the eye of the Bloc Quebecois and are horrified. The Bloc received 27 contributions in 1993 from businesses. In contrast how many hundreds of contributions did the party opposite receive from business? The federal law as it stands permits this.

The Bloc Quebecois set itself strict rules in keeping with the law on public funding of political parties. So, how do these 27 small contributions stack up against the hundreds of thousands of dollars contributed to the party opposite, which is giving us the lesson today? Consider the beam in your own eye instead of looking for the miserable mote you might find in ours.

When political parties receive hundreds of thousands of dollars from corporations, can we reasonably expect that the day the president of the corporation shows up on the doorstep of the Prime Minister he will be turned away? When the individual who contributed \$100,000 to Liberal Party coffers knocks on the Prime Minister's door, he will be heard.

This form of funding, where businesses can fund political parties and where no limit is set, opens the door to corruption and to influence peddling, and this is what we have seen in the past two weeks. **Ms. Marlene Jennings:** Mr. Speaker, I thank my dear colleague opposite for his complimenting me so profusely today. I am almost at a loss for words, but not quite.

The hon. member said that my whole speech was on the democratic system and how our electoral system ensured that democracy is at work. True, but I also addressed the main issue of your motion suggesting that only by limiting to individuals the right to contribute to party financing will we be able to ensure the system's integrity. I quoted very specific instances where financial contributions were made by individuals under the Quebec party funding act, the Loi de financement politique au Québec. I am not the one who said the integrity of Quebec's electoral system was sullied, quite the contrary.

I said that if I were to follow the logic of my dear colleague opposite and say that the elections act should be changed to limit the right to make contributions to individuals, this would mean that the system in Quebec is weak, and I gave a few examples. Under the Quebec system, only individuals are allowed to contribute to party financing, yet that did not prevent fraudulent action. It did not prevent questionable situations. So, it is not logical, nor well founded and I will conclude on that.

• (1610)

[English]

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I would like to refer to the comments by the member from the government a few moments ago. What we are debating today and what I think the Bloc is getting at is the Liberal influence peddling with reference to campaign funds.

What I find most troubling though in listening to this whole debate are the words that are being used and that are flying around so loosely. I hear from the member on the government side, a transparent process, accountability. A few minutes ago I heard democracy, something that is respected.

I have been in this House only a few weeks. This is my first time elected and I have a lot to learn after witnessing what has happened in the House yesterday and today. Words like accountability the government does not know. Democracy it does not know. This government is trying to silence the people of this country.

I am sent here to represent the constituents of Saanich—Gulf Islands and I come with their voice. I came here to speak on various issues and every time I look in this House, this government is trying to silence it. Whether it is sending a bill to the Senate first, whether it is trying to bring closure on a bill, whatever it does it is trying to silence it.

### Supply

This government does not have a clue about democracy or accountability or transparency. They talk about fraudulence. I have no doubt in my mind about the accusations that are coming forth and we will have to wait and see.

What I have witnessed in this House the last few days absolutely confirms in my mind what has been coming forth. It frustrates me to hear these words used so loosely by the other side, that those members are democratic, that they are accountable and then they pull the kind of stunts we have seen in this House is absolutely a disgrace. It is shameful and it should not be allowed.

**Ms. Marlene Jennings:** Mr. Speaker, I think the hon. member opposite might want to think a few times before denigrating the use of the term democracy. The very fact that we are here in this House and the hon. member as well is in this House shows that we have a democracy, one.

Am I mistaken or is there an actual debate going on right now on a motion presented by the Bloc Quebecois? Is there not a debate? Therefore I fail to understand my colleague on the other side of the House who claims that we are stifling debate.

[Translation]

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I rise to speak on the motion of the member of the third party, the hon. member for Laurier—Sainte-Marie, stating:

That this House condemns the attitude of the government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuses.

[English]

We would like to support the Bloc motion although we have a different view of what constitutes legitimate reform of electoral legislation, of federal financing legislation for political parties.

At the outset I would like to say that we share the concern of the other opposition parties with the recent scandalous revelations about the fundraising practices of the Liberal Party of Canada.

The integrity of our democratic system and the public consent with which this Chamber wields such enormous power rests on the confidence of the Canadian people. That confidence is shaken every time a political party, particularly the governing party which wields such enormous power, the criminal law power, the power to tax which is the power to destroy, the power to intervene in the economy; basically powers of life and death are wielded by this Chamber which is controlled by a party. When that party engages in criminal activities in raising the funds to meet its insatiable desire to spend more—

• (1615)

Hon. Andy Mitchell: Mr. Speaker, I rise on a point of order. I would like to know whether it is in order for the hon. member to

make the statement that a particular party in this House broke the law when, in fact, there is no evidence of that.

The Deputy Speaker: I thought that he referred to lawbreaking in general. I did not take the hon. member's statement to mean that someone had broken the law. I know that he would not want to suggest that unless he has a charge to make, which is the proper way to do it.

If he said those words I would ask the hon. member to consider withdrawing them, if that is what he said. However I thought it was a more general reference.

**Mr. Jason Kenney:** Mr. Speaker, I do not recall having impugned the integrity of any member of the House, but there are allegations regarding an employee of the Liberal Party of Canada which are on the record. The allegations are very troubling.

Government members seem to pop up every time a member mentions those allegations. They seem to be pretty prickly about the issue. They seem to be a bit defensive. I can imagine why. It appears to be a replay of the old Mulroney scandals.

We remember when the Liberal Party of Canada was in opposition. You were one of those members, Mr. Speaker, a very vociferous and effective member of that opposition. Whenever there was the slightest hint of wrongdoing by the Tory government, Liberal members were on their feet complaining bitterly about the lack of integrity in Tory party fundraising exercises.

It behoves opposition parties to point out that there are many unanswered questions, one of which came up today as a result of the documents filed by the RCMP regarding the activities of Mr. Corbeil. We discovered, among other things, that the Minister of Human Resources Development notified the RCMP about this potential scandal, about the allegations of the Shawinigan shakedown, a day after he authorized millions of dollars in pork barrel grants for the Prime Minister's riding where that employee of the Liberal Party was operating.

If that is not troubling I do not know what is. It looks like "Shawinigate" to me and it should be investigated very seriously.

Having said that, the confidence of Canadians in Parliament, in politicians and in political parties is in question. I recently read of a poll where 82% of Canadians indicated low or very low confidence in politicians.

I recall the day after I announced my intention to seek election to this Chamber picking up a local newspaper and reading an Angus Reid poll which ranked the respectability of different careers in the eyes of average Canadians. At the top were hard working people like farmers and clergymen. They are highly respected by Canadians. Then it got down toward the dregs of society, with lawyers

near the bottom. The second last category on the list, just above arms' dealers was politicians. That is a shame.

All of us in the House, regardless of our partisan affiliation, should have as a common objective restoring the public's trust in the democratic institutions of the country. Unless we do that we will see more of the corrosive cynicism that sees voter turnout rates going lower and lower and volunteer participation in elections diminishing year after year. That kind of cynicism eats away at the guts of democracy and the operation of our political parties. It is a serious problem which strikes at the heart of what it means to live in a liberal democracy.

We support the motion. We think there is need for the reform of electoral financing legislation in Canada.

This is an issue which is close to my heart. It is an issue on which I have focused much attention over the years. When I was in my previous position as president of the Canadian Taxpayers Federation I made a considered submission to the Royal Commission on Electoral Reform, otherwise known as the Lortie commission. In that submission I advocated what I think was a very sensible policy, seconded by the Reform Party of Canada. I would like to read into the record the policy of the Reform Party with respect to the reform of electoral financing legislation.

#### **(1620)**

The blue book of the principles and policies of the Reform Party of Canada states that it opposes any assistance to political parties and political lobbies from public funds, including any refund of candidate or party expenses, government advertising during the election period, the renting of parliamentary staff for reimbursement, tax credits for contributions to federal political parties and the transfer of tax credits to leadership or nomination campaigns or to provincial or municipal parties.

That, I think, is a sensible policy. It is that kind of policy which we are advocating in terms of this motion put forward by the Bloc Quebecois today.

Why do we want to end public funding of political parties? First, there is a very important principle, one which I regret is not shared by other members of this place. The principle is that it is inappropriate in a democratic society, one founded on the primacy of conscience, the rights of conscience and the rights of individuals, to coerce people, sometimes against their will, to fund partisan activities, to fund the promotion of political ideas and programs which they do not themselves hold, which is precisely what the system of public financing of political parties does today.

This principle was best expressed by Thomas Jefferson, perhaps the greatest intellectual father of liberal democracy who said in the preface to the Virginia statute on religious freedom that "to compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is both sinful and tyrannical." Strong words from one of the seminal thinkers of modern democracy who said an idea that

was enshrined at the beginning of the American constitutional experiment that individuals ought not to be coerced against their will to fund and promote activities which they do not themselves support.

I and my constituents and I am sure many millions of Canadians find it profoundly abhorrent that they are forced by the long arm of the state, by the coercive power of government, to hand over the fruits of their labours to support the promotion of ideas which they find abhorrent.

I understand that there are a plurality of political views in this country which we ought to respect. But if people really believe in the policies of a particular party they ought to be able to support that voluntarily out of their own cheque book rather than reaching across to unsuspecting taxpayers and forcing them to fund activities of parties.

I know there are Canadians who are deeply opposed to the policies of the Reform Party. I think there are a few on the opposite side of the House. I do not think they should be compelled or forced to advance our party's program.

Let me anticipate some of the objections to our argument against public funding of political parties. Some say that this is merely a means to open up the floodgates to all sorts of corruption, vote buying and influence purchasing on the part of corporations and major donors.

Let me point out one thing to the House. The Reform Party acts, it does not just talk, it walks the talk of integrity in fundraising. I refer to the 1996 statistics for fundraising for the various registered political parties which tell us that the Reform Party had by far the highest percentage of funds raised from individuals and the lowest percentage of funds raised from major corporations. Of the contributions made to the Reform Party, 68% of the nearly \$5 million in contributions came from individual donors, as opposed to nearly 53% for the Tory Party and 43% for the Liberal Party.

The Liberal Party which claims to be the spokesmen for the poor, the under trodden, the great voice of compassion and equity, where did it get its money? It came from its big corporate friends on Bay Street. Whereas 12% of Reform contributions last year were corporate contributions, get this, 55.4% of the Liberal Party's contributions came from corporations.

# **●** (1625)

My question for the members opposite and for the Government of Canada is why can they not raise money from individuals to support the activities of their party? Perhaps it is because individuals are not interested in buying the kind of influence, the kind of pork barrel grants that we have heard about the past few days. Our

#### Supply

friends in the old decrepit fifth party received 46% of their funding from the corporate sector, four times more than the Reform Party.

Contributions sent in to the treasury of the Reform party are an average of \$73 as opposed to \$190 for our rich friends in the Tory party and \$164 for the caviar and champagne set across the way.

As a party supported by the hard won contributions of individual Canadians, we are the only party standing on principle against this rip-off of taxpayers which has constituted \$79 million since 1979 that has gone into the coffers of political parties and candidates through candidate reimbursement and registered party reimbursement

In the 1993 election alone \$22,894,443 went into the coffers of political parties and candidates, money that Canadians would rather have in their own pockets to take care of their families and their businesses rather than the salaries and perks of professional political hacks.

How is this whole design of pork barrel support for political parties maintained? It is principally through three different legislative vehicles.

First is candidate reimbursement with which all of us in the House are familiar. Those candidates for registered parties who receive over 15% of the vote are entitled to receive a rebate from the public treasury. It is called a rebate. My constituents think a rebate is getting money back from something that they have contributed to. These candidates are getting money from the taxpayers by law, 50% of all expenses if they win over 15% of the vote.

The political parties, the registered parties who spent more than 10% of their total allowable maximum, get 22.5% of their expenses back from the taxpayer.

Finally, there is the infamous tax credit for political parties of up to \$500 contribution. It is a 75% tax credit on the first \$100 on a sliding scale up to a maximum of \$500.

In every one of our constituencies across the country hard working, compassionate volunteers go from door to door trying to raise money for important social and charitable causes and they are able to offer a bit of a tax break for Canadians. The charitable contribution tax credit pales in comparison to the shameful 75% tax credit that political parties in the House have given to themselves. We stand opposed to that.

Some people will say these subsidies are necessary to maintain the partisan process and that parties and democracy would somehow waste away were we not to maintain this multimillion dollar rip-off for political parties. That just is not true. Canadians are too smart to be bought by votes. It is not necessary to spend money to

form government. Our friends opposite do not know that because they are the richest political party in the history of Canada.

Let me bring to their attention the Charlottetown accord debate in 1992. In that debate you had the great parties of the political establishment of the centre left in Canada, the old Tory party, the fifth party, and the Liberal party of Canada, and you had our socialist friends all supporting this massive constitutional amendment against the wishes of ordinary Canadians.

There was one political party that had the integrity to stand up for Canadians and oppose the Charlottetown accord. We were successful against all of the financial odds in defeating that accord. While the other side and their big money-bag men on Bay Street raised \$20 million to spend in support of the Charlottetown accord we were able to scratch together a few hundred thousand dollars from our grassroots supporters. David defeated Goliath in 1992 at the Charlottetown accord.

#### • (1630)

Canadians are not bought by slick TV ads put together by well-paid partisan hacks. They are persuaded by ideas and convictions. That demonstrates that we do not need big money for the democratic process to further itself.

Take for example the election of the Tory party in 1993. The old fifth place party spent \$10.4 million in the 1993 election. How many of its MPs were elected then? Do we remember? Two seats. It cost them \$35,000 per seat while the Reform Party, the grassroots party, the populist party in Canada spent \$1.5 million raised from farmers, homemakers, small business people, retired folks and students, and we had 52 members elected to this place. The per capita cost of those seats was \$7,300, a tiny fraction of what the old party spent.

It is not necessary for parties to spend, spend, spend to elect seats. That we know.

Fifty-four per cent of the candidates elected in the 1993 election—we do not have the most recent figures but I suspect they are about the same—already had a surplus in their campaign accounts before they cashed the cheque for reimbursement from the taxpayers. What does that tell us? They do not need the money. They are already raising the money. The other 46% that did not have pre-reimbursement subsidies darn well should have. They should have gone out door to door and raised the money as the members of my party did to run surpluses before receiving that subsidy. It is not necessary to get that kind of reimbursement.

There is something very troubling about this. When I was in my former capacity I wrote to the Chief Electoral Officer to ask if there was any kind of regulation of what happened to the moneys that were received by constituency associations of the various parties from the candidate election reimbursement. His response based on the Canada Elections Act was that no, there was no such account-

ability. In fact there are hundreds of riding associations for the various parties which receive tens of thousands of taxpayers' dollars out of this reimbursement who have to account to absolutely no one.

We remember in the last scandal-ridden Tory government that members of constituency association executives were flying on all expense paid, first class trips to Mexico to sun themselves on the sunny beaches of Mexico with the tax dollars that ended up in the constituency association accounts courtesy of the Canadian taxpayer. That is how the system works in too many cases.

With all of the rules that we want to build into the system through legislation and regulation our friends in the Bloc and the NDP would like to try to monopolize the political process by forcing every dollar to be funded by the taxpayer with pages and pages of regulation. That does not work.

What does work is cutting the parties off from the public trough and that is what we propose to do today. That is why we will be supporting this motion.

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, I am absolutely amazed at some of the comments by the hon. member across the floor. His statements are completely inaccurate and the member knows it. He is twisting the truth. It is nothing more than twisting the truth and making inaccurate statements.

I am curious if in fact he returned his rebate cheque as he professes to be such a champion of justice.

I just did a quick calculation based on his \$75 average donation to the Reform Party. It would have taken about 4,000 contributors of the Reform Party simply to pay for the Leader of the Opposition's suits. Do not call the kettle black. Those people are not being truthful with us.

#### • (1635)

**Mr. Jason Kenney:** Mr. Speaker, the hypocrisy of the Liberal Party never ceases to amaze me.

First of all, our party decided that we would not engage in the kind of unilateral disarmament that the Liberal Party would like us to. We will not engage in unilateral disarmament but when we form the government, one of the first bills we will introduce in this place will be to eliminate the system of public financing of political parties. One of the things we will introduce will be legislation prohibiting the kind of leadership slush funds that the old establishment parties run for their leaders.

The right hon. the Prime Minister receives \$300,000 to \$400,000 a year for entertainment expenses, travel expenses, personal expenses, money that is subsidized by the Canadian taxpayer. I say shame on the Liberal Party. The old Tory party has its own leadership slush fund. We do not know how much goes into those funds because they are not reported to anybody. They are not

required to be reported. Who knows whether there is influence peddling going on through those leadership slush funds.

My question to the member opposite is will the Liberal Party of Canada table the books on the leadership slush fund of the Prime Minister and when will it do that?

**The Deputy Speaker:** Tempting as it may be to ask questions opposite, I think in the circumstances that it is questions and comments on the hon. member's speech.

[Translation]

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, for the benefit of those listening at home who are perhaps not really familiar with the political system, when a group of individuals has a certain ideology and wishes to promote it politically, they get together and decide to form a political party. This is when the need for money arises.

The next step is to form a group and begin collecting money, prior to going to the polls: buying advertising, getting known, publicizing the party's ideology, and so forth.

This is where things get complicated. Our party has a certain ideology. We do not want to be linked to business. That is why we form small teams. That is how it works in our ridings in Quebec. We form small teams and we collect contributions in amounts of \$5, \$15, \$20 and sometimes \$100 at a time. Once in a while, there are large donors. The members across the way talk about \$1,000 contributions, but that is another realm entirely.

I will calm down a bit. There is a world of difference between getting ready for an election when you are the Liberal Party of Canada and getting ready for an election when you are the Bloc Quebecois. Both parties have to get out in the ridings, get to know people. We, however, collect money by the sweat of our brow, while the other side has only to organize a few corporate financing activities. They do not worry. The money comes in and things are not complicated.

Politics is easy when you have money, but we believe in our principles. We have our own values and we will continue doing so.

Today's debate is interesting because it gives us the opportunity to hear such nonsense from the other party. For example, this morning, the member for Abitibi said, paper in hand, that when I was elected in the 1995 by-election, I had received funds from an unknown source. The money was simply given by the Bloc Quebecois' national organization.

I will not be treated like a fool when it is so hard to collect money.

It is because of people like them that people are so cynical about politics. It is because of incidents like this one, because of the corruption going on, that they do not want to hear about politics. And you don't have to wonder why.

Supply

**The Deputy Speaker:** According to our Standing Orders, comments must pertain to the speech of the last speaker, not to something else.

I would ask the hon. member for Lac-Saint-Jean to comment on what the hon. member for Calgary Southeast has just said.

(1640)

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, thank, that will bring my blood pressure down a bit. I find this very interesting. I do not know whether I am turning red, green or whatever party color, but—

Mr. Speaker, all that I want to say is that I think there are people here who suffer from the Pinocchio syndrome and that today's debate is tinged with—

Some hon. members: Oh, oh.

Mr. Stéphan Tremblay: I know, Mr. Speaker, that certain words are not allowed in this Chamber. I find it somewhat absurd.

I have a question for my colleague of the Reform Party. Does he not believe that financing by businesses should be abolished?

[English]

**Mr. Jason Kenney:** Mr. Speaker, my goodness and I thought I could rant.

I appreciate the hon. member's question. It is a question that was very much to the point. I would like to reiterate because he obviously did not hear the full extent of my remarks. I did point out that the Reform Party is alone among political parties in Canada in relying so heavily upon the individual financial support of ordinary Canadians rather than the big money contributors to the old corrupt parties opposite.

I really do appreciate quite sincerely the sentiment expressed by the hon. member for Lac-Saint-Jean that members should raise money from individuals and not from big business. I would turn that around on the member and his colleagues in the Bloc to ask that perhaps he and his party should not ask Canadians to raise money from big government.

If they are in favour of raising money from individuals let them do so, but what they propose to do in emulating the campaign finance laws of the province of Quebec is to increase massively the taxpayers' support and subsidy for political parties. That is something that conscientious Canadians cannot support. There are those who do believe that if political parties are to be funded they should be funded by voluntary individual contributions and neither by big labour nor by big business nor by big government.

Hon. Andy Mitchell (Secretary of State (Parks), Lib.): Mr. Speaker, I have some very clear questions for the member. He refused to answer the questions when they came up before.

When the Reform Party established a fund for their leader's personal expenses, did that portion of the contributions that were raised which resulted in a tax rebate refunded back to the government?

He is opposed to corporate giving. Was the 12% or 14% of corporate giving that was given to the Reform Party returned?

The hon. Leader of the Opposition said that he would not live in Stornoway, that he would turn it into a bingo hall. Now that he is living in it and it is costing taxpayers money, is the Reform Party going to repay the government for that as he indicated it would?

When the member says that there should not be public financing of campaigns, are the Reform members going to write a cheque back to the government for the rebate? Is the Reform Party going to refuse the rebate? Is it going to return it? I ask that the member opposite who just gave the speech answer those questions very specifically. Will he return the money?

Mr. Jason Kenney: Mr. Speaker, I attempted to do just that in response to the hon. member from Cambridge. I said that our party does not support unilateral disarmament politically. We are already at a huge disadvantage because we do not have influence to peddle. We do not occupy high office in government at this point so we do not get the kind of \$500 a plate big business dinners that the Liberal Party sells out across the country. We have to rely on individual contributors. We are not going to engage in unilateral disarmament.

If every other party gave back their rebates and reimbursements and tax credits, we would do the same.

The Deputy Speaker: Order. It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, Employment Insurance; the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Transitional Jobs Fund; the hon. member for Sackville—Eastern Shore, Canada Post.

• (1645)

[Translation]

**Mr. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, the leader of the Bloc Quebecois needed an issue to shore up his leadership. The leader of the PQ branch office dragged the governement and several individuals through the mud, in short, he belittled this whole institution.

But after oral question period, we realized that his research department was nothing more than a newspaper clippings department. And since they were somewhat insulted when they realized that maybe the Conservative Party had a foothold, he decided that it was the ploy he needed to strenghen his leadership.

Their balloon went bust, they need a plan B. This morning they were talking about allegations, and now they are saying: "No, no, this is not in the motion. The motion says that the issue of public financing should be reviewed".

Now that they do not have anything more to say on the matter of allegations, they are trying to patch things up; as we know, the only purpose of the Bloc is to play havoc with people's reputation, to do anything they can in favour of separation, their nice principles are nothing but double standards; the only thing they are interested in is in promoting separation, by every means at their disposal, and i do mean every means.

I will begin with the allegations made by the member for Laurentides. She claimed that the employment centre had been moved from Saint-Jérôme to Saint-Antoine supposedly because of some contributions, that it was suspicious, that there was a consensus in the region.

I will set the record straight, and it is important because if we want to create a relationship based on trust between voters and the House, if we want to regain the credibility the Bloc is undermining daily, it is important to set the record straight. They talk about allegations, but I will talk about facts.

The Department of Human Resources Development tried to find premises for the Canada Employment Centre in Saint-Jérôme because the lease expired on May 31, 1998. The Department of Public Works called for tenders. The lease was allocated in an open, equitable and transparent fashion.

Most important, our goal was to accommodate the needs of the client and get the best value for money for Canadian taxpayers. Therefore, we chose the lowest bidder. By doing so, we will save \$280,000 over five years.

Now they say: "This is terrible". They accused me of being narrow minded, they used strong words. When they have no point, they use strong words. They claim that there was a regional consensus. To begin with, I would like to remind you that Saint-Antoine-des-Laurentides is located 1.4 kilometres from Saint-Jérôme and is still in the riding of Laurentides.

While they were moaning and groaning, the government said: "It is important that the population have an employment centre; it must therefore stay in the riding". But those on the other side do not mention that, it bothers them.

I have a news release dated September 25, 1997, from the office of the mayor of Saint-Antoine, which reads as follows:

The campaign that some members of the MRC of Rivière-du-Nord have been waging for three weeks is giving the Municipalité régionale du comté de Rivière-du-Nord a reputation for partisanship and we therefore have an obligation to condemn this situation and the actions of those involved immediately.

The public's perception of elected officials in each town and municipality is very critical and rightly so. Our perception is all the more critical when the nine mayors of the MRC are grouped in the council that forms the MRC.

I can read this or table it if you wish. They said, among other things, that the important thing was to get better value for money for the citizens.

# They said the following:

Finally, we believe that as the letter from Minister Pettigrew on September 16, 1997 indicated, the decision regarding the Canada Employment Centre must be a business decision based on the best value for money.

It is signed Normand Plouffe, mayor of Saint-Antoine; Gilles Cyr, mayor of the municipality of Prévost; Denis Y. Laflamme, mayor of the municipality of Saint-Hippolyte; Gilles Papineau, mayor of the municipality of New Glascow; and Hervé Gagné, acting for the municipality of Saint-Colomban at the MRC.

#### **(1650)**

Do you know what that means? For those who do not know the riding of Laurentides, I can speak about it because I come from the nearby city of Joliette.

It means that not only there was no consensus, but that almost a majority of the regional council's members thought it was a good thing because the change was necessary. Again and again, those members make a fuss. There is moaning and groaning, low-down party politics about some allegedly partisan changes, but that is not true. Once again, the government stood up for the population. It wanted to save that employment centre for its users and, above all, wanted to save money to benefit taxpayers. What does that mean? It means that in these difficult economic times, we have no money to waste. That is my answer to the hon. member.

How much foolishness and stupidity, how many false allegations did we hear from the Bloc Quebecois? You have to understand one thing. They are trying to find a ploy, any ploy, because their leader is threatened. He fears that he might get the same medicine his predecessor got. I do not understand. The Bloc had a good leader in the hon. member for Roberval, but now the same thing seems to be starting all over again. I can hardly wait for Christmas. Things will probably happen. Some hon. members here, who are looking at us, played a little political game. They might play it again because things are not going very well.

Today, they are supposed to be talking about donations to political parties. We are accused of being the puppets of the corporations. Questions are being raised about our electoral system, which is probably one of the most highly regarded in the world. Why do we keep sending delegations around the world? Bloc members know it, they are included in the delegations.

# Supply

An hon. member: Yes, they didn't miss any.

**Mr. Denis Coderre:** When we send a delegation abroad, they are glad to come along. The system works when it suits them.

An hon. member: With Canada, as Canada's representatives.

Mr. Denis Coderre: They represent Canada, how ironic. I am glad. But now, we are being told we are the puppets of the corporations. You cannot put a number on a principle. You cannot put a price on a principle. Whether you accept one, 27 or 100,000 contributions, it is all the same. If you agree with the principle you should set an example. They say: the legislation is there, we accepted only 27 donations. Does it mean they are the puppets of those who donated to their party? When the member for Drummond gets a contribution of \$1,500, when the candidate in Laval West, Michel Leduc, gets a contribution of \$2,000, are they the puppets of the contributors?

But Bloc members have a short memory. When we do some research, when we do not read the papers, just to prepare for our period of questions, when we do some real research, we realize that, on the Bloc side—I do not know if this is customary, I hope not. On October 3, 1993, an article said that enumerators, not the Liberal candidate, because what was said earlier is false, not the Liberal candidate, but enumerators who were to be employed by Elections Canada, had some complaints about the member for Témiscamingue and his team. I will read this, this is too serious. I am disappointed by this sort of things. Yes, I have been running for election for a long time, but I am in politics to represent the people and to get rid of the cynicism that we constantly see.

The article reads as follows: "The methods of the organization of Pierre Brien, a Bloc Quebecois candidate in the riding of Témiscamingue, have led to protests by enumerators for Elections Canada, who were allegedly under pressure to give up half of their salary as a voluntary contribution to this same political organization and, most important, it demanded postdated cheques because it needed some cash". Not only it is poor, but it wants postdated cheques drawn on public funds. This is appalling. This is unacceptable.

# • (1655)

We can find many examples of people screaming blue murder as well as of whited sepulchres, an expression so dear to their spiritual leader René Lévesque. Some people should look at themselves in the mirror. This does not come from a political party.

So you want names? Five enumerators in Authier-Nord and Macamic; Pierre Boucher and Martine Lefebvre are mentioned. They say "He asked \$160 in my case and \$200 in mine". If I were in their shoes, I would be ashamed. This does not make any sense.

They should start reading their polls and asking themselves why people rate them so poorly on credibility.

We have all been elected, we know how it works. Most of those people who work are needy, they need a little money to be able to finish paying for their food. And what do we see? We see the people opposite doing this sort of things. They should be ashamed to prey on people in need.

When we look at the whole issue of contributions and see that, to make ends meet, all they have to do is accept a loan, because they need cash, so they go to the Mouvement Desjardins and get a \$1.5 million loan at preferred rates. I for one am not able to get preferred rates. However, because the chairman of the Mouvement Desjardins, Claude Béland, is a committed separatist—we have seen it, he has said so often on television—well, he told them: "This can be arranged. We will arrange that for you".

Then they said: "OK, but this is not a donation, it is a loan". Yes, but it is cash, it is preferred rates. What does it mean? Are they in the pay of the Mouvement Desjardins? Does that mean that, because of the Mouvement Desjardins, each time we have a legislation on banks, they will all take position for the Mouvement Desjardins? Is that what it means? Then they y get their marching orders from the Mouvement Desjardins. That is pretty serious.

The Reform Party has been whining once more because it does not understand a single thing. They must be from another planet or from another galaxy.

The Reform Party has received 925 contributions from corporations for a total of \$815,520. And now, they want to fool around with the repayment of expenses. I would like the Reform Party to move a motion to the effect that they will hand back all the money they were reimbursed. Give that money to us. We will give it back to Election Canada and it will be invested in job creation. That should be all right.

We all know that the Bloc is nothing but a branch of the Quebec government. Many questions beg to be asked. Once more today, Bloc members have played holier than thou. When they realized there would be no allegations—I hope they will apologize. I hope they will apologize to Jacques Roy.

They had a whole series of questions, but when they realized a letter confirmed Jacques Roy was not being investigated, they scrapped their oral question period and resorted to plan B. They started to talk about financing for political parties by the public again.

There have been allegations from businessmen in the Outaouais area to the effect that they were pressured by PQ organizers to contribute to the PQ campaign after getting contracts during the construction of the casino. The question is not whether a minimum

of \$3,000 was set. The issue is that they were pressured to contribute. Who is their leader? The real Bloc leader is Lucien Bouchard. I hope they will give me an answer.

Their good friend, the member for Richelieu, the Minister of International Relations, who begs for yes votes abroad with taxpayers' money, who is responsible for the Outaouais region, awarded a lavish contract for professional services, at a cost of \$577,328, to a political sympathizer, Jean Fournier, Jean Rochon's former chief of staff. I understands why he left. I hope that Jean Rochon, the health minister, will do the same. Since August 14, Mr. Fournier has acted as consultant on new technologies for Quebec's general delegation in Paris. They created that post to get that amount. We are well informed. We did our homework. Do you want other examples?

The Le Hir report was put aside because it did not suit their purpose. Do you remember all the irregularities that were found in the procurement process? Oops, I forgot. Poof! like today's balloon, it is gone.

### • (1700)

Yvon Cyrenne, one of the authors of the Le Hir report—it was quite the profitable venture, as a lot of money went into it—gave \$900 to the Parti Quebecois in 1994. Yvon Martineau, who was appointed president of Hydro-Quebec when Mr. Parizeau was in office, contributed \$1,000 just before he was appointed. That is the truth.

Mr. Guy Saint-Julien: How much did he give after?

Mr. Denis Coderre: We do not know, he left. The Parti Quebecois MNA, Marie Malavoy, was not even a Canadian citizen. Not only did she vote, but she contributed financially to the Parti Quebecois. How many dinners did they have—we know perfectly well how it works—with Landry, Bouchard, and particularly Chevrette because he is the one who awards grants? "A \$1,000 or \$2,000 donation will fix that".

The truth may come as a shock. Again, I may expose myself to some low blows for my efforts, but the truth must be told. If grassroots financing is to be seriously discussed, I am all for it. But let us not trade four quarters for \$1. Too many times have I seen board members make contributions on behalf of a company. They had conveniently forgotten how to add. It was not \$1,000, but ten \$100 donations. They received many such donations.

What makes my blood boil is that they are ready to do anything in the name of separation. They should be ashamed. They are ready to do anything. How many lowdown dirty tricks and so-called policy statements have we seen or heard in the last two weeks? They should have done their homework and they should wait for the RCMP to complete its investigation so they can know the truth.

What irritates me most is to see those people pounce on one victim after the other under some convenient excuse, like a pitbull on a bone, because if you believe in their cause, you simply do not count.

I think that the members of the Bloc should engage in some serious soul-searching and add an item to the agenda for their next caucus meeting to discuss how to treat individuals, and our legal system, with respect. Our society is based on the rule of law.

After that, maybe question period will be less interesting but it will be more significant because people's integrity, and that of this institution, will be preserved. I am not surprised to see the shame on their faces. You should have seen their faces. Unfortunately, our viewers did not see them when we produced the letter establishing that Jacques Roy was not under investigation. They lost their only chance to save their leader, Gilles Duceppe.

People's reputations were sullied. I hope that during the question period that will follow my speech we will hear excuses, and that efforts will be made to restore people's integrity. They have shown their true colours. Many dishonest things were said, but I remain confident. Those people across the way were elected democratically and they have some intellectual integrity. I remain confident—I hope—that they will put their meanness aside to preserve people's integrity.

• (1705)

Mr. Benoît Sauvageau (Repentigny, BQ): Madam Speaker, I am a little surprised to hear the remarks made by the member for Bourassa, who portrays himself as the champion of democracy in Quebec and in Canada. If my memory serves me correctly—he will correct me in his response—he was the one who told one of our colleagues, the incumbent candidate in Bourassa, to go back home if he did not agree with his political option. I do not consider that to be a very democratic gesture.

I do not recall hearing him apologize, but I am sure that, if we give him the opportunity to apologize in this House today on his own behalf and on behalf of Canadians, because people are entitled to their opinions, he will certainly take this opportunity and apologize for these nasty remarks. The member sitting next to him will certainly join me in urging him to do so.

He named two individuals, Mr. Martineau and another man, who gave \$900 and \$1,000 respectively. As a matter of fact, the provincial legislation on the financing of political parties says that only individuals can contribute to election funds, which is perfectly legal and honest. I do not think that a person should be denied the right to contribute to a political party's coffers because he or she holds a position in a company, organization or institution. The law gives everybody this right.

# Supply

We are talking about two people. I would like to ask the very determined member for Bourassa, who tried four times to join us because he liked it so much, what he thinks of David Berger being appointed ambassador to Israel so that he could make room for a new candidate? What does he think of Lucie Blais, the Liberal candidate who was defeated in Abitibi in 1993, who was appointed to the board of directors of the National Council of Welfare? What does he think of Margo Brousseau, the Liberal candidate who was defeated in Louis-Hébert, who was appointed to the board of directors of the Quebec Port Corporation, with a per diem of around \$300? What does he think of Gaétan Dumas, the former member for Richmond-Wolfe, and of Pierre Gravel, Delton Sams and Maurice Tremblay, who must have got their smiles back after landing some very generous contracts with Justice Canada?

What does he think of the hon. member for Laval West and of Joan Kouri, who were defeated in Laval East and Brome—Missisquoi respectively in 1993 and are now earning \$86,400 as immigration commissioners? What does he think of Angéline Fournier, a Liberal candidate and a good friend of Guy Bertrand, who was awarded a major contract by the Council for Canadian Unity? What does he think of Aurélien Gill, the Liberal candidate who was defeated in Roberval, who was appointed to the National Economic Development Board, with a per diem of \$500?

What does he think of Senator Hervieux-Payette being appointed to the Senate so that she could let another candidate have her seat? What does he think of Rita Lavoie, the Liberal candidate defeated in Manicouagan, being appointed to the board of directors of the Business Development Bank of Canada? What does he think of Eric Lemieux, the Liberal candidate defeated in Bellechasse, being appointed to the board of directors of the National Museum of Science and Technology with a salary of \$300 a day?

What does he think of André Ouellet's appointment to Canada Post with a \$160,000 salary? What does he think of the awarding in 1993 to the hon. member for La Prairie, who was then an election candidate in La Prairie, of a CIDA contract worth \$99,500, since a \$100,000 contract would have required a call for tenders? What does he think of the awarding to Michelle Tisseyre, the Liberal candidate defeated in Laurentides in 1993, of a seven-month \$60,000 contract from the Privy Council? Not too shabby, is it?

What does he think of the appointment of Kimon Valaskakis, the defeated Liberal candidate, as ambassador to OCDE with a \$115,000 salary? What does he think of the appointments to ministers' offices of defeated candidates like Claire Brouillet, Guy Chartrand, Benoît Chiquette, Jean Pelletier, Camille Samson and himself. Is this partisanship?

Mr. Denis Coderre: Madam Speaker, it is called competence.

#### (1710)

Madam Speaker, I would rather see Kimon Valaskakis appointed ambassador to the OECD than see Richard Therrien, a former member of the FLQ, sit with his PQ friends as a judge.

I opened the door to them. I gave them the time to apologize. But they won't apologize, after all. I was wrong.

We should not question the competence of people. Most of these people are great Canadians. These are people who have done and will continue to do a lot for the Canadian people, for the Canadian government. Certainly, we will never be able to appoint a member of the Bloc Quebecois Canadian ambassador again.

Now that the bubble has gone bust, now that they have shown their true colours, I hope that they will take the opportunity to apologize. They resorted to low blows. Some people told me: "You should speak up, Denis. A Bloc member has used wiretapping in the past". I will not get into that. I find this appalling. I will not speak about that. I will forget about the methods of the MP for Témiscamingue. He is older now and I hope he has learned his lesson.

I am very proud of the legislation on the financing of federal political parties. We could make some amendments. They can play at holier than thou and act outraged, but one thing is certain, I'd rather have an imperfect system in place than a perfect system in limbo.

[English]

Mr. Jake E. Hoeppner (Portage—Lisgar, Ref.): Madam Speaker, it has been an interesting afternoon.

I was wondering why the hon. member from the government side would give such a compliment to the Reform Party. He said we were on a different planet. I am sure he means a higher planet because I am sure they would not want to degrade a member of Parliament. We really accept that type of adjustment. It is encouraging.

I was just wondering what influence peddling means. We had a flood in Manitoba as members know, and as soon as the election was announced we saw 12 Liberals paddling down the river with \$5,000 cheques and vote, vote, vote Liberal. Well six of them have floated right down the river.

The funny part was that all of a sudden, because there was an election and the Conservatives, Reform and NDP were running, they decided that this honest, accountable Liberal government had made some mistakes in accounting from the floods of 1993 and 1995 so they just handed us a little cheque for \$1.25 million. Boy, we loved that. Finally the Liberals admitted they had made a little mistake.

Now I do not know what is happening. I received a letter from a constituent here in Ontario suggesting that she feels sorry for the

Liberal members who made these huge pledges or influence peddling during the flood, but these poor people are still waiting for that promise that was made. They are living in house trailers because their homes still have not been redone. She recommends that these hon. members from the government side should move into trailers for the winter in order to see how it feels, to see if that is influence peddling or not.

So thanks for raising us to a higher planet. We really appreciate that.

[Translation]

**Mr. Denis Coderre:** Madam Speaker, I think there are some problems with the sound system, because every time the member spoke, I thought I was hearing the music from Star Wars. It was like Darth Vader.

• (1715)

[English]

He was breathing deeply. You are from a galaxy far, far away from Canadians.

[Translation]

The only thing I have to say is this: I am extremely proud to see the speed with which our government reacted to the Manitoba flood, and when I see the members of the Reform Party playing politics with the issue, I come to the conclusion they are no better than the members of the Bloc Quebecois.

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Madam Speaker, with your permission, I will share my time with the member for Lévis.

I am pleased to rise today in the context of the first opposition day of the Bloc Quebecois in the 36th legislature.

As this is my first speech here since the House reconvened, I would like to thank the voters of the riding of Laval Centre for re-electing me to represent them in the federal Parliament. The Bloc Quebecois has the majority of Quebec members in this House. Together with the other 43 members of the Bloc Quebecois, I will defend the interests of Quebeckers, and especially those of my constituents in Laval Centre, with pride and determination.

I rise today on the motion tabled earlier by the leader of the Bloc Quebecois and amended by my colleague for Laurentides, which reads:

That this House condemns the attitude of the Government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuses.

With allegations of influence peddling within the Liberal Party and the government appearing in the headlines for over a week now, everyone in Quebec will recognize the importance of this motion.

If I may, to begin with, I will briefly review the facts. Last October 1, following up on a question asked in the House, the Solicitor General of Canada, the minister responsible for the RCMP, stated that he was not aware of an RCMP investigation concerning the fundraising practices in Quebec of the Liberal party of Canada. The Minister of Human Resources Development had to admit publicly, a few minutes later, that he himself had informed the RCMP of the allegations of influence peddling, and that this had been prior to the election call.

In the days that followed, we learned that the Prime Minister, his executive assistant, the President of Treasury Board and the Minister of Public Works were all aware as well of allegations involving a Liberal Party of Canada staffer and an assistant to the President of Treasury Board. In the next few days, will there be anyone left in the Liberal Party and in the government who will not be implicated in this dark story of Liberal Party of Canada fundraising?

We get the impression that we are watching a rerun of what happened to the Conservative Party in connection with influence peddling. Everyone will remember all the influence peddling scandals that surrounded the Conservatives when they were in power. At that time, the Liberals took delight in denouncing them. Now the Liberals find themselves in a similar situation, one that is equally uncomfortable and the morality of which is dubious and then some. Proof of that, the Prime Minister is not embarrassed to admit that his famous, still secret and rather nebulous code of ethics does not apply in this case of alleged influence peddling. This is corroborated by the hon. member for Saint-Léonard—Saint-Michel, who is himself responsible for organizing the Liberal Party in Quebec. The latter has even stated that the only code respected by the Liberal Party was the Criminal Code. That is at least some reassurance.

If the government cleaned up the rules regarding the financing of federal political parties, such a situation could not occur. In this House, only the Bloc Quebecois adheres to clear rules for financing, for it has chosen to respect the wishes of Quebeckers on the democratic financing of political parties.

# • (1720)

This is the spirit in which the Bloc Quebecois abides by the Quebec Act to govern the financing of political parties. You will recall that the Quebec National Assembly passed this act during the first mandate of the Lévesque government.

According to many observers of the political scene in Quebec, it contributed to cleaning up the financing of political parties and as a result reduced considerably the influence of big corporations on political parties and governments.

Since its arrival in the federal arena, on several occasions the Bloc Quebecois has defended the principle of democratic financing of political parties. Already in 1994, my colleague for Richelieu moved a motion to the effect that only voters be allowed to contribute to political parties. We raised the issue again during the debate on Bill C-63, an act to amend the Canada Elections Act and the federal Referendum Act. It was a good opportunity, you might say a golden opportunity, to review the way federal political parties are financed.

However, every single amendment moved by the Bloc Quebecois in this regard was defeated by the Liberals as well as the Reformers.

I would like to give you some data to illustrate the fundamental difference an act such as the one in Quebec can make. Any given year between 1983 and 1990, 40% of the 500 biggest corporations in Canada and 35% of the 155 biggest financial institutions in Canada made a financial contribution to a federal political party.

Between 1974 and 1990, less than 2% of voters saw fit to contribute to a federal political organization in any one of those years. No need for an extensive analysis to see that, unlike individuals, businesses are very interested in funding federal political parties who flirt with power.

We can easily imagine that the influence of big corporations on the government far exceeds that of citizens. Nobody in this House will be surprised to learn that in 1995, not so long ago, the Liberal Party of Canada collected \$7.51 million from businesses: for example, Nesbitt-Burns gave \$88,424, Bombardier contributed \$62,884 and the Toronto Dominion Bank, who was more restrained, gave a mere \$40,234.

Bloc Quebecois members respect the rules prevailing in Quebec. Our party is funded by voters. In 1996 for example, the Bloc Quebecois received \$1,159,685 from 17,030 voters; that means an average contribution of \$68.08 for my colleagues from the other side who like accuracy so much. In my riding, Laval Centre, 345 individuals gave \$19,141.25, for an average contribution of \$55.50.

Today, it is with great pride that I thank these men and women who believe in the Bloc Quebecois and who democratically contribute to our party because they believe in democracy. These men and women financially support a party which expresses their hopes and not one which promises proximity to power in exchange for a contribution.

It is easy to see that the Quebec legislation makes place for the citizens by keeping corporations away from political party financing. This contributes highly to a more democratic political life and ensures healthier political practices than those we have seen at the federal level, particularly over the last few weeks.

# • (1725)

I am sure you will agree with me: political virginity is very fragile. However, it seems this government is not even interested in restoring its own image. It is too difficult a task evidently.

Secrecy has become an institution, with the approval of those who should be protecting democracy.

I regret to say that Canada, this marvellous country, is in very bad shape.

**Mr. Mark Assad (Gatineau, Lib.):** Mr. Speaker, I listened to the speeches about the various systems, whether in the federal government or the Quebec government. When I was in the National Assembly, there was always a lot of criticism. Whatever system we have it will draw criticism.

Look at the situation in the United States and in most other countries. Stop any ten persons in the street and ask them, whether in Ontario or Quebec—not in the United States, but in Canada—if they think that our system to raise funds for political parties is honest, equitable and free from interference. Nine out of ten will ask you: Do you think I am naive? No one believes that the system works honestly. This is sad, but it is possible in a democracy.

Two or three years ago, I tabled a private member's bill based on a study of the financing of political parties in Canada, done by a New Brunswick University student working for his Ph.D. I got in touch with him and, together, we prepared something. The problem with my bill was probably its simplicity. I proposed to prohibit anyone—companies, unions, individuals—from contributing to political parties. It is up to us, the people, to give the various political parties the means to finance their activities. I have done some research with the Department of National Revenue and, considering what it is costing the government right now, it would be cheaper to pay the political parties directly according to a set formula.

I hope to introduce a similar bill again and I would like to ask the hon. member this question. Do you think that you and your colleagues could support a bill that said it is up to the government, that is the people, to finance political parties. No money from companies, no fundraisers.

**Mrs. Madeleine Dalphond-Guiral:** Mr. Speaker, if I understand correctly what my hon. colleague from Gatineau said, I have every reason to believe that he will very strongly support the motion put forward by the Bloc Quebecois today.

I think the government should take the time to take a good long look at party financing. Nothing is perfect. It is quite obvious that the very poor opinion voters in general have of party financing comes in part from the ease with which, at the federal level, companies can finance the government party and the various parties that may take office some day.

I count on the hon. member for Gatineau, of course, to convince his colleagues to vote in favour of the opposition's motion. In doing so, he would clearly demonstrate his sincerity and the importance he gives to intelligent, logical and reasonable party financing.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I want to start by congratulating my hon. colleague from Laval Centre on delivering an excellent speech. Its dispassionateness and logic was in sharp contrast with the very passionate, demagogic and, I would add, acid and acrimonious remarks made earlier by the hon. member for Bourassa.

#### **(1730)**

The member for Bourassa went to great lengths in his remarks to sidetrack the debate, first by trying to sully the Bloc Quebecois when he should be looking at the mistakes made by his own party or allegations concerning them, and second by saying that the "balloon" had busted, when the party he represents is still facing allegations.

I would like to ask my colleague, the hon. member for Laval Centre, if she does not also make a direct connection between allowing political parties to be financed by companies and the risk of influence peddling.

Mrs. Madeleine Dalphond-Guiral: Mr. Speaker, I will answer very quickly. It is very clear that if a large company—I mentioned Nesbitt Burns—telephoned my office and they had really made a very large contribution to the financing of my party, I can tell you that I would take the call very quickly if I were the Prime Minister.

And I am certain that, since the Prime Minister is a very efficient man, as is well known, he would pick it up very quickly, as though it were a red phone.

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I usually begin my speeches by saying that I am pleased to rise in the House to speak to whatever the topic is.

I must say that today I listened carefully all day long to the various speeches from the members opposite, particularly those from the member for Abitibi and the member for Bourassa. I am not sure that I am really pleased to be speaking after them.

Now look what they are waving instead of the Canadian flag—

An hon. member: It is a disgrace.

Mr. Antoine Dubé: —to break our concentration. Could you please get serious?

**The Speaker:** I am sure hon. members are well aware of the Standing Orders. Props are not permitted in the House. Perhaps the member could leave that under the desk.

**Mr. Antoine Dubé:** Mr. Speaker, this is an extremely important issue and I congratulate the hon. member for Gatineau, even though he sits across the floor. I clearly remember speaking to his motion and, in my opinion, his point of view makes sense.

He said he had talked to a lot of people in his riding and elsewhere in Quebec. He said that 90% of these people had lost confidence in the financing of political parties in its present form.

We Bloc Quebecois members want to convince this House to do like Quebec and to pass an act limiting the financing of political parties to individuals, as opposed to businesses, given the risk of influence peddling or undue influence. It is a difficult thing to do, as the hon. member for Laval Centre explained.

At times, when large sums of money are involved, and I will discuss these later on, it is difficult to say no to someone who wants to make a contribution to a political party.

The hon, member goes further and says that perhaps the financing of political parties should be provided exclusively by the government. He did not have time to elaborate, but I understand his point of view. What is the purpose of his proposal? It is to achieve a balance between political parties.

The financing of the New Democratic Party is no better, in the sense that it is provided by unions.

#### • (1735)

I am not suggesting it is illegal. Under the present legislation, it is perfectly legal, but the NDP has very often taken positions that are influenced by union demands. In a way, their position is not any better, because it is biased the other way.

If we want to achieve a better balance, we, in the Bloc Quebecois, suggest political parties should be financed by small contributions from individuals. Hundreds or thousands of individuals would be financing the various political parties.

In the last report, the one for 1996, we are told that the Bloc Quebecois received contributions from more than 17,000 individuals in all ridings. So, we should not show any undue preference for one group or the other. Contributions of \$100 or even as low as \$5, \$10, or \$15 in many cases are not going to influence a member or a party in any way. It is the big contributions that have an impact.

Under the Quebec legislation on political party financing, contributions over \$3,000 are not allowed. If the same thing applied at the federal level, we would see some improvement. That was the second goal of the legislation on political party financing, Bill 2. The first legislation that was passed by the Parti Quebecois in 1977 was Bill 2. The first bill was on linguistic matters. But Bill 2 was passed first because it needed less extensive consultations. It was passed in May 1977 by the Parti Quebecois. René Lévesque, whose memoirs I have been reading for a second time recently, was really insisting on that piece of legislation. It was really standing out.

#### Supply

Why did René Lévesque want to make this a priority? Those who know something about his political career will recall that he is the one who nationalized power companies in Quebec, and he has been put under intense pressure at that time. He did not want other democratically elected parties to be put under undue pressure by companies trying to protect their interests. He did not want governments that would be bound and gagged by legal entities like corporations, groups, businesses or unions. Individual citizens were to make the decisions in a very democratic system.

I pay tribute to the hon. member for Gatineau because his suggestion deserves some consideration. I invite him to reintroduce his bill so we can look at it, because it would a step in the right direction. The goal is to achieve a balance, to avoid abuse and, more importantly, to restore public confidence in federal and provincial political parties.

In Quebec, the process has already been completed. All parties agree with it. The idea of going back to the old system never occurred to the Quebec Liberal Party which, led by Mr. Bourassa, came back to power for nine years. The Quebec Liberals know—and so should the member for Bourassa, who worked with them, and, for that matter, all Quebec MPs—how proud Quebeckers are of that change. Perhaps there is room for improvement. Anything can be improved. Perfection may be an unreachable goal, but this is a major step towards a better democracy.

Before concluding, I want to talk about two particularly painful experiences as a Quebecker. I am referring to the two referendums held in 1980 and 1995. In both cases, some major companies influenced public opinion in Quebec and had a bearing on the political future of Quebeckers. If you look at the report on the last federal election, you see amounts such as \$61,000 from Microsoft Canada, \$53,000 from Nesbitt Burns Inc., \$50,000 from Charman Securities Co., \$70,469 from Scotia McLeod Inc., and \$66,000 from the Toronto Dominion Bank.

#### • (1740)

Oddly enough, in all reports, even going back ten years, it is often the banks who are the biggest contributors to the federal political parties. Curiously, they are doing well these days, making record profits.

It is hard to make any changes to the monetary system, because there is the Bank Act. The Liberal Party says it is hard. But when it comes to cutting the deficit, for example, to changing the Unemployment Insurance Act, to bringing the surplus in the unemployment insurance fund up to close to \$14 billion, then there is no hesitation.

But if the Liberals were limited to collecting contributions only from Canada's unemployed, I can tell you that they would not have raised much in the last election. They would not have got much

from the unemployed in the Maritimes. But they did get a nasty message, they were nearly wiped out in the Maritimes. The New Democratic Party got a pretty good showing, the Conservatives as well.

Those were messages the Liberal Party did not get. I think the hon. member for Gatineau go the message, when he admitted that 90% of the population no longer has confidence in the present system of corporate funding for political parties, and he is right.

Mr. Guy Saint-Julien (Abitibi, Lib.): Mr. Speaker, further to the remarks by the member for Lévis, I tried the system in 1988.

Looking at my notes for the 1988 election, I see I had 109 individuals contribute \$23,870 to my riding fund.

Mr. Benoît Sauvageau: And how much from business?

**Mr. Guy Saint-Julien:** Nothing, zilch. I tried this system of public funding. It is true. It is in my notes and in the books in the library.

I also wanted to answer the member for Témiscamingue. Earlier he said that nine individuals had contributed to his campaign fund in 1993. In the 1984 elections, I received \$8,015 from individuals. In 1988, \$23,870; in 1993, \$1,950. In these three elections, I received \$33,835 from 198 individuals.

In 1984, from business, I received \$17,940; in 1988, nothing; and in 1993, \$9,400. I received \$27,340 from 126 businesses. That means I was a better candidate. I got 198 donations from individuals and 126 from businesses. That is a matter of record. It is in the library.

I want to return to the comments by the member for Lévis and what the Liberal member for Gatineau said on funding. It is true, but we should go a little lower than \$5,000. If there were a free vote in the House, I would be the first to vote in favour, because I think it is a fine method. You look to the people and find the way to improve.

**Mr. Antoine Dubé:** Mr. Speaker, I am delighted. I do not know if it was just my speech or the combined effect of all the speeches made by members of the Bloc Quebecois, as well as the one by the hon. member for Gatineau, but I have been listening to the hon. member for Abitibi and I find he has come a very long way. At this rate, we stand a chance of having him vote with us on this motion.

This would not be his first about-face, mind you.

Some hon. members: Hear, hear.

**Mr. Antoine Dubé:** He has switched parties once already, at least. If we listen closely to what he is saying, without interrupting, we notice that the more he speaks, the more he makes our case.

He said "I changed my mind to some extent. I tried the other system, where individuals finance political parties". It sounded as if it had not worked. So much so that he switched parties. But we must look at the reason for that. That is when this system becomes important. When he was defeated, he was running as a Conservative candidate. You will recall that, when the Conservatives were in office last, they really did a job on the unemployed, if I can put it that way. I understand the people from the Abitibi. He voted against the bill, but people were still upset at him because he was a Conservative.

#### **(1745)**

He was a member of the opposition for a while. Then he did some thinking and came back on the government's side. Things were a little better this year, but he still not convinced. When you think of it, he agrees with us. He is becoming more and more reasonable. It is encouraging. It means we are not wasting our time talking in this House. We are succeeding.

This leaves the member for Bourassa, who has finally put his little toy and flag away. Things are also improving on that front. We must take action, with the help of the Chair, but things slowly change. It encourages us to keep going.

Mr. Gilles-A. Perron (Saint-Eustache—Sainte-Thérèse, BQ): Mr. Speaker, I appreciate the comments made by the hon. member for Lévis. I am a new member in this House, but I agree with him that it is sometimes annoying to see people trying to distract those who are speaking. Whatever happened to the freedom of speech?

The hon. member for Lévis gave a great speech and I also appreciated the comments made by the member for Gatineau, who made a very intelligent presentation. I hope we will continue in the right direction.

**Mr.** Antoine Dubé: Mr. Speaker, I thank my new colleague, the member for Saint-Eustache—Sainte-Thérèse, for his comments.

What he says is important. Parliament is a place where we may exercise our right to speak, but in order to do so properly, we must respect the right of others to speak. Sometimes, people are aggressive in their remarks, but they are always respectful and use parliamentary language, and when there are small lapses, the Speaker may intervene.

I like this, but when people get carried away, and trade insults back and forth, particularly the member for Abitibi and the new member for Bourassa today, he should take another look at what he said in *Hansard* tomorrow, at his heckling during other members' speeches.

It is rare that I make this sort of remark. I hope, along with the member for Saint-Eustache—Sainte-Thérèse, that, in future, things will continue to improve.

[English]

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have listened carefully all day to this debate on the funding of the electoral system in Canada. I really regret that the members opposite, in the heat of the moment no doubt, seem to have forgotten that we are debating one of the foundations of one of the most successful democracies in the world, Canada.

As this is a Bloc motion, I know that the Bloc has no interest in the future of this great country, but I do believe that the members of the other parties opposite, like ourselves, do believe in the future of Canada and do believe that Canada is successful because of the strength of its democratic institutions.

At this point in the debate I would like to ask all members to take a step back and think calmly about the strength and integrity of the electoral process here in Canada. Let us consider some of the many facets of our electoral system that give it the reputation it so richly deserves.

As in so many other fields, Canada is internationally acknowledged as a leader in electoral management. This acknowledgement is also evident here at home at the provincial and municipal levels. Our electoral system serves Canadians well as they exercise their democratic right to vote.

**●** (1750)

I will touch on some specific illustrations to support this point. First, I point to the independent and non-partisan nature of the office of the chief electoral officer. We consciously set this officer apart to ensure the electoral process is fair and non-partisan.

This is the case, as members know. For example, in the last two general elections there have been no election scandals reported to the commissioner of Elections Canada. Canadians elections are not tainted by the machinations we so often see in other countries, machinations which rob the citizens of those countries of their vote.

Furthermore, should there be any complaints they would be considered and prosecuted if necessary by an independent commissioner. Every system set up by human beings has its limitations and every good human system, if it is well designed, has to have a mechanism for dealing with problems as they arise, and that is the case here. We have an independent commissioner.

Equally fundamental to the strength of our democracy are the principles and key elements which imbue the Canada Elections Act and speak to excellent elections management in this country. The principles of the act are fairness to candidates and electors, participation to encourage candidates to come forward and electors

Supply

to vote, and transparency in financial contributions and elections

I submit no election system in the world is more transparent than that of this country. The four key elements of the electoral regime further support the lofty but for Canadians attainable objective of fair and effectively managed elections.

The first element is spending limits to ensure an equal playing field among candidates. The second is public funding, that is to say partial reimbursement of expenses and tax deductions to enhance participation. This has been discussed today. This public funding is a balance of private support and public support.

The third element is public disclosure of expenses to enhance transparency. The fourth is access to broadcasting to ensure that all parties' messages are heard.

I stress among those the spending limits. In my mind these are very special elements of our system. Even if you have the money, even if you are very wealthy in this country because of the spending limits you cannot buy your way to elected office.

These principles and key elements are reflected throughout the Canada Elections Act and give us a system we can all be proud of, one that works well for Canadian democracy.

We can look at the interest of many other countries in our election process as a reflection of our own ability to manage elections. Elections Canada has worked with over 80 countries providing expertise and advice in electoral management. In some instances Canadian election officials travel to these other countries to provide on the spot expertise. Russia is one good example of that.

In other cases our ability to manage elections has led to our providing operational support for actual elections. We remember Bosnia and South Africa as good examples of that. As well, Elections Canada is engaged with the Mexican and Czechoslovakian governments in electoral management questions at the present time.

I think hon. members will agree that this is a most worthwhile facet of our foreign policy, helping other countries to better manage their elections at the same time as exchanging election management information and gaining ideas from those other countries.

Another dimension of this international reputation that we have is the frequency with which Canada is asked to provide observers to elections in other countries. Often we see countries coming out of long periods of strife anxious to develop a sound electoral process.

**●** (1755)

Canada is frequently there as part of an international observer team to provide a measure of reassurance to voters and to advise

the national government. As we speak, a team of members from this House is doing exactly that, supervising elections in Romania.

Our ability to manage elections is also acknowledged closer to home by a number of provincial governments. They reached agreements with Elections Canada that provide for elections management co-operation that will save taxpayers money and provide for more effective elections.

These agreements exist, for example, with the governments of British Columbia, Alberta, Prince Edward Island, Nova Scotia and New Brunswick and, dare I mention, with the province of Quebec where we help conduct elections and where we have been asked to conduct elections.

These agreements with the provinces flow from important changes that Elections Canada discussed with this House last fall and which were voted into law in the last general election.

Chief among these further modernizations in election management was the national register of voters. Drawing on voter information gathered during the last ever federal door to door enumeration and information gathered by other federal and provincial sources, Elections Canada can now provide a list of electors at very short notice for general or byelections.

This means no more costly door to door enumerations, faster access to lists for all parties once an election is called and a shorter, less costly elections period.

This election, too, which was carefully reviewed in this House by the last Parliament is of great interest to the provinces that I mentioned. By agreeing to share voter information with Elections Canada, they will have access to the register for their own electoral purposes. This saves them the cost of door to door enumerations.

The co-operation does not stop at the provincial level. Under the Canada Elections Act, voter information exchanges can take place with municipal governments, as they do, and even with school boards on condition that they use the register data for electoral purposes only.

We have a clear indication of approval of federal elections management from provincial governments. This is an unheralded example of the kind of intergovernmental co-operation Canadians expect in this era of tight budgets and technological opportunities.

Members need only consider their own experiences last summer in earning the trust of their constituents to know how well elections are managed in Canada. Despite the many changes and improvements introduced at very short notice, the election was a success. Thousands of people were recruited and trained to provide parties, candidates and electors with advice and assistance which contributed to the success of the election.

Among those thousands were the couple of thousand volunteers who helped me in Peterborough riding. I want to thank them for their contributions of all sorts to my campaign and their contributions to the elections process in Canada.

I remind members that they do have and will play an important part in ensuring that Canada's elections are well managed. Through debate and committee work we will be able to contribute to the electoral system, as have our predecessors as recently as last year.

The principles of the Canada Elections Act are to be emulated. The central elements of the act provide the foundation for a quality electoral regime. Our electoral process serves the needs of Canadians, parties and legislators.

We have the best electoral system in the world but, as I said, no human system is perfect. That is why all good systems have fail safe mechanisms and review mechanisms built into them. That is so with our fine electoral system.

For example, we have built in the referral of problems to an independent commissioner and, if necessary, to the police and the courts. Also we have public review of elections matters following elections, between elections here in this House and in its committees.

#### • (1800)

I urge opposition members engaged in this debate not to be so carried away with the heat of the moment that they seriously damage the finest electoral system in the world.

# [Translation]

Mrs. Jocelyne Girard-Bujold (Jonquière, BQ: Mr. Speaker, this is the first time that I comment on another member's speech in the House.

I was really stunned by what I heard today in the House. I believe the member across the way does not know how to read or has not seen the motion moved by the opposition. Either he has refused to read it, or he cannot read.

I did not come to the House of Commons to observe all the clowning around that has been going on in the House today. We are here to speak about the real issues. While people are unemployed, while young Canadians have no job, what are certain members doing? They are clowning around. They are making fun of issues that really must be raised. What I have seen here today is shameful.

The foundation of every democratic party is its financing, how it grows. Everything the members of the government said today is lies and foolishness. I am sorry, but the word is not strong enough.

I would like to ask our illustrious member across the way what he thinks of the real issue raised by the member for Laurier— Sainte-Marie. What does he think of the financing of federal political parties with the fund they have now? As for us, members

#### Supply

of the Bloc, our fund is open to everyone, and our financing comes from simple voters.

**Mr. Peter Adams:** Mr. Speaker, I would like to thank the member for Jonquière.

I spent three extraordinary weeks in the city of Jonquière during an immersion course. The course was excellent, even though the student was not that good.

[English]

I congratulate the member on her first reply to a speech in the House. She mentioned the important issues that are before us, and she is absolutely right, the unemployed and the environment and other important issues are what we should be discussing.

I would remind her that we have spent a whole day in the House debating a motion put forward by the Bloc because this is an opposition day, and the Bloc gets to choose the topic. We have done it willingly because democracy is at the base of dealing with the problems of unemployment and other important matters that the member raised.

The member should not blame us for the silliness that has taken place in the House today. However, I will relay to her that the answer to every single one of her questions is yes.

I would also say to her that in the House we try and respond to the interests of all Canadians, not just the people of one region. In my remarks I was trying to involve Canadians in the idea that they have a fine election system and that we do not need a day of debate to fix something which is not broken.

**●** (1805)

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, I would like to address the last statement made by the member opposite.

We need more than a day of debate in the House to correct a system that is not flawed but badly broken. I would like to mention a few things about the speech of the member.

He mentioned provincial governments. Is the member aware of what is going on in B.C. in regard to its NDP government, the so-called sharing and caring government of our society? It had a habit of raising funds through charity organizations which were supposed to go toward the blind, the disabled and the handicapped. It ripped them off.

An hon. member: Where did the money go?

Mr. Darrel Stinson: Right into its pockets, to help fund its campaigns.

A case is coming before the B.C. courts right now regarding the NDP government, a different NDP government, about misinformation, or what could be called lies, that it put out during its

provincial campaign in order to get elected. These are just a couple of cases in B.C.

Let us look at what has been in the papers lately in regard to the fundraising tactics of the Liberal government. Whether it is true or not, it is in the papers right now and it is before the public. If what is written in the papers is true, the Liberal government makes Al Capone look like a child when it comes to arm twisting to get money for themselves.

If it is proven to be correct about the way the money was raised, and if this member believes in democracy and I believe he does, would the member opposite not agree this is a perfect case for the right of recall in the country?

**Mr. Peter Adams:** Mr. Speaker, I would say to the member opposite that the cases he has cited became known and were dealt with because of our system.

Even the rumours, which he admitted were rumours, possibly true, possibly not, are in the public domain. Not only are they in whatever newspapers he reads but here in the House of Commons in a debate on the funding of our electoral system. I think the member should be very careful about this, but to me that is a part of the system about which we are all so proud.

Human beings are fallible. NDP governments are fallible. If an NDP government has concerns about bingo funds, I have heard talk that the Reform Party is considering a bingo parlour here in the national capital region. I see it in the media but I do not jump to conclusion and ban bingos all over the country. I look at the case. In the election system there are mechanisms for looking at those cases. That is the best we can do. Next year or the year after it might be something that the member has not anticipated.

What you need is the mechanism for dealing with it, not something which is so intricate that every one of these things is dealt with immediately.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to touch on one issue in the short time I have and ask the member what his beliefs are.

He touched on one particular area that is very fundamental to our system and that is the spending limits and the balance between private and public in our system.

Our friends opposite like to think that the best system is to have all private sector funding with no limits. This is one of the major faults in the American system where all the scandals occur. I have many friends in the American houses. My riding borders on the U.S. and we meet on a fairly regular basis. They tell me that the system is so bad that they have to spend almost all of their time raising funds in order to be able to compete to get re-elected. They get millions of dollars in order to compete.

#### Supply

#### (1810)

I would like the member's opinion on why it would be a good system to have in Canada rather than the one we do have.

I will give you one quick example. Because of my financial situation, I could never have been elected in a system like that because I could could never have competed without the public system. I would like to know what his comments are in that regard.

**Mr. Peter Adams:** Mr. Speaker, I picked out the spending limits as the parliamentary secretary just noted.

You will recall in a recent state election in California someone with private money spent \$30 million, all presumably earned legally. I have no reason to believe he did not amass that fortune himself. He was allowed to spend \$30 million.

The strength of our system is exactly what the parliamentary secretary has pointed out. We control in a transparent public way how money is collected. There are limits on donations and the way it can be done. At the other end and equally transparent we control spending.

To go back to the Reform member who spoke previously, in both cases it is entirely transparent and there are mechanisms to deal with the wrongdoing in the event something goes wrong.

**The Deputy Speaker:** I believe there is agreement that the debate will proceed until 6.30 p.m. and the question is then deemed put. Is that agreed?

Some hon. members: Agreed.

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, I thank my colleagues in the House for extending the debate until 6.30 p.m. to enable me to comment.

I thank the mover, the hon. member from Laurier—Sainte-Marie. The motion before us is that the House condemns the attitude of the government which refuses to introduce in-depth reform of the legislation of the financing of political parties even though the existing legislation allows for a wide range of abuses.

That is a good motion and it should be debated again. I join my friend from Shuswap in saying that we need more of this discussion.

I wonder how my Liberal friends feel when they open their newspapers. They must shudder because the newspaper headlines are talking about Liberal sleaze, kickbacks and pay-offs.

Mr. Speaker, page after page—

Mr. Robert D. Nault: They are not talking about the bingo scandals.

**Mr. Nelson Riis:** My friend can laugh and say "Isn't this funny". I am not saying it is only the Liberals. I can talk about the long list of Tories that are in jail in Saskatchewan for all kinds of misdeeds.

Let's face it, to a certain extent there are problems across the political spectrum. Today we are talking about Liberal kickbacks, Liberal tollgating and Liberal fundraisers going to people and saying "If you contribute to the Liberal Party of Canada prior to this election I will ensure that you get a government contract".

This is not new. It has been going on probably since the first election in this country. That is one of the reasons why people are so cynical about national and provincial politics. They know that certain people have undue influence and they obtain that undue influence by, if you like, bribing political parties or politicians.

There have been a number of books written. I remember Stevie Cameron's book *On The Take*. By the time you finished reading the book you were disgusted with that government.

#### • (1815)

They were not people who just made a few thousand dollars on a kickback. They were making millions of dollars. There were pages and pages of accusations against backbenchers and cabinet ministers and not a single person has taken Stevie Cameron to court. All the accusations were there.

Then there was Claire Hoy who wrote *Friends in High Places*. It was on the same theme, that if you knew the right people in the Mulroney government you could make lots of money. A lot of the wealth of today's millionaires in Canada, the people who are on their yachts in the harbours or driving Jaguars, can be traced back to well connected friends in the Mulroney government.

Have things changed with the Liberal government?

Mr. Jason Kenney: No, sir.

Mr. Nelson Riis: My friend says no. Should we be surprised?

I have the 1996 results of political contributions. Guess what political party got a lot more money from business than any other political party in Canada? Yes, it was the Liberal Party which got \$7.8 million in business cash. What does that mean?

If we believe that people who spent nearly \$8 million to fund a political campaign will not have any leverage in terms of policy making, we must believe pink elephants are floating around here as well.

Let us acknowledge a certain trend which has developed over the last number of years. I trace it back again to the beginning of the Mulroney government. A decision was made to start phasing out very professional people at senior levels.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise on a point of order. I bring it to your attention that no one can wave any

instrument while they speak. I believe the hon. member was waving an instrument while he was speaking.

**The Deputy Speaker:** I thought the hon. member might have been waving a book. I thought he was about to quote from the book and that is why I did not interrupt him.

He knows it is improper to use props. I have reminded the hon. member of that before.

I am sure he would not want to do that and break the rules of the House. He would want to set a good example for all the new members.

**Mr. Nelson Riis:** Mr. Speaker, you were absolutely correct. I was going to start quoting from *On the Take* and *Friends in High Places*, but I was so disgusted by reading them that I did not want to bring the debate down any lower than it is at the moment. Therefore I will not quote from those books.

This is not a prop. It is just facts that I had in my hand. I want to identify what I believe is a very dangerous trend which has developed in Canadian national politics and government during the last 15 years.

When the Mulroney government was elected it started to phase out some senior professional bureaucrats. These people had dedicated their entire lives to developing good public policy for Canada and Canadians. One of the reasons we had such good public policy over the years was because of the professional dedication of these men and women. They were professional and they worked long hours. They were motivated by one thing only and that was to do a good job for the people of Canada and for the government of the day

I am afraid to say that most of those people are gone. They have been let go, laid off or were so demoralized they quit. They just could not take the lack of leadership and the sell-out to the private sector that has occurred over the last 15 years.

There are still some very good people around, but by and large the best have left and most of them have left because they were forced out of the system.

That created a huge vacuum at the senior levels of the bureaucracy in terms of public policy creation. Who has filled that vacuum? The paid lobbyists, the people the government hires on contract from the banks to develop amendments to the Bank Act or lobbyists from pharmaceutical corporations to change laws regarding the pharmaceutical sector and so on.

Mr. John O'Reilly: Or the CAW.

**Mr. Nelson Riis:** I look forward to the day when the government hires the CAW for anything. The government is against working people. It has demonstrated time and time again that it is against working men and women. To suggest that it would consider even talking to a senior union is inappropriate.

#### Supply

This void has been filled with paid lobbyists. Their priority and motivation is not the people of Canada. It is the clients who are paying for them. They are the people who are advising the government. I hate to say it but it is true. They were advising the previous government and look what we got.

• (1820)

Of course we got NAFTA. All my Liberal friends across the way were saying this was bad for Canada. Then they switched across the aisle and now they are saying this is good for Canada. It is so good that they are going to introduce a NAFTA in steroids called the MAI.

Who is behind the MAI? The Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Business Council on National Issues, and the list goes on.

An hon. member: The people who can create the jobs.

Mr. Nelson Riis: I thank the member for that.

I have a list here that goes back to 1996. This was not an election year. I can imagine when we get the figures for 1997 that they will be hot stuff. Who contributed to the Liberal Party of Canada in 1996? There was the National Bank, CIBC, Wood Gundy and the Royal Bank of Canada. We are not talking about thousands of dollars or tens of thousands. We are talking about many, many tens of thousands of dollars of political contributions.

I could go on. The Toronto-Dominion Bank coughed up \$66,000. I have a list of all bank and financial institutions that contributed to the Liberal Party. The total comes to almost half a million dollars for last year. Does it not seem that they have some access that other firms do not have because of that pay-off? Of course they do.

Mr. Roy Cullen: How much did labour give to the NDP?

**Mr. Nelson Riis:** My hon. friend raises the interesting question on how much organized labour contributed to the New Democratic Party. It is a fair question.

Let us agree first that before any union makes a contribution to a political party, regardless of whatever the political party might be, the decision is made by officers elected by the membership. How many bank presidents contact their bank shareholders before they make a contribution to the Liberal Party of Canada? Not many. Therein lies a pretty fundamental difference in terms of who is contributing.

I could refer to my friends in the Conservative Party, but they only obtained 46% of their financing from business. Reform is quite far back in the pack at 12% and 3% of New Democratic Party federal contributions for 1996 came from small businesses across the country. The numbers are 55% for the Liberals, 46% for the Conservatives, 12% for the Reform and 3% for the New Democrats

#### Supply

It is important to know who pays for the Liberal Party's operations. I mentioned the banks and financial institutions. Every one, from what I can gather from the list, contributes significantly to the tens and tens of thousands of dollars annually. Bell Canada of course.

Third on the list is Bombardier. Remember the big contract Bombardier got and gets repeatedly and repeatedly. When we look at the top echelons of Bombardier and the lobbyists who work on their behalf, they are all well connected to the Liberal Party. They coughed up \$85 million. BrasCan is in there. BrasCan is always in there supporting the Liberals. Canada Trust is in there. The CBA, the Canadian Bankers Association, makes a healthy contribution. The CNR, CPR and all major accounting firms.

Then we have Glaxo Wellcome and Merck Frosst, two of the large multinational pharmaceuticals. These are the ones that are well connected. They have as their top lobbyist a former member of Parliament and cabinet minister, Judy Erola. She does a wonderful job. From what I can gather, looking at the legislation that governs pharmaceuticals, they write the legislation. Perhaps the minister puts the final signature on it and maybe crosses the odd t or dots the odd t, but basically the legislation is written by the pharmaceutical lobbyists.

Is that the kind of country that Canada wants to be? Is that the kind of country that Canada has become? Unfortunately yes. That is why this nonsense has to change. We need a full investigation into how political parties are funded.

I will not stand here and say the funding of the New Democratic Party is perfect or anything else, but let us open up the system.

My hon. friend did an excellent job in saying that our system is better than the American system. That is praising with very pink praise. That is the most bizarre system where everybody just buys influence in the United States. We are far removed from that, but when we read the headlines and listen to the accusations and comments from across the aisle, it appears that people are buying influence from the Liberal Party. We know they bought influence from the Tories.

## • (1825)

A number of Tory cabinet ministers ended up in court, some on their way to jail and some backbenchers who made their living on kickbacks and saying "Listen, give the local association a political donation, give the party a political donation, and we will ensure that you get government contracts". It went on and on and on.

I will go as far as to say that every significant major contract offered by the government and the Parliament of Canada under the Mulroney era probably involved kickbacks of one kind or another. I could list all sorts of examples that I am aware of personally, but I do not have the facts. I just heard people tell me that if they did not

pay the kickback they were laid off, lost their jobs, lost the contract and so on.

I am making those accusations on the floor of the House of Commons. I hope to hear some people say that is not right. Stevie Cameron made them in her book, 600 pages of accusations, and not a single Tory has taken her up on her challenges.

Mrs. Elsie Wayne: I can take her up on her challenges.

Mr. Nelson Riis: Let us go on.

An hon. member: Which book?

**Mr. Nelson Riis:** This is *Friends in High Places* here. It is not the book I was referring to. I was referring to Stevie Cameron's book, *On the Take*. I will send it over to my hon. friend if she has not read.

An hon, member: I have read it.

Mr. Nelson Riis: We will leave it at that.

I will draw the debate to a close by simply saying that we can stand here for hours on end and point out all the horror shows attached to financial support for political parties, whether they are kickbacks, tollgating, bribing or whatever. We all know it takes place. No honest member of Parliament will stand and say that this does not occur in our country.

For goodness' sakes, why not open it up to a major public inquiry? Let us do the right thing. We hope to bring credibility to this institution. We hope to bring credibility to government and to our parliamentary system. We have to make some changes. We cannot simply turn a blind eye and pretend that—

**The Deputy Speaker:** The hon. member for Elk Island on a point of order.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, this is more for my information than anything. If the member has only 15 minutes remaining, do we not then get 5 minutes for questions and comments?

**The Deputy Speaker:** The hon. member has 20 minutes. He still has six minutes remaining, although he cannot get it all in because I will interrupt the proceedings at 6.30. If he wishes to continue his speech, he is free to do so.

Mr. Jerry Pickard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I listened with interest to my colleague across the way. I found some of what he was putting forward a little questionable. I too happen to have several documents which refer to contributions during elections

It is rather interesting that the Canadian Air Line Pilots Association was a chief donator to the party across the way, the NDP. It protested the operations of Air Nova in Nova Scotia, and who happened to be the chief donator to the campaign for the leader of the NDP? It happened to be the union standing against Air Nova.

Let us look at United Steelworkers. Yes, indeed it is lovely. There is no question that United Steelworkers was a chief contributor to the NDP campaign.

Let us look at the United Auto Workers. NDP raised \$3.8 million, mostly political donations. There is no question the NDP can claim that other parties receive donations, but it did not mention once its millions of dollars in donations. I wonder why. I wonder if it was just a slight memory lapse or if there was another reason that it missed all these huge donations.

Some folks in my family donated to the NDP, not because they wanted to but because they belonged to a union and the union took the money. These folks did not want it to go to the NDP. As a matter of fact they objected to that happening and yet—

• (1830)

[Translation]

**The Deputy Speaker:** It being 6.30 p.m., it is my duty to interrupt the proceedings. Pursuant to the order made earlier today, the question is deemed to have been put and a recorded division is deemed to have been asked. Therefore the recorded division stands deferred until Tuesday, October 21, 1997, at the ordinary hour of daily adjournment.

(Division deemed demanded and deferred)

## ADJOURNMENT PROCEEDINGS

[Translation]

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

## EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, this is in response to the answer the Minister of Human Resources Development gave me on September 25, 1997 when I asked him a question on employment insurance. He said that he was proud of the changes to the employment insurance program. In my mind, this shows how disconnected this government is from its constituents.

I would like to quote from a statement my predecessor made in the *Acadie Nouvelle* on July 31, 1989. He said: "According to the member for Gloucester, taxpayers in New Brunswick should vigorously oppose all the proposed changes, which will have a negative impact on the area". He is the very person who five years later went after the employment insurance system, thereby directly attacking people in this country.

Many problems are associated with the administration of the employment insurance as a result of the changes made by my predecessor, the former MP for Acadie—Bathurst. One of the particularly difficult issues is the problem of seasonal workers.

#### Adjournment Debate

They are one of the groups which have been hurt the most by the changes to the employment insurance. These changes ignore the particular needs of these workers.

The formula used for calculating the weeks of entitlement to benefits penalizes seasonal workers. Because of the changes implemented by this government, these workers are without income for several months out of the year. By reducing the number of weeks when benefits are paid, the government has plunged these people into poverty.

[English]

Everywhere in the country, from B.C. to Newfoundland, from northern Ontario to New Brunswick, the economy relies on natural resources such as mines, forestry and fisheries. For the last two, the industries are seasonal.

[Translation]

Those people work very hard during part of the year, but when the weather is adverse or the level of fish stocks too low, they must apply for EI. It is not their fault if Mother Nature decides that one season will be shorter than the other. The very purpose of employment insurance is to help workers make it through difficult times.

But what does this government do? It punishes the workers and turns a blind eye when they need help. The government should know that the logging and fishing seasons do not overlap and should therefore implement programs to meet the specific needs of those industries.

Canadian workers are waiting for the Liberals to keep their promise and create jobs. In his answer, the minister told me that he preferred active manpower measures. Well, I urge the government to develop long term active strategies to deal with the very real problems were are experiencing throughout Canada. I realize Liberals have a hard time setting up long term programs. Very often, they carry no immediate political reward.

We need leadership on this whole issue. We need short, medium and long term strategies to deal with the structural problems in our economy. But we also need immediate programs to alleviate the suffering. It is not good enough to examine the situation, as the human resources development minister said he is doing.

The minister seems to like active measures, but I urge him to take action to help people who are suffering.

**●** (1835)

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I want to respond to the member's question and the issue as it relates to the new EI system.

I come from the same type of region as the member does. I am a little bit surprised that he continues to suggest as other members in his party have, that the new EI system does not help seasonal

#### Adjournment Debate

workers. In fact it is just the opposite. Northern Ontario is very similar to northern New Brunswick.

The new EI system allows those workers who previously could not collect EI because of the way the system worked to now collect EI. For example over 45,000 seasonal and other workers are now in the system who were not in the system when this legislation came into being.

The fact that we went to the hours based system has made a big difference to part time workers. There were approximately 350,000 people who did not quality for EI before the new system came into place, but now they do qualify for employment insurance.

I find it somewhat ironic that the member continues to suggest that the system does not have a lot of merit and that it is not an improvement over the last one. Is it an income security system like social assistance? No. It is an insurance system intended to help people who need that push. It is not intended to be an income supplement system as some members would like it to be.

The last thing I would like to say is that this is a brand new system. One of the main recommendations made by the committee was to put in place a monitoring system specifically to look at the system every year to see if there are any particular problems with it. If changes need to be made we will look at that because it is a new system and we may need to look at some changes. However the overall changes which were made are for the better and not for the worst as is being suggested.

[Translation]

## TRANSITIONAL JOB CREATION FUND

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, on October 3, 1997 I asked the Deputy Prime Minister a question about six projects in the analysis phase under the transitional job creation fund that were the subject of an investigation into influence peddling.

At the time, the Deputy Prime Minister replied that he would do his best to obtain the information. Since then, I have had no news of these six projects, they have not been found, and the government is hiding behind the fact that they are the subject of an RCMP investigation.

I think it is important to point out that it is not the projects that are the subject of the investigation, but the influence peddling linking the Liberal Party of Canada with ministers of this government. That is the subject of the investigation.

Why not table the projects as planned? I find it most astonishing, particularly since the transitional job creation fund, as part of employment insurance reform, was supposed to be the way of transforming regional economies, so as to help them achieve a rate

of growth and effectiveness equal to that of other more industrialized regions.

The way the government is using the transitional job creation fund today, it is causing it to lose its credibility, by making it a tool of patronage, when the fund should be helping to promote the development of regional economies and offsetting the devastating effect of employment insurance reform now being felt.

When the minister says there are 45 000 new seasonal workers, this means not 45 000 seasonal workers who will be entitled to employment insurance, but 45 000 workers who will contribute to a plan they will probably never be able to draw on, because they will not have accumulated sufficient hours according to the government's new requirements.

I cannot understand that the present government has not got the very clear message sent to it by the voters in eastern Quebec, in the Maritimes, in all of the regions, particularly those in which there are seasonal workers and many young people coming on to the job market.

I also find it aberrant that today, right under the noses of the entire population of Canada, the federal government prefers to conceal the list of projects that will be affected by the influence peddling affair, and in so doing does away with any appearance of justice. They are contributing to the public's belief that transitional jobs fund projects can be obtained only through political intervention and influence peddling, and this is unacceptable.

I trust that the government will eventually table the list of projects, to clarify things a little for those citizens who are questioning the way the government administers the public purse.

• (1840)

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the transitional jobs fund was another program that was put in place under the new EI system. That program was put in place with some \$300 million to help high unemployment areas.

Because the discussion at the time was going on about the Government of Canada and the provincial governments as it relates to education and training and who has jurisdiction, we put in place a system that this member and all members should be aware of, which suggested that no projects would be approved in any province without the province's concurrence.

The member knows that Minister Harel in the province of Quebec approved all these projects. To suggest that there is some influence peddling going on when a PQ government is the one that is signing off on these particular projects, it is almost hard to

believe that even a member from the Bloc would suggest that in an open forum.

In order to make this very clear, because we do this in northern Ontario as well and we have a Conservative government in northern Ontario, when we put in these particular projects that create long sustainable jobs in the particular area that we are dealing with, we at the same time put the proposal in and ask individual groups within the area to approve it or not approve it. Then it goes up the system and the minister signs off on it.

To make it even clearer for the member, yesterday the minister put a list together and put it out to the press. There were some 181 proposals that were accepted in the province of Quebec. I am sure if he takes a look at that list he will see a number of projects in his own riding. He will feel very good about the fact that those projects help individuals in his riding with long term jobs and help the unemployed. That is what the transitional jobs fund is for. It is a very good project.

Lastly I want to say one thing. This project is one of the first of its kind. Out of every dollar that is spent on a project, 80% of it is private money and 20% of it is public money. It is one of the most successful programs ever put together on average. To think that we can get the private sector to put forward 80¢ on a dollar for sustainable jobs in this country is something we should be all proud of

For the member to suggest it is some sort of slush fund, I think he should say that outside and see how long he would last if he made those kinds of comments and accusations when nothing at this point is proven. When the RCMP does its investigation, we will go from there to see what he then has to say in the House.

## CANADA POST

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, it has been quite a day.

I rise today to further question the Liberal government, in particular the minister responsible for Canada Post.

My question to him was as follows: The U.S. postal service handles 40% of the world's mail while its postmaster general Marvin Runyon earns a salary of \$205,000 Canadian per year. The Canadian post office handles 3% of the world's mail while its president Georges Clermont just had his contract renegotiated for another two years for \$380,000 Canadian per year. As the minister was so willing and capable to quickly settle the services of Georges Clermont, then why does he and Canada Post not show the same consideration toward the Canadian postal workers? His response was for me to get back to my friends within the union to get back to the bargaining table.

#### Adjournment Debate

I am very honoured for the minister to say that I and the NDP are friends of not only the union workers but all workers throughout Canada. It is just this point that we defend the rights of those workers against scandalous practices of the management of corporations such as Canada Post.

The arrogance displayed by the minister by announcing Georges Clermont's contract during a time when negotiations between management and union are at best a very tense situation is what I would always fight against.

Without consultation this government has directed Canada Post Corporation to ignore its original mandate and to start realizing a return on equity of 11% which would represent profits of around \$175 million to \$200 million per year. Interestingly enough, a government commissioned report released earlier this year said that with this kind of financial return, Canada Post would be capable of privatization by an initial public offering of its shares in the future if government should decide to pursue this alternative.

I firmly believe that if the government had not interfered in the original bargaining process, and if it had not promised John Gustavson of the Canadian Direct Marketing Association of Canada that in the event of a labour stoppage he would introduce back to work legislation within eight days of a strike, I believe that Canada Post and the Canadian Union of Postal Workers would have reached a collective agreement by now.

### **●** (1845)

Another concern to Canadians is why the government is insisting that the corporation, after making a \$120 million last year, has taken an additional \$200 million in concessions from the workers.

Everything I have mentioned is going against the Canada Post Corporation Act. It is my opinion that the corporation should make enough profits to finance operations and for the purpose of reinvestment into improving and expanding services like door to door delivery.

Canadians enjoy the second lowest postal rates in the industrial world. An example how Canada Post can make additional revenues needed is as follows. Every penny increase for a stamp realizes \$25 million profit to the corporation. If the government reduced the GST on stamps from  $7\phi$  to  $2\phi$  and raised the price of stamps by  $5\phi$  the corporation would realize an additional revenue of another \$125 million.

I would call this a win situation. The workers at Canada Post win because they would not have to be sucked into giving any concessions of any kind. The post office wins with additional revenue. The public wins because there would be no additional costs to them in the purchase of stamps.

## Adjournment Debate

I trust the government and the Canada Post Corporation will in all honesty sit down with the Canadian Union of Postal Workers and, for once in their lives, bargain in good faith.

Mr. Jerry Pickard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, Canadians can be proud of the best postal system in the world. They have some of the lowest postal rates in the world.

Canadians owe this, in part, to the competent management at Canada Post headed by Mr. George Clermont. Canadians also owe this to the Canadian postal employees who provide a very valuable contribution to the corporation.

The wages, benefits and working conditions of Canada Post employees are among the best in the country. The corporation has recognized their valuable contribution by extending an offer which proposes a reasonable wage increase above the standard reached in other industries this year. It offers 500 new full time jobs and above all maintains job security for those who have it now.

To maintain these jobs Canada Post must respond to the challenge presented by fax machines, satellites, courier companies and the Internet. It must respond by being efficient, flexible and progressive. This is what the present negotiations are all about.

Canada Post wants to negotiate with the Canadian Union of Postal Workers and it welcomes the labour minister's appointment of a conciliation commissioner. The government sincerely hopes that a negotiated settlement can be reached. A financially healthy business is the best way to protect the jobs of Canada Post employees, managers and workers alike.

Canadians can be proud to have a postal service that has not received taxpayer funding since 1988. As an independent, self-financing commercial crown corporation, Canada Post last year paid a dividend of \$10 million to the federal government. This past fiscal year it returned a profit of more than \$112 million and expects to remain profitable in the years to come.

As profits continue to grow, we can look forward to a very good postal system. The important message is that management and employees must work together to make sure the Canadian public is well served.

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted.

Accordingly this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

# **CONTENTS**

## Thursday, October 9, 1997

Privilege		Request for Emergency Debate	
Stony Reserve—Speaker's Ruling		Government Bills Introduced in Senate	
The Speaker	687	Mr. Manning	692
Mr. Strahl	689		
Standing Committee on Industry—Speaker's Ruling		GOVERNMENT ORDERS	
The Speaker	689	Supply	
Mr. Solomon	690	Allotted Day—Federal Party Financing	
		Mr. Duceppe	693
ROUTING PROCEEDINGS		Motion	693
		Mr. Bergeron	693
Interparliamentary Delegations		Motion	693
Mr. Assadourian	690	(Motion agreed to)	693
Income Tax Convention Implementation Act, 1997		Mr. Duceppe	693
Bill C–10. Introduction and first reading	690	Mr. Boudria	694
Mr. Peterson	690	Mr. Loubier	694
(Motions deemed adopted, bill read the first time	070	Mr. Boudria	694
and printed)	691	Mr. Duceppe	694
and princed)	071	Mr. Lee	695
Criminal Code		Mr. Duceppe	695
Bill C-243. Introduction and first reading	691	Mr. Coderre	695
Mr. Martin (Esquimalt—Juan de Fuca)	691	Mr. Duceppe	695
(Motions deemed adopted, bill read the first time		Mr. Lunn	696
and printed)	691	Mr. Duceppe	696
0.1.10.1		Mrs. Guay	696
Criminal Code	601	Mr. Coderre	697
Bill C–242. Introduction and first reading	691	Mrs. Guay	697
Mr. Martin (Esquimalt—Juan de Fuca)	691	Amendment	697
(Motions deemed adopted, bill read the first time	601	Mr. Coderre	698
and printed)	691	Mrs. Guay	698
Income Tax Act		Mr. Stinson	698
Bill C-244. Introduction and first reading	691	Mrs. Guay	698
Mr. Szabo	691	Mr. Boudria	698
(Motions deemed adopted, bill read the first time		Mr. Loubier	698
and printed)	691	Mr. Boudria	698
•		Mr. Chrétien (Frontenac—Mégantic)	700
Criminal Code		Mr. Boudria	700 700
Bill C–245. Introduction and first reading	691	Mr. Chrétien (Frontenac—Mégantic)	700
Mr. Finlay	691	Mr. Boudria	700
(Motions deemed adopted, bill read the first time		Mr. Loubier	700
and printed)	691	Mr. Chrétien (Frontenac—Mégantic)	700
<b>Public Safety Officers Compensation Act</b>		Mr. Loubier	700
Bill C–246. Introduction and first reading	692	Ms. Girard–Bujold	700
Mr. Szabo	692	Mr. Loubier	700
(Motions deemed adopted, bill read the first time	072	Mr. Coderre	700
and printed)	692	Mr. Bergeron	700
und princes,	0, <b>2</b>	Mr. Loubier	700
Criminal Code		Mr. Bergeron	700
Bill C–247. Introduction and first reading	692	Mr. Boudria	700
Mrs. Picard	692	Mr. Loubier	700
(Motions deemed adopted, bill read the first time		Mr. Boudria	700
and printed)	692	Mr. Boudria	701
Organ Danors		Mr. Chrétien (Frontenac—Mégantic)	701
Organ Donors	602	Miss Grey	701
Motion	692	Mr. Szabo	702
Mr. Martin (Esquimalt—Juan de Fuca)	692	Miss Grey	702
(Motion agreed to)	692	Mr. Coderre	702
Questions on the Order Paper		Miss Grey	703
Mr. Adams	692	Mr. Szabo	703
	<del>-</del>		, 00

Mr. Szabo	703	Mr. Sauvageau	716
Miss Grey	703	Mr. Saint-Julien	716
Mr. Solomon	703	Mr. Brien	717
Mr. Epp	704	Mr. Sauvageau	717
11		Mr. Saint-Julien	717
Mr. Solomon	704	Mr. Brien	
Mr. Reynolds	705		718
Mr. Reynolds	705	Mr. Saint-Julien	718
Mr. Solomon	706	Mr. Marceau	718
Mr. MacKay	706	Mr. Saint-Julien	719
Mr. Harvard	708	Mr. Marceau	719
	708	Mr. Chrétien (Frontenac—Mégantic)	719
Mr. MacKay		Mr. Marceau	719
Mr. Brien	708	Mr. Coderre	720
Mr. Chrétien (Frontenac—Mégantic)	710	Mr. Marceau	720
Mr. Brien	711		720
Mr. Saint-Julien	711	Mr. Coderre	
Mr. Bellehumeur	711	Mr. Marceau	720
Mr. Chrétien (Frontenac—Mégantic)	712	Mr. Chrétien (Frontenac—Mégantic)	720
Mr. Bellehumeur	712	Mr. Marceau	721
Mr. Chrétien (Frontenac—Mégantic)	712	STATEMENTS BY MEMBERS	
Mr. Bellehumeur	712	W14 D1 W1- D	
Mr. Chrétien (Frontenac—Mégantic)	713	World Rural Women's Day	701
Mr. Bellehumeur	713	Ms. Carroll	721
Mr. Saint-Julien	713	Sikhs	
Mr. Chrétien (Frontenac—Mégantic)	714	Mr. Grewal	721
Mr. Saint-Julien	714		/21
		Radar Veterans Reunion	
Mr. Chrétien (Frontenac—Mégantic)	714	Mr. Steckle	721
Mr. Bellehumeur	714	C.D. Howe Institute	
Mr. Saint-Julien	714		701
Mr. Chrétien (Frontenac—Mégantic)	714	Mr. Perron	721
Mr. Saint-Julien	714	Canadian Medical Association	
Mr. Chrétien (Frontenac—Mégantic)	714	Mr. Patry	722
Mr. Saint-Julien	714		
		Canadian Medical Association	
Mr. Sauvageau	714	Mrs. Bennett	722
Mr. Saint-Julien	714	Radar Veterans Reunion	
Mr. Chrétien (Frontenac—Mégantic)	714	Mr. Goldring	722
Mr. Saint-Julien	714	Wit. Goldring	122
Mr. Chrétien (Frontenac—Mégantic)	714	Radar Veterans Reunion	
Mr. Saint-Julien	714	Mr. Richardson	722
Mr. Chrétien (Frontenac—Mégantic)	715	TO ID ( CC )	
Mr. Saint-Julien	715	Liberal Party of Canada	
		Mr. Lebel	722
Mr. Bellehumeur	715	Radar Veterans Reunion	
Mr. Saint-Julien	715	Ms. Catterall	723
Mr. Bellehumeur	715		723
Mr. Saint-Julien	715	The Senate	
Mr. Sauvageau	715	Mr. Gilmour	723
Mr. Saint-Julien	715	Job Creation	
Mr. Chrétien (Frontenac—Mégantic)	715		700
		Mr. Saada	723
Mr. Saint-Julien	715	Health Care	
Mr. Chrétien (Frontenac—Mégantic)	715	Ms. Dockrill	723
Mr. Saint-Julien	715		.20
Mr. Canuel	715	National Family Week	
Mr. Saint-Julien	715	Ms. St–Jacques	723
Mr. Laurin	715	Oktoberfest	
Mr. Saint-Julien	715		724
		Mr. Myers	724
Mr. Chrétien (Frontenac—Mégantic)	715	Youth Employment	
Mr. Saint-Julien	715	Mr. Bernier (Tobique—Mactaquac)	724
Mr. Saint-Julien	716		, 2 T
Mr. Chrétien (Frontenac—Mégantic)	716	Niagara-on-the-Lake, Ont.	
Mr. Saint-Julien	716	Mr. Pillitteri	724
Mr. Bellehumeur	716		
Mr. Saint-Julien	716	ORAL QUESTION PERIOD	
Mr. Sauvageau	716	Government Grants	
Mr. Saint-Julien	716	Mr. Manning	724

Mr. Chrétien (Saint–Maurice)	724	Mr. Goodale	730
Mr. Manning	725	Justice	
Mr. Chrétien (Saint-Maurice)	725	Mr. Ramsay	730
Mr. Manning	725	· · · · · · · · · · · · · · · · · · ·	730
Mr. Chrétien (Saint-Maurice)	725	Ms. McLellan	730
Miss Grey	725	Mr. Ramsay	
Mr. Pettigrew	725	Ms. McLellan	730
Miss Grey	725	Canada Pension Plan	
Mr. Pettigrew	725	Mr. Riis	730
Will I chigiew	123	Mr. Boudria	730
RCMP Investigations		Mr. Riis	731
Mr. Duceppe	725	Mr. Martin (LaSalle—Émard)	731
Mr. Chrétien (Saint-Maurice)	726	,	
Mr. Duceppe	726	President of the Treasury Board	
Mr. Chrétien (Saint–Maurice)	726	Mr. MacKay	731
Mr. Gauthier	726	Mr. Massé	731
Mr. Chrétien (Saint–Maurice)	726	Mr. Bachand (Richmond—Arthabaska)	731
Mr. Gauthier	726	Mr. Massé	731
Mr. Chrétien (Saint–Maurice)	726	Foreign Investment	
wii. Circucii (Saint-Maurice)	720	Mr. Wilfert	731
Atlantic Canada			731
Ms. McDonough	726	Mr. Marchi	/31
Mr. Chrétien (Saint–Maurice)	726	Indian Affairs	
Ms. McDonough	726	Mr. Thompson (Wild Rose)	731
Mr. Chrétien (Saint–Maurice)	726	Mrs. Stewart (Brant)	732
		41 11 17 1	
RCMP Investigations		Aboriginal Peoples	700
Mr. MacKay	727	Mrs. Picard	732
Mr. Massé	727	Mr. Rock	732
Mr. Bachand (Richmond—Arthabaska)	727	Presence in Gallery	
Mr. Massé	727	The Speaker	732
Mr. Solberg	727	•	
Mr. Pettigrew	727	Business of the House	
Mr. Solberg	727	Mr. White (Langley—Abbotsford)	732
Mr. Chrétien (Saint–Maurice)	727	Mr. Boudria	732
Mr. Duceppe	727	Privilege	
Mr. Massé	728	Introduction of Public Bills in Senate	
Mr. Duceppe	728	Mr. White (Langley—Abbotsford)	732
Mr. Massé	728	Mr. Nystrom	733
Wit. Wasse	120	Mr. Crête	733
Canada Pension Plan		Mr. Strahl	733
Mr. Harris	728		734
Mr. Martin (LaSalle—Émard)	728	Mr. Boudria	
Mr. Harris	728	Mr. Ramsay	734
Mr. Martin (LaSalle—Émard)	728	Mr. Boudria	734
	720	Mr. Manning	735
Government Contracts		The Speaker	735
Ms. Girard–Bujold	728	Points of Order	
Mr. Gagliano	728	Comments during Oral Question Period	
Ms. Girard–Bujold	729	Mr. Solomon	735
Mr. Gagliano	729	The Speaker	735
		Member for Surrey Central	133
Fisheries		Mr. Strahl	735
Mrs. Ablonczy	729	wii. Sudiii	133
Mr. Anderson	729	COMEDNIMENT ODDEDC	
Mrs. Ablonczy	729	GOVERNMENT ORDERS	
Mr. Pettigrew	729	Supply	
•		Allotted Day—Federal Party Financing	
Employment Insurance	===	Motion	736
Mr. Crête	729	Mr. Sauvageau	736
Mr. Pettigrew	729	Mr. Boudria	736
Mr. Crête	729		736
Mr. Pettigrew	729	Mr. Sauvageau	
Mr. Pettigrew	730	Mr. Coderre	737
The Environment		Mr. Sauvageau	738
The Environment	700	Ms. Jennings	738
Mr. Cullen	730	Ms. Jennings	739

Mr. Dubé (Lévis)	740	Mr. Adams	755
Ms. Jennings	740	Mrs. Girard-Bujold	756
Mr. Bergeron	740	Mr. Adams	757
Ms. Jennings	741	Mr. Stinson	757
Mr. Lunn	741	Mr. Stinson	757
Ms. Jennings	741	Mr. Adams	757
Mr. Kenney	741	Mr. Nault	757
Mr. Mitchell	741	Mr. Adams	758
Mr. Kenney	742	Mr. Riis	758
Mr. Bonwick	744	Mr. Nault	758
Mr. Kenney	744	Mr. Riis	758
Mr. Tremblay	745	Mr. Kenney	758
Mr. Kenney	745	Mr. Riis	758
Mr. Mitchell	745	Mrs. Wayne	758
Mr. Kenney	746	Mr. Riis	759
Mr. Coderre	747	Mr. O'Reilly	759
Mr. Coderre	747	Mr. Riis	759
Mr. Saint-Julien	748	Mr. Cullen	759
Mr. Coderre	748	Mr. Riis	759
Mr. Sauvageau	749	Mrs. Wayne	760
Mr. Coderre	749	Mr. Riis	760
Mr. Hoeppner	750	Mr. Epp	760
Mr. Coderre	750	Mr. Pickard	760
Mrs. Dalphond–Guiral	750	(Division deemed demanded and deferred.)	761
Mr. Assad	752	(Division decined demanded and deferred.)	701
Mrs. Dalphond–Guiral	752	A D LOVIDNIA CENTE DD O CEEDING	
Mr. Bergeron	752	ADJOURNMENT PROCEEDINGS	
Mrs. Dalphond–Guiral	752	Employment Insurance	
Mr. Dubé (Lévis)	752	Mr. Godin (Acadie—Bathurst)	761
Mr. Saint-Julien	754	Mr. Nault	761
Mr. Sauvageau	754	Transitional job creation fund	
Mr. Saint-Julien	754	Mr. Crête	762
Mr. Dubé (Lévis)	754	Mr. Nault	762
Mr. Dubé (Lévis)	754	Canada Post	
Mr. Perron	754	Mr. Stoffer	763
Mr. Dubé (Lévis)	754	Mr. Pickard	764



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