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OFFICIAL REPORT
(HANSARD)

Wednesday, October 23, 2002

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, October 23, 2002

The House met at 2 p.m.

Prayers

● (1400)

[English]

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

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

STATEMENTS BY MEMBERS

[English]

FREDERICK ROBERTSON

Mr. Paul Harold Macklin (Northumberland, Lib.): Mr. Speaker, I rise today to pay tribute to a great citizen of my riding and a great Canadian who sadly has recently passed away.

Dr. Frederick G. Robertson was born March 7, 1909, in Belleville, Ontario. He came from a political family, his father being a member of the Ontario Legislature in the 1920s. He was a doctor and businessman, but it was as a member of this Parliament that Dr. Robertson made his greatest contributions to his community.

First elected in 1949 to the House of Commons, Dr. Robertson occupied positions that included Parliamentary Assistant to the Minister of National Health and Welfare. Dr. Robertson was also a delegate to the 14th Session Economic and Social Council of the United Nations. The dedication that he had to his constituency and to the fundamental needs and hopes of our citizens should serve as an example to us all.

I ask all members to join me today in paying tribute to a great Canadian, Dr. Fred Robertson.

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GOLDEN JUBILEE MEDAL

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, it is my pleasure to rise today to recognize a fine group of Canadians who I will proudly present with the Queen's Golden Jubilee Medal on Friday night in Calgary.

They are: Yvonne Armstrong; Dr. Nady el-Guebaly; Katherine Ann Ervin; Louise French; Nicholas Gafiuk; Clifford Gundry-White; Patricia Hinds; Lieutenant Colonel Elva Jolly; Acting Sub-

Lieutenant Duff Kent; Glenda Irene Labelle; Shuvaloy Majumdar; Keith Millis; Benjamin Perrin; Dr. Jean Linse Pettifor; Major Sean Pollock, Retired; Earl Rose; David Salmon; Dr. Henry Schorr; John Walters; and Lou Winthers.

I wish to congratulate these deserving Canadians.

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[Translation]

JEAN-LUC BRASSARD

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, today we pay tribute to one of Canada's best freestyle skiers: Jean-Luc Brassard, of Grande-Île, Quebec.

Last weekend, Jean-Luc made the difficult decision to stop competing in mogul events after ten years on the World Cup circuit.

Jean-Luc is undoubtedly one of the most accomplished and respected winter sports athletes in Canada. He won a gold medal at the 1994 Olympic Games in Lillehammer, was crowned world champion twice, in 1993 and again in 1997, and held the mogul cup title during three consecutive years.

He took part in four Olympic Winter Games, quite a feat for an athlete. He carried the flag for Canada in the opening ceremonies at the 1998 Nagano Winter Olympic Games.

Jean-Luc's involvement in various charitable campaigns, and fundraising activities for children in particular, is also well known.

Congratulations to this great Canadian athlete.

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[English]

TAIWAN CHAMBERS OF COMMERCE

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, on October 19 I had the pleasure of attending the gala dinner of the 15th Congress of Taiwan Chambers of Commerce of North America.

With hundreds of delegates from 32 cities across North America in attendance, the President of the Taiwan Chamber of Commerce in B.C., Mr. Jason Ko, organized a first class convention that provided his members with an opportunity to exchange information and further promote business opportunities here in Canada.

It is through the work of business associations like the Taiwan Chamber of Commerce in B.C. that the Canadian economy continues to lead all other industrialized nations in economic growth.

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•(1405)

UNITED NATIONS

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Mr. Speaker, October 24 marks the 57th anniversary of the founding of the United Nations. This global institution has, for more than half a century, worked to save succeeding generations from war, reaffirm the faith in fundamental human rights, and promote social progress and quality of life.

The accomplishments of the UN since its inception are undeniable. We have seen great improvements in our handling of hostile situations. Human rights violations are taken far more seriously, and there is a growing standard of living throughout the world.

Communities throughout Canada and 188 UN member states around the world are celebrating United Nations Day. The UN is by no means a quick fix to the international problems we see today. It is however an essential instrument to deal with the various international issues we see develop daily. The UN serves an important purpose in the world today, and we should honour the work this institution has done.

I ask all members and people throughout Canada to honour this day and this fine institution which has and continues to make the world safer and more hospitable for all people.

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AGRICULTURE

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, thousands of citizens of the Rosetown area have signed an important petition calling for government action for our Prairie farmers. They fear financial disaster for the grain and livestock industries. In turn, they fear economic ruin for our fragile rural economies.

These Canadians are not looking for handouts. They are looking for the government to level the playing field with foreign competition. They do not want to be subsidized like farmers in Europe and the United States. They want fewer foreign subsidies to allow them to compete fairly. Higher food costs and dependence on foreign food supplies is a dangerous direction for us to be heading.

The thousands who took the time to sign the petition are hoping our government will take the time to provide our farmers with a fair international trading environment before we lose our agriculture industries.

Our farmers are the best in the world, and in a fair trading environment they would not just survive, they would thrive.

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CANADIAN GRAIN COMMISSION

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, it gives me great pleasure to inform the House that the first woman chief commissioner has been appointed to the Canadian Grain Commission.

Chris Hamblin helps manage a grain and seed operation with her husband Lorne and her brother and sister-in-law in Morris,

Manitoba. A long time leader and activist in the western Canadian agricultural community, Chris is a former vice-president of Keystone Agriculture.

I know I speak on behalf of her widespread network of family and friends, farmers in the area and indeed on behalf of all Manitobans when I congratulate Chris. Chris has made Manitoba proud.

I am sure that Chris Hamblin will fulfill her duties as chief commissioner with the same dedication and skill that she has brought to her many other endeavours.

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[Translation]

THE MEDIA

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, the very objective journalist from the National Post, Jonathan Kay, just found another reason to explain why the Montreal Expos are leaving: separatism.

The headline today in this Canadian newspaper read "Separatism killed the Expos".

In hockey, was it separatism in Manitoba that caused the Winnipeg Jets to relocate to Phoenix?

In basketball, was it separatism in British Columbia that caused the Vancouver Grizzlies to relocate to Memphis?

I have an idea as a career move for Jonathan Kay; he should team up, as a sportscaster, with Don Cherry, another good friend of Quebecers. The CBC could then boast about paying two great sports experts on national television with Quebec taxpayers' money.

* * *

[English]

NATIONAL DEFENCE

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, today the Minister of National Defence will be opening Damage Control Training Facility, or DCTF, Kootenay in Halifax, Nova Scotia.

The facility was built at a cost of \$21 million and will provide Canadian Forces personnel with the opportunity to train for a variety of possible situations.

The facility will house 15 burn rooms; 2 flood rooms; a mock helicopter prop, complete with a simulated flight deck; a nuclear, biological and chemical contamination training area; a smoke maze; and even electrical panels for casualty power training.

I am delighted to see this sort of investment in the Canadian Forces in the Halifax area. I hope this announcement is the beginning of a long trend of more of the same.

* * *

•(1410)

SMALL BUSINESS

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, Canadaone.com is a website for Canadian small business. Here is a top 10 list of keys to prosperity:

Ten: Always seek objective professional help.

Nine: Move with the times; think about changes in customer base, competition, industry and technology.

Eight: Assess your company's products, services, location, profitability and new business development.

Seven: Be honest with yourself about what your customers like.

Six: Maintain objectivity and do not let emotions get in the way of successful marketing.

Five: Review your past successes and failures.

Four: Review your competition; use their techniques to improve your sales.

Three: If you need staff, start hiring immediately.

Two: Be flexible and prepared for new opportunities and challenges.

And, above all, one: Persevere; do not give up too early.

In addition, I would like to remind everybody that only the Canadian Alliance is committed to lowering taxes and cutting red tape for small business.

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MANN BOOKER PRIZE

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, I am absolutely delighted to rise today to congratulate Yann Martel, who yesterday won the coveted Man-Booker Prize for his book *Life of Pi*.

Life of Pi had previously won the Hugh MacLennan Award for fiction.

The Man-Booker Prize represents the very best of contemporary fiction. One of the world's most famous literary prizes, the Booker has been called the ultimate accolade for every fiction writer.

[*Translation*]

Canadian authors have historically ranked among the best in the world. Our writers keep producing masterworks that captivate a universal audience. Canada has a strong literary presence, and we should be proud of our authors and all our creators.

[*English*]

I would like to invite all Canadians to join me in congratulating Yann Martel for winning the 2002 Man-Booker Prize.

* * *

[*Translation*]

SMALL BUSINESS WEEK

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, this week is Small Business Week.

In Canada, there are over one million small and medium size businesses. Together, they account for 56% of all current jobs.

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Their role in the Canadian economy is increasingly important and their contribution to total employment is constantly growing. In fact, in 1998, they created two thirds of all new jobs.

This week, we should thank them and encourage them to have greater faith in their goods and services.

Our economy is now largely dependent on small and medium size businesses. We need more entrepreneurs who have dreams and projects to stabilize our economy and reduce unemployment.

We wish good luck and a good week to all entrepreneurs, owners of a small or medium size business, and their employees.

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MARIO LEMIEUX

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, this week the Société Saint-Jean-Baptiste honoured Mario Lemieux by giving him the prestigious Maurice Richard award.

This great Quebecker, who was visibly moved by such an honour, was proud to revisit the arena where he first began skating, at the age of five.

This magnificent athlete, who is one of the best players in the National Hockey League and who has won two Stanley Cups and a gold medal at the Olympics, is not resting on his laurels and wants to win his seventh scoring championship.

His agility on the ice will undoubtedly propel him to the top. In fact, Number 66 showed us yesterday that he was at the top of his game by giving an outstanding performance, in spite of the health problems that have plagued him.

The Maurice Richard award is a reflection of the respect of Quebeckers and is testimony to a great hockey career that makes all of Quebec proud.

Bravo, Mario Lemieux. We, in the Bloc Québécois, wish you a good health and hope that you will give us many more very exciting moments.

* * *

[*English*]

RICK GLEASON

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, this morning in Australia, former Yukoner Rick Gleason died of injuries received during the Bali bomb attack.

On behalf of Parliament I wish to express our sincere condolences to Rick's family for the loss of their dearly loved and caring family member.

In talking to Mr. Gleason's family this morning, I let them know that I went to the Australian High Commission, not only to offer our condolences for their losses but to express our appreciation for the Australian government's generous assistance to Rick's family and to other Canadians, and the wonderful care provided by the health care workers and the hospital in Australia to Rick in his last days.

Oral Questions

For Mr. Gleason I will do anything in my power to end these senseless acts and to remove the conditions that cause them. I thank Rick for his wonderful life. We will all miss him.

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SMALL BUSINESS WEEK

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, October 20 to 26 is National Small Business Week. Recognizing this week is an excellent opportunity to acknowledge the vital role small and medium size enterprises play in the Canadian economy.

Ninety-seven per cent of Canadian businesses have fewer than 50 employees. Small businesses account for nearly 50% of Canada's GDP, employing six out of ten Canadians and creating two-thirds of all new jobs.

Since the fall of last year and in the wake of the capital market's tumult, the Canadian economy has outperformed expectations and continues to create jobs. This accomplishment is in large part due to the resiliency, dedication, hard work and dynamism of small business enterprises.

The PC Party applauds the hardworking small business enterprises in Canada and the excellent work done by the Canadian Federation of Independent Business. Yet with the Liberal government in power every Canadian business person knows that the best way to have a small business in Canada is to start a large business and wait.

* * *

• (1415)

SMALL BUSINESS WEEK

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, it is my pleasure also to remind all members of the House that October 20 to 26 is National Small Business Week. Small and medium size businesses play a vital role in the Canadian economy.

Companies in my riding of Etobicoke North, like Hemosol, Ifire and Sohiel Mosun Ltd., account for nearly 50% of our gross domestic product and employ six out of every ten Canadians. Moreover, these businesses are currently responsible for generating a majority of all the new jobs created in Canada.

It is obvious that these companies have made it possible for the Canadian economy to avoid the recent economic downturn that has occurred in the United States.

I ask all members to take this opportunity to join with me in congratulating the small and medium size businesses in their ridings, thanking them for a job well done and wishing them continued success in the future.

ORAL QUESTION PERIOD

[English]

ETHICS

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, yesterday the Prime Minister accepted the resignation of the former solicitor general after the ethics counsellor

said that he had violated rules in the Holland College matter. Yet we now know that the government had advice from the ethics counsellor on this matter since 1999.

What good are any ethical guidelines if the Prime Minister allows his cabinet ministers to override them?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in 1999 the ethics counsellor told the then solicitor general not to sign an order in council and he never signed the order in council.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister knows that is playing very tightly with what the ethics counsellor said.

The government knew the Holland College dealings constituted a conflict of interest three years ago. It knew that when the Holland College dealings were raised in the House last May and June by several members of the opposition and yet the former solicitor general, the Deputy Prime Minister and the Prime Minister assured the House that no conflict existed.

Why did the Prime Minister mislead the House on this critical matter?

The Speaker: The hon. Leader of the Opposition may want to be very careful in his choice of words. The right hon. Prime Minister may answer the question.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I never misled the House. I said, and I repeat it again today, that the institution is a public institution controlled by the provincial government with a private board and it selected Mr. MacAulay to be the president of the college. I think there was absolutely no personal interest on the part of the president of the college in promoting the advancement of this institution in P.E.I.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I hope the Prime Minister's defence is not simply that he does not know the difference between right and wrong even when his own ethics counsellor tells him so.

I return. The Deputy Prime Minister, the Prime Minister and the former solicitor general all assured the House that there was no conflict of interest in the Holland College case. We know now that the former solicitor general knew otherwise and the ethics counsellor had told him in 1999.

When did the Prime Minister become informed of the ethics counsellor's position?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, last week.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister says last week. I will ask him to clarify that answer.

We know from testimony that has been given elsewhere that the ethics counsellor advises the Prime Minister and briefs him on question period responses. This matter on the Holland College dealings was raised in question periods last May and June.

Is he saying that he was never advised by the ethics counsellor before he answered questions in question period?

Oral Questions

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, last week was the week before this one, so that clarifies the matter.

I never had any advice and neither did the Deputy Prime Minister who rose and replied in the House. Both the Deputy Prime Minister and myself always believed, and I still believe, that a public institution is not the same thing as a private for profit institution. The minister's job was to promote the interests of his province and to create jobs in his province. The ethics counsellor did not agree and I said that I did not agree with him. He is a counsellor to me but I am not obliged to accept his advice.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister asked the ethics counsellor on June 11 to provide him with a comprehensive report of his activities and advice on September 30 of this year. It would be surprising to find out that this incident was not in there on September 30.

However I want to refer to one other incident. On May 28 the Prime Minister told the media in this country that he was not going to ask the ethics counsellor's opinion on the Holland College matter, yet he has asked his opinion on just about every matter that has been raised in the House.

Is he not going to admit to us that the reason he did not ask for the advice was that he already knew what it was; that it was unethical behaviour?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have said that the Deputy Prime Minister and myself have defended the public institution and the president of that public institution. Clearly for me the matter was closed. Everything I say in the House of Commons is completely public.

The first time I heard about this, again, since I discussed that in June, was last week.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Prime Minister said he would have continued to defend the Solicitor General if he had not resigned, thus opposing the conclusions of his own ethics counsellor who condemns the actions of the former minister.

With this type of attitude, that never acknowledges mistakes, is the Prime Minister not proving that, over and above any rules of ethics, he is short on political ethics?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the member takes time to read the letter, he will see the full explanation given by the former Solicitor General. There was no private interest involved whatsoever. It was public interest, for a college which has existed for generations, which has a very good reputation and which was collaborating in this instance with other Canadian institutions.

In my opinion, therefore, there was no personal interest involved, only the public interest of the people of Prince Edward Island.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is hard to explain the ethics counsellor's recommendation that the Solicitor General resign, if those were the motives. It is rather odd.

Even the best ethical guidelines in the world are of no use in the end if the Prime Minister is always talking of getting around them. Does he realize that the ethical guidelines cannot be of any help when the only thing he is trying to do is, as always, to save his government, save his own skin, and save his ministers, by circumventing the truth?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have accepted his opinions in other circumstances. This is an ethics counsellor and he gives advice.

Last week in the House, the Leader of the Opposition said that, when all is said and done, the Prime Minister is the one who must face up to his responsibilities. And that is exactly what I have done.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, true to form, the Prime Minister continues to defend the indefensible. After having cleared his name in the Auberge Grand-Mère affair, now he is exonerating the former Solicitor General, despite the opinion of his own ethics counsellor.

Is this not a very clear demonstration that even a new code of ethics, when applied using the old mentality, will give the same old results?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in a democracy, there is a Parliament. The Prime Minister becomes Prime Minister and he is responsible before Parliament for decisions that he makes.

I have accepted other resignations in other circumstances. I have asked some ministers to step down in other circumstances. In this case, I believe that the residents of Prince Edward Island should not have suffered discrimination because the minister was the brother of the president of a public college where there were no personal interests involved. The gentleman in question had been working there for a long time on a set salary.

• (1425)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister just admitted that in some cases, he has asked for ministers to step down, and in others, he has accepted their resignation.

Did he not accept the former Solicitor General's resignation because the situation in which he found himself is exactly the same situation that the Prime Minister found himself in in the Auberge Grand-Mère affair? It is the exact same situation. Passing judgment on the former Solicitor General would have meant passing judgment on himself.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the situation is quite clear. Obviously the member, who likes to make noise, did not take the time to read the Solicitor General's letter.

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[*English*]

KYOTO PROTOCOL

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister.

When it comes to Kyoto, Liberal leadership is an oxymoron. Enlightened NGOs and progressive unions have had to fill the vacuum, educating the public about climate change.

Oral Questions

Communications, Energy and Paperworkers Union members are in Ottawa today continuing their pro-Kyoto campaign. Quite properly they are demanding that just transition measures for workers and communities be fully integrated into the Kyoto plan.

Will the Prime Minister give assurances today that a just transition fund for workers and communities affected will be integral to the Kyoto implementation plan?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Kyoto protocol will have its full effect in 2012. I cannot promise today what the government will have to do at that time. Is the member trying to find a reason to oppose it now?

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the opposite is the case.

It has been obvious from the very beginning that the energy sector would have to undergo a major redefinition, a reorientation with Kyoto implementation. The government needs progressive unions and NGOs to stand with it for Kyoto, but those workers and communities need the government to stand behind them to effect a just transition.

Will the Prime Minister today commit the resources to ensure that integrated into the Kyoto plan from the beginning are the resources for just transition?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is amazing. Now that the time for voting is coming, the member is trying to find a way out.

On this side of the House a great majority of the people know that we have an international obligation to meet because we believe it is very important to do something about climate change. We are thinking not just of the people today, but of the children of our children.

* * *

ETHICS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, the Prime Minister refused to publish the ethics counsellor's report on the former Solicitor General.

The ethics counsellor's website publishes the reports on ministers who were exonerated, but in the case of reports that prove ministerial wrongdoing, the evidence is kept secret.

Why does the government hide the evidence that leads to changes in cabinet? Will the government publish the full report on the Solicitor General and all other ministers of the government who have been forced to resign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the advice I received from the ethics counsellor is always a personal and confidential communication. He is a counsellor. In many cases he has advised me on this and that about ministers who have consulted him, members of Parliament, bureaucrats and so on. He tells me what he said and what happened.

In this case he did the same thing, but that led the Solicitor General of the day to resign. The former Solicitor General himself wrote a letter explaining his position and defending his right as the

only minister in the cabinet representing his province to defend the interests of his province.

[Translation]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, in Beirut, Canada announced the creation of a fund to support the democratization of countries of the Francophonie, a bonus for good governance. The Francophonie includes ethical issues as one of its criteria.

Does the Prime Minister intend to judge good governance in African countries by using the same criteria that he uses to judge the behaviour of his own ministers?

Does he intend to call on his own experts on ethical issues, including Alfonso Gagliano or the former Solicitor General?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in a recently released international report, Canada ranked number one in the world for ethics in both the public and private sectors.

However, with a mentality such as that of the leader of the fifth party, it is no wonder that Mr. Lord does not want to join such a group.

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[English]

KYOTO PROTOCOL

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, the number of people disagreeing with the Liberals' approach on Kyoto is growing.

For instance, C.D. Howe president Jack Mintz disagrees. This is what he has to say. He predicts higher energy costs and gas prices. He also says, and this is very important, that low income Canadians will bear the brunt of the cost.

Why are the Liberals so intent on forging ahead with the Kyoto protocol when it is poor Canadians who will bear the brunt of the cost?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have to care about the future climate in Canada.

They are the same people who a few years ago talking to us would say, "Sign NAFTA, make a jump of faith". Who gave us figures about the number of jobs that would be lost when we engaged with NAFTA?

We made a collective decision that has been good for Canada. It will be the same thing when we sign Kyoto.

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, the Prime Minister makes an impassioned plea for the environment. He forgets the poor people in Canada, frankly.

This is what Conference Board of Canada economist Jim Frank had to say about the Kyoto protocol. "Ratification has an awful lot of risks." He said that for consumers, gasoline prices will go up quite a lot.

Oral Questions

When will the Liberals admit that the Kyoto protocol will hit every single Canadian consumer in the wallet or the pocketbook? When will they admit that?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when the opposition will admit that some people will be dying in 30 years in Canada because we have not been responsible today.

* * *

[Translation]

ETHICS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the Minister of Canadian Heritage and the Minister of Citizenship and Immigration were among the first to come to the defence of the former Solicitor General.

We can see why. These are the same two ministers who are linked to the dubious schemes surrounding the hiring of Everest for the tour by the former Secretary of State for Amateur Sport.

My question is for the Prime Minister. Is it not telling that those who are defending the ousted minister are the very ones who are afraid to get caught and who are trying to save their own hides?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am going to defend Lawrence MacAulay because he is a man of honour who has always served—

Some hon. members: Oh, oh.

Hon. Sheila Copps: The hon. member in question has always served the people of Canada and the people of Prince Edward Island well. It is unfortunate that a few people in central Canada do not understand Canada's Atlantic regions policy.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, in the end, what guarantee do we have that the new bill on ethics will really improve things and that it will not just be a smokescreen, considering that the Prime Minister, the Minister of Canadian Heritage, the Minister of Citizenship and Immigration, the former Minister of National Defence, the former Solicitor General and the ministers of Public Works have shown and are continuing to show that the problem goes beyond ethics and is in fact rooted in a blatant lack of political morals?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member will get the answer to his question in 25 minutes.

* * *

• (1435)

[English]

KYOTO PROTOCOL

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the coalition of industries in Canada who oppose the Kyoto accord is growing each and every day. The steel producers are opposed because of its impact on jobs and economic growth. Canadian Manufacturers and Exporters has estimated that at least 450,000 jobs will be lost in the manufacturing sector alone.

My question is for the Minister of Industry. Why is the government continuing to ignore the concerns of our industries in Canada on this issue?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, far from ignoring the concerns of industry, we have been engaged in constant consultations with the private sector and business over the past five years since the Kyoto accord was signed. This is ongoing. In fact we even delayed a meeting that was scheduled for two days ago until next week because we wanted to continue those discussions and make sure that we had an opportunity to incorporate their views in the federal document.

We are working very closely with industry as well as the provinces and territories on what is a national, pan-Canadian, all-Canadian approach to this issue.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, if Canada ratifies the Kyoto accord it will be the only major industrialized nation in the Americas to have to reduce its emissions. Brazil, Chile and Mexico are not forced to reduce their emissions and the United States has refused to sign the accord. This obviously would put Canada at a disadvantage with our major trading partners. It would dramatically impact our quality of life because our well-being is so dependent upon our exports.

Why is Canada going to be the only industrialized major nation in the Americas to have to live under the accord? I would like the Minister of Industry to finally stand in the House and state where he stands on this accord and why he is not listening to the concerns of the industries in Canada.

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the government speaks as one voice on this issue. It is particularly important for the opposition to understand that the concerns of industry are being fully accounted for. The fact is that through measures to improve energy efficiency, large numbers of companies including Boeing, General Motors, Shell and BP have all discovered that they made more money as well as satisfying their climate change goals.

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[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, yesterday the Commissioner of the Environment and Sustainable Development confirmed the government still does not know how many of its own sites are contaminated, has not classified the most dangerous sites and that, “steps must be taken on an urgent basis in light of the immediate risk to human health and to the environment” for 800 sites that it has contaminated.

While the minister endorsed the polluter pay principle in Rio in 1992 and has asked all those who pollute to clean up their mess, how does he explain that he is not following this clear principle when it comes time to applying it to his own sites?

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, two years ago, an inventory was started across government to identify and classify all contaminated sites.

More than 85% of the sites have been identified and classified, which translates into more than 10,000 sites that have been assessed. The member can even find this inventory himself on the Internet, ranked according to risks. This has been an important first step.

Oral Questions

The second step is the following: we are currently spending \$100 million and in the Speech from the Throne, the government has committed to accelerating the cleanup of contaminated sites.

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, what the minister is not saying is that 800 of these sites represent a danger to public health. That is the reality. The government is refusing to accept its responsibilities.

Does this attitude not explain the lack of clarity surrounding the Kyoto protocol and the unwillingness of the Minister of the Environment to make the polluter pay principle the centrepiece of the implementation plan for Kyoto?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the polluter pay principle is very important, but there are other principles that are also very important.

I would point out to the hon. member that it is often necessary to reduce pollution at the lowest possible cost, spending the least amount possible. That is another principle. It is also important to have systems whereby no one region of the country is disadvantaged.

That makes three principles. All three are important and I cannot say that any one is more important than another.

* * *

• (1440)

[English]

TERRORISM

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, tragically a second Canadian has now died from wounds inflicted in the terrorist strike in Bali. He joins another Canadian who is presumed dead and over 200 other victims, mostly Australian. This tragic news, I am sure, signals to the Prime Minister the need for a strong counterterrorism agenda at this weekend's APEC summit.

Therefore, what specific steps will the Prime Minister be taking at APEC this weekend to build that coalition of APEC countries to seek out and destroy this odious terror network which now murders innocent people all over the world?

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, the APEC meeting has just begun. Our Minister of Foreign Affairs is there engaging with his counterparts from Pacific and other areas. As they come together in Mexico, many issues will be discussed. Since the meeting has just begun, I am sure they are determining the priorities at this time.

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): It is alarming that there are no specifics, Mr. Speaker. I hope the Prime Minister's supposed rhetoric on this will be matched by some action.

Today we learned that a terrorist from Canada in U.S. custody has linked the organization known as Jemaah Islamiah to murderous Bali bombing. Until today our government had failed to specifically add the group, Jemaah Islamiah, to the list of groups whose activities are banned in Canada.

Will the Prime Minister simply stand up and I hope announce today that the activities of Jemaah Islamiah have now been banned in Canada? Will he do that please?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is the responsibility of the Minister of Foreign Affairs to work on this list. I will convey the request of the hon. member to him.

I was coming into the House when he was asking his previous question. However I want to answer, yes, I will discuss over the weekend with all leaders the problem of terrorism. It is the main problem today because it is a problem around the world. I want the coalition to remain very strong and I want to ensure that all governments commit all resources possible to ensure that terrorism is destroyed around the world.

* * *

PERSONS DAY

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, October 18 was Persons Day, a day which marks the landmark victory of five remarkable Canadian women in the struggle for equality.

Persons Day was also of particular importance to the Government of Canada this year as it took action in the international arena in ensuring that human rights of women were respected both in Canada and around the world.

Could the Secretary of State tell the House what action is being taken by the federal government to secure women's equality and human rights?

Hon. Jean Augustine (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, Persons Day was chosen as the date of Canada's accession to the optional protocol to the convention on the elimination of all forms of discrimination against women.

We announced on this day, because of the significance of that protocol, that we would ensure that all women in Canada recognized that they now were enabled as women or groups of women to bring complaints to the committee on the elimination of discrimination against all women, consisting of 23 experts, after they had exhausted all national—

The Speaker: The hon. member for Winnipeg Centre.

* * *

INCOME TAX ACT

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, six months ago I asked the revenue minister to plug the tax loophole that allows businesses to deduct fines and penalties from their income tax as a business expense. Since when is breaking the law supposed to be tax deductible? The minister seemed to agree that it undermined the very purpose of a fine if they could use it as a tax write-off.

Again, why is she letting yet another tax year go by without making a simple amendment to the Income Tax Act, putting a stop to this outrageous practice of business fines as tax deductions?

Oral Questions

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, as a result of the Supreme Court decision, most fines and penalties are deductible as a business expense. However the court also said, and this is extremely important, that where fines or penalties were found to be egregious or repulsive, they could not be claimed as legitimate business expenses. Any change that would disallow fines and penalties, such as parking fines, would require a change in legislation and the Income Tax Act, and that of course is the responsibility of the Minister of Finance.

• (1445)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, six months have gone by and Revenue Canada could not find time to put an end to this farce of tax deductible fines, yet it found plenty of time to crack down on disabled people. In fact it launched a nationwide campaign of harassment over the paltry \$900 disability tax credit and drove 30,000 disabled people off the program.

How can the Minister of National Revenue defend such a warped set of priorities? Will she agree today to put in place the simple amendment required that the court suggested to the Income Tax Act to plug the loophole, to do it in this session of this Parliament and before the end of this year?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, the Canada Customs and Revenue Agency has responsibility to ensure that the Income Tax Act is implemented and administered in a fair way so that all Canadians are treated fairly. Whether it is the tax credit for those who suffer from serious disabilities or any other aspect, I want to assure the member, and I know that he would agree, that he would not want to see people receiving tax credits to which they were not entitled.

* * *

CORRECTIONAL SERVICE CANADA

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I want to congratulate the new Solicitor General and wish him as well as his predecessor.

Two weeks ago I asked the former solicitor general to explain why prisoners were actually telemarketing on behalf of the private sector. The minister responded it was no problem.

[*Translation*]

Canadians are very troubled at the thought that prisoners could do telemarketing.

[*English*]

Could the new Solicitor General tell us whether he believes Canadians are comfortable with personal information like credit cards and addresses being given out over the phone and could he tell us whether he agrees with his predecessor's position?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, I first want to thank the Right Hon. Prime Minister for having the confidence to put me in this position. I also thank other members at the outset for their messages of congratulation.

With respect to the member's question, the member knows full well that the former solicitor general answered that question before. He did indicate that there was a review committee looking at it, that it dismissed the complaint and the complaint had no substance.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I too would like to congratulate the minister on his accession to cabinet. However, I was told over the weekend that convicted criminals in Westmorland Institution near Dorchester, New Brunswick, were operating a telemarketing scheme selling vacation packages over the phone. It is not enough that they have people's name, phone number and credit cards, now they want to know exactly when people's homes will be empty.

Will the new Solicitor General commit to putting an end to this ridiculous and potentially dangerous practice right now?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, I basically answer the question the same way as I did the previous one. However I will say this. I have been in the position really less than 24 hours and I can tell Canadians, the public and members of the House this. In the brief time I have been in the Solicitor General's office, I really have been impressed about their work in terms of safety matters and security for this nation, and we all should be proud of their diligence in doing their jobs and protecting Canadian citizens.

* * *

AIRLINE INDUSTRY

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, Calin Rovinescu, Air Canada's executive vice president, said yesterday that the \$24 air tax has "basically destroyed the regional air business entirely with a drop in service approaching 20%".

Air Canada is now on side fighting the air tax, so the air industry is unanimous in condemning the government's \$24 air tax and provincial tourism ministers are unanimously opposed to the air tax as well.

The air tax is killing air service in this country. Why will the government not kill the air tax?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, it is not surprising that a company would prefer taxpayers generally pay the cost of something instead of the users of its system. Why would they not? That is not exactly surprising.

I find it difficult to believe that this member believes that in the aftermath of September 11, all the reduction in passenger traffic on Canadian airlines is because of a fee that is, quite frankly, less than most taxi fares to the airport.

Oral Questions

●(1450)

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, the Minister of Finance should not be lecturing the Canadian Alliance. The Minister of Finance may want to lecture the Parliamentary Secretary to the Minister of Transport and every Liberal in the transport committee who agreed to this point that all stakeholders including airports, air carriers, airline passengers and/or residents of Canada contribute to a new security regime. His own Liberal members agreed to that, but this government's thirst for revenue is like cobwebs trying to lasso a locomotive to try to convince the government not to lower an air tax.

Why will the government not commit to what everybody in the air industry, everybody on the Liberal committee and every party in the opposition agrees, which is to kill the air tax? It is killing the air industry. Why will the government not lower it?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the difference of opinion here is whether the users of the additional costs in the system should pay for it or whether it should be paid for by all taxpayers. There is no other source. We do not see it the same way. We think the people who are getting the benefit from the additional security in the airline system, namely the users of it, ought to pay for it.

I have said repeatedly that we will review the amount of the charge as we get sufficient data to deal with it and ensure that we adequately cover the costs involved in providing the security at the level that is now required.

* * *

[Translation]

SOFTWOOD LUMBER

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, a mere two weeks after the release of the federal government's incomplete action plan to deal with the lumber crisis, we learn that Abitibi Consolidated was forced to pay \$20 million in countervailing duties. Pending the resolution of the dispute, the company has shut down several sawmills in British Columbia and Quebec, including those in Saint-Prime and Saint-Fulgence.

Does the Minister of Industry not see in this one of the first signs that his action plan is flawed because it does not contain anything to help the industry weather this crisis?

[English]

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, as the member knows, the government announced an extensive package a couple weeks ago now to assist in this crisis which will take some time to resolve. We are on very solid grounds legally. We know that. We won this the times that we have been challenged in the past. We have won in the courts, and we will win again because the facts are on our side.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, this is the reality, this is the effect the lumber crisis is having on large businesses, and it is even worse for small sawmills.

Is the minister aware of the effect of the crisis on these small sawmills which, without help, will have no choice but to close their doors? Is the minister waiting for more disasters to act?

[English]

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, I wonder if the hon. member is aware that there has never been a trade minister who is consulted more widely on the softwood lumber file than the minister who is now down at APEC?

There has been a consensus across this country cobbled together very carefully with tremendous work by the minister for trade, and we will win this case because the facts support the Canadian argument once again.

* * *

HEALTH

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, yesterday the Minister of Health and the Minister of Finance refused to rule out a tax increase for new health care spending. However the government is spending less today on health care than it did when it first came to office in 1993. It had no trouble finding \$6 billion for its own departments, however, including corporate welfare schemes for large international companies.

Why would the Minister of Finance not just stand up today and tell Canadians that he will not impose any new tax on health care?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, we will review the Kirby and Romanow reports when they have been received and consider them appropriately.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, the government likes to spread the myth that it is a good manager of our Canadian tax dollars, but let us look at the facts: \$7 billion shovelled into foundations despite the protests of two Auditors General, subsidies to successful multi-billion dollar multinational corporations like Bombardier, Pratt & Whitney and General Electric, and of course we have the waste and patronage that continue to be the norm every day in this House.

With a record like this on waste, how can the Minister of Finance stand up and tell Canadians there is no money available for health care?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Waste, Mr. Speaker? The lowest program spending as a percentage of our GDP in my lifetime, save for one year.

Waste, Mr. Speaker? The only country in the G-7 that is running a surplus and has done so five years in a row, the best record in our history.

Oral Questions

He is talking about waste. He is talking about a country that has brought its deficit to GDP ratio from 6.2% to a surplus, that has brought its debt from over 71% to below 50% of GDP.

I cannot understand why he is not recognizing the good administration he has been witnessing from the other side of the House.

* * *

• (1455)

REGIONAL DEVELOPMENT

Mr. Rick Laliberte (Churchill River, Lib.): Mr. Speaker, recently the Canada-Saskatchewan Northern Development Accord and Agreement were signed with our northern Saskatchewan leadership, which includes first nations, Métis and municipal councils.

Could the Secretary of State for Western Economic Diversification please tell the House why this accord and agreement are important for Canada?

Hon. Stephen Owen (Secretary of State (Western Economic Diversification) (Indian Affairs and Northern Development), Lib.): Mr. Speaker, I thank the hon. member and the Minister of Public Works and Government Services for their dedicated support for the development of this agreement and this accord over the last several years.

The accord will bring together the collaborative leadership of Métis, first nations and municipalities in northern Saskatchewan with the provincial and federal governments in an accord and an agreement signed last week in La Ronge, Saskatchewan. They will create a joint federal-provincial fund to support local initiatives implemented in northern Saskatchewan for economic development, sustainable communities, employment and outside private investment.

* * *

CANADIAN WHEAT BOARD

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, the minister responsible for the Canadian Wheat Board has been notified of illegal activities at the Canadian Wheat Board in regard to licensing costs.

Legislation clearly prohibits the Canadian Wheat Board from paying all export licensing costs out of the wheat sales of western Canadian farmers, yet the board has done it anyway.

How long has the minister known that this is happening and why has he not corrected the problem?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the hon. gentleman alleges that I have been informed of something. Quite frankly, I have not been informed of it. If there are facts to be discovered here I will find them out and I will take the appropriate action, but he should make no allegation that I have not acted upon information that has been known to me, because it has not been.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, the minister should read his mail.

The Canadian Wheat Board Act states that the minister “may... direct the Corporation with respect to the manner in which any of its operations...shall be conducted...”, so clearly the minister has a responsibility for licensing.

In addition to this, the buyback that farmers are forced to go through does not have a legislative requirement. This has become like an extra fee for Prairie farmers only. Ontario and Quebec do not have to buy back their grain in order to export or process it. Why will the minister not correct this problem as well?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, this is a matter that falls within the purview of the management of the Canadian Wheat Board. That management is responsible to the directors of the Canadian Wheat Board and the directors are two-thirds elected directly by western Canadian farmers. As long as I have been minister, I have never given the Canadian Wheat Board a direction. I believe its authority should rest with farmers.

* * *

[Translation]

METEOROLOGICAL SERVICE OF CANADA

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, for several months, the climate at the Meteorological Service of Canada in Quebec City has been most unpleasant.

Employees, and meteorologists in particular, are living under the threat of their office closing and the staff relocating to Montreal.

This is one more eloquent example of the federal government's lack of commitment to Quebec's national capital region, depriving the public of a very useful frontline service.

My question is for the Minister of the Environment. When will he finally show the leadership necessary to put rumours to rest and maintain in Quebec City this efficient service and these highly specialized jobs?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, it is not easy for a minister to put to rest rumours circulated by another political party.

However, I can say that, on the matter of office closure, this government has made no decision to close the offices in question.

* * *

• (1500)

[English]

RESEARCH AND DEVELOPMENT

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, in the recent Speech from the Throne the government made a commitment to make Canada a world leader in innovation and learning.

Routine Proceedings

All of us clearly understand the need to attract and retain top quality researchers in Canada. I am proud of the work that has been done by York University in the riding of York West.

Could the Secretary of State for Science, Research and Development tell the House how the government is planning to invest in research and development at Canadian universities?

Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, we have increased funding to the granting councils. We have created the Canada research chairs, established the Canada Foundation for Innovation, and funded indirect costs of university research.

In Winnipeg last Friday, the foundation announced \$22 million for 124 faculty members in 27 universities across the country. We are confident that Canada will become one of the top five countries in the world in research and development by the end of the decade.

* * *

JUSTICE

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, in Canada child abuse is fueled by child pornography. The violent sexual exploitation of children in Canada is protected by legislation that justifies this brutality on the basis of artistic merit.

How many more children need be brutalized before the Minister of Justice takes the appropriate steps to act on this serious problem?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the top priority of the government is to protect children in Canada. We have good legislation in place, but I am totally aware of what took place in B.C. with regard to the Sharpe case. We have decided to reform the whole system. I have said many times that before Christmas we will be tabling reform on that side. Apart from that, we have taken some initiatives on that lately with Bill C-15A. We have launched some websites as well in order to better protect children.

We are going to keep working in order to keep protecting the children of our nation and to protect their futures as well.

* * *

[*Translation*]

IVORY COAST

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

On September 18, there was an attempted coup in Ivory Coast, thrusting the democratically elected government into a precarious position.

Before the situation worsens and gets out of control, as has happened not that long ago in other African countries, does the Canadian government intend to reaffirm its support of the Government of Ivory Coast, a government that was elected democratically in October 2000?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when we met last week in Beirut, all heads of government discussed the situation IN Ivory Coast in the plenary session.

We are all working together to ensure that the democratic government remains in place. A committee of heads of government, headed by President Wade of Senegal, is working on this. We hope the situation in that country will be back to normal soon.

* * *

[*English*]

PRESENCE IN GALLERY

The Speaker: Order. I would like to draw to the attention of hon. members the presence in the gallery of His Excellency Firoz Cachalia, Speaker of the Gauteng Provincial Assembly of South Africa.

Some hon. members: Hear, hear.

The Speaker: I also would like to draw to the attention of hon. members the presence in the gallery of the Hon. Moudud Ahmed, Minister of Law, Justice and Parliamentary Affairs of the People's Republic of Bangladesh.

Some hon. members: Hear, hear.

* * *

● (1505)

BUSINESS OF THE HOUSE

The Speaker: It is my duty pursuant to Standing Order 81(14) to inform the House that the motion to be considered tomorrow during consideration of the business of supply is as follows:

That, before the Kyoto Protocol is ratified by the House, there should be an implementation plan that Canadians understand, that sets out the benefits, how the targets are to be reached and its costs.

This motion standing in the name of the hon. member for Calgary Southwest is votable. Copies of the motion are available at the table.

* * *

POINTS OF ORDER

ORAL QUESTION PERIOD

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, I want to be absolutely clear on the record on the question from the member for Pictou—Antigonish—Guysborough. I have been advised that all such operations of telemarketing have been suspended.

ROUTINE PROCEEDINGS

[*English*]

ETHICS

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I am pleased to table, in both official languages, two documents entitled "Proposals to amend the Parliament of Canada Act (Ethics Commissioner) and other Acts as a consequence", and "Proposals to amend the Rules of the Senate and the Standing Orders of the House of Commons to implement the 1997 Milliken-Oliver Report".

*Routine Proceedings***GOVERNMENT RESPONSE TO PETITIONS**

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

* * *

LOBBYISTS REGISTRATION ACT

Hon. Allan Rock (Minister of Industry, Lib.) moved for leave to introduce Bill C-15, an act to amend the Lobbyists Registration Act.

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

* * *

ETHICS

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, three initiatives from the Prime Minister's eight point ethics plan have just been presented in the House: a draft bill to establish an independent ethics commissioner reporting directly to Parliament; a draft code of conduct for parliamentarians; and changes to the Lobbyists Registration Act.

In 1994 the government created the post of ethics counsellor, the first of its kind in a Commonwealth country, to implement our 1993 red book commitment and to fulfill the promise that we made to Canadians at that time.

[*Translation*]

Today we have introduced a draft bill that will go beyond the scope of our campaign promise. It establishes an independent ethics commissioner reporting directly to Parliament.

The ethics commissioner would be a senior officer of Parliament. He would be independent and would have broad powers for the investigation of ethical matters involving ministers.

[*English*]

MPs, Senators and the public would be able to file complaints about ministers with the ethics commissioner. The commissioner would report to the Prime Minister, to the person who has made the complaint, and to the minister being investigated.

The Prime Minister would be able to seek the ethics commissioner's advice on issues concerning ministers, as is the case with such officers at the provincial level. The ethics commissioner would also report annually to Parliament on these matters.

The ethics commissioner would also administer a code of conduct for all parliamentarians, including ministers.

[*Translation*]

I have also tabled a draft of the code of ethics, based on the Milliken-Oliver report of 1997. The ethics commissioner, who would administer the code, would report directly to the committees of the House and Senate in connection with the code, and would fall under their authority.

● (1510)

[*English*]

The draft parliamentary code is based on the Milliken-Oliver proposals with three modifications which address concerns that have already been raised by parliamentarians.

First, there is a single ethics commissioner for ministerial ethical issues and the code for parliamentarians. This is the approach used in the provinces, where it works well.

Second, there would be no disclosure of spousal interests under the code's disclosure regime to reflect the prevailing view, although disclosure of spousal interests would still apply to ministers and to parliamentary secretaries. This disclosure regime would, of course, be less detailed than what applies to ministers under the Prime Minister's requirements for public office holders. Ministers would continue to make a confidential report of interests for themselves and their spouses to the ethics commissioner. A summary of the information for ministers would continue to be made public.

The third change we have proposed to the Milliken-Oliver code is that only parliamentarians could complain against other parliamentarians in their respective House, and each House would administer the code in its respective Chamber.

[*Translation*]

The code would serve the interests of Canadians and of Parliament. It would modernize our present rules, as has already been done in the provinces, as well as in the U.K., France and Australia.

Under this code, the ethics commissioner would be an independent source of advice on ethical matters and would provide an independent complaint resolution mechanism.

[*English*]

A code for members must be non-partisan and must serve all members in all parties. The Milliken-Oliver code, on which this document is based, was prepared by an all party committee.

The Leader of the Opposition's September 18 document "Building Trust II" calls for a code for parliamentarians. The House leader of the Progressive Conservative Party put forward a motion in the last session calling for a code based on the Milliken-Oliver report. The leader of the New Democratic Party introduced a bill to implement the Milliken-Oliver report in the last session.

The draft ethics commissioner bill and code will be referred to the procedure and House affairs committee. These documents have also been—

[*Translation*]

Mr. Louis Plamondon: Mr. Speaker, on a point of order, there has been no interpretation for the last five minutes or so.

The Speaker: Perhaps the hon. member has a problem at his desk. Some members are reporting that it is working and others that it is not. We shall attempt to solve the problem immediately.

Routine Proceedings

It seems that it is all right now. I would ask the hon. Deputy Prime Minister to continue his presentation.

[*English*]

Hon. John Manley: These documents have also been tabled in the other place.

Given that these issues affect members of both Houses, the House and Senate committees examining these documents may wish to consider meeting together to hear witnesses of common interest.

The Prime Minister has stated that the government is open to considering changes which maintain an effective code and serve the interests of members and their constituents. That is why we have tabled these documents in draft form to give the committee flexibility on these matters.

[*Translation*]

I am pleased to work with the committee and all parliamentarians on these important matters.

[*English*]

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, let me begin by saying that we are not here today because the government has to announce an important new step in the era of ethics. We are here today because the government's ethical conduct has been shameful.

Why are we here today? It is because in 1993 the government went coast to coast and promised Canadians an independent ethics commissioner. Year after year, and I cannot go through all the cases, the government has been confronted with scandal after scandal because it never fulfilled its promise during the 1993 election, despite repeated calls by this party and the other opposition parties.

In 1997 after the hard work of members of both houses of Parliament, including from our side the hon. member for Elk Island, the government received a draft code of conduct for members of parliament. Similarly it went through another two election campaigns and once again never acted on that. It went through scandal after scandal. The record is appalling.

Today we are here because we have in every major newspaper in the country mug shots of the former minister of national defence, two former solicitors general and two former public works ministers. Those are posted in every newspaper. They are posted on every bulletin board and, for all I know, in most police stations in the country.

What we are getting today is just an exercise in image building, but it is more. It is more than an exercise in image building. It is an exercise—

Some hon. members: Oh, oh.

• (1515)

The Speaker: Order, please. It is impossible to hear the Leader of the Opposition who has the floor.

Mr. Stephen Harper: Mr. Speaker, this is just an exercise of the government trying to repair its image, but when I look at the contents of this package, I fear it is much worse than that. It is an exercise in revenge. I want to go over some of the—

Mr. Svend Robinson: Mr. Speaker, I rise on a point of order. I have only been here 23 years, but I know there are some rules in this place. One cannot refer to another hon. member as a criminal in the House of Commons. I demand that he withdraw that statement.

Some hon. members: Oh, oh.

The Speaker: Order, please. Certainly any such reference in specific would be out of order. The hon. Leader of the Opposition is well aware of that. I did not hear him say that some member was a criminal. I thought he may have said something generic and accordingly I did not intervene.

The hon. Leader of the Opposition has the floor, but I will review the blues in accordance with the point of order raised.

Mr. Stephen Harper: Mr. Speaker, I am sure the picture of the hon. member of the NDP is posted in much more wonderful places than just police stations.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Leader of the Opposition is not making the task of maintaining order any easier and I would appreciate his assistance.

Mr. Stephen Harper: Mr. Speaker, let me talk about the real serious reservations that these proposals should raise in the minds of any hon. member, particularly those in opposition. The selection—

Right Hon. Joe Clark: Mr. Speaker, I rise on a point of order. I offer this in the most friendly and sincere of terms. It would be in the interests of the comportment of the reputation of the House if the Leader of the Opposition, whose statement was subject perhaps to misinterpretation, would withdraw the remarks he made with regard to the hon. member for Burnaby—Douglas.

Mr. Stephen Harper: Mr. Speaker, so that I can complete my comments without all this heckling, I have never accused a member of the House of being a criminal or a member of a criminal conspiracy. Let us be clear about that so that we can move on.

Let us talk about the serious concerns that this package raises. The recommendation here is not a truly independent ethics commissioner, appointed with the agreement of all parties as all four opposition leaders have recommended.

What is recommended is an ethics commissioner who is effectively appointed by the Prime Minister. That prime ministerial recommendation is only reviewed by a committee with no powers to refuse. Standing Order 111 would be used, which allows the committee to scrutinize the appointee, but does not allow a vote on the appointment itself.

Since this man or woman's recommendations impinge upon all members of the House, we will never accept to be subject to a prime ministerial appointment unless it is approved by this party. I believe all opposition parties should take the same position.

Let me point out the difference in the government's proposals between how it would treat cabinet ministers and how it would treat ordinary members of Parliament. In the case of cabinet ministers there are no statutory reporting deadlines on individual complaints. On top of that, disciplinary advice given to the Prime Minister on ethical violations by ministers would not be contained in any public report on a minister's conduct.

Routine Proceedings

In the case of ordinary backbench members of Parliament the situation is different. The opinions in that case would be communicated to the House as a whole. The opinion itself would be binding and action would be left to the government majority in the House of Commons to decide on the appropriate discipline. The House could see why members of the opposition would be concerned about that.

This is a government that talks about reform, but what we have here is the possibility of an unprecedented attempt to bind backbenchers to the power of a government official appointed by the Prime Minister himself. It is another missed opportunity by the government to deal seriously with ethics. It is an opportunity missed not just because of its lack of ethical standards, but because of its desire to put pressure on the opposition to get itself out of the difficult ethical questions it face here everyday.

I am not here to offer the government any congratulations at all for this. In fact, I say to the government, thanks for nothing.

• (1520)

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I rise on a point of order. I did want to wait until the leader of the official opposition had concluded his remarks with respect to ethical and moral integrity. I want to make it very clear that I will be reviewing the record, as I hope the Speaker will as well, to determine whether the comments that he made with respect to this member crossed the line in the House. If so, I will be coming back and asking for an apology.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, first let us look at what brought us to speak today about this new ethics bill proposed by the government, which will finally give us an ethics commissioner who will be independent from the Prime Minister and who will report to this House.

What brought us to this point is a series of questionable behaviours on the part of the government or some of its members who have exhibited a flagrant lack of judgment in carrying out their duties and who have cast a shadow on the integrity of all the members of this House and particularly on the conduct of government members.

Since we have had the bill only for a few minutes, let us take a quick look at some of its elements. The most important aspect, and I would say the most satisfactory, up to a point, is the fact that the ethics commissioner will be accountable to the elected members of this House and will be able to work independently. That is the positive side.

The concern that goes with that is that the points of reference that we have are, for example, the Auditor General or the Official Languages Commissioner. These people have a certain degree of independence to do their jobs, but their recommendations should also be implemented.

We do want an independent ethics commissioner who will report annually on the conduct that members of this House should adopt in terms of the code of conduct for members and the code that applies to ministers and to the Prime Minister, except that these reports should lead to concrete measures and not simply be shelved year

after year. Time will tell. Of course, we will ensure that the person appointed to this position has all the independence and the tools he or she will need to do the job properly. Certain tools will have to be modernized. The person in place will have to enforce the existing code for ministers. That does not mean that there is no room for significant improvements in that regard.

Other less important measures concern lobbyists. Again I will express some disappointment because, in improving ethics, the government is not looking at ways of measuring the work of lobbyists. I am thinking for example about disclosing the amount of money they put into their campaigns. The registration of lobbyists is not enough. We must have a way of knowing how much money they put into their work since all lobbyists do not do their job with the same intensity.

Before I conclude, I want to point out that there is one element missing from the measures before the House, namely the ethics guidelines that would make the financing of political parties and the funding for leadership candidates more transparent. There is no mention of this issue. The Prime Minister created expectations in the House when he promised some action. "Later" we were told today. In politics, there is no clear definition of "later"; it can mean "maybe, never, or we'll see". We will find out after his term or his departure. So, we are not pleased to see that there is nothing to ensure more transparency in terms of the contributions to political parties.

Let me give the House an example. Increasingly, trusts are used to accept contributions for candidates in an election or a leadership race. We have no idea who makes contributions to these trusts. It is the way people get around the Elections Act and we do not know, for instance, who is funding the leadership campaign of the member for LaSalle—Émard or of any other candidate. Questions are raised and we need information to properly assess the situation, especially since the starting point is not the same for everyone, depending on their own financial situation. Therefore, it is important to know who is behind the candidates and who is funding them. It might help us understand some of the government's decisions.

To conclude, I would say that legislation and structures are all very fine, but what we need overall is ethics, something badly lacking in the government, as we have seen in the last few months and the last few years. Moral and ethical values ensure that guidelines are set, of course, but also that politicians do not fall short of the expectations people have when they vote for them.

• (1525)

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Liberal record on ethical conduct speaks for itself. In 1993 the record is well known: the Liberals promised that they would introduce measures to establish and enforce high ethical standards among parliamentarians. A decade later, public confidence in the ethical conduct of elected officials is in tatters. It is at an all-time low precisely because of the failure of the Liberals to deliver on that commitment.

Routine Proceedings

What do we get today from the government to clean up the mess that it has overseen? Nine and a half years later we get less than half the legislative commitments that were first promised which were regurgitated again in the House last week. Even those that have been introduced today are sadly diluted versions of what is needed to ensure that ethical conduct of parliamentarians is enforced and that public confidence in politics and politicians is restored.

Having said that, I and I know my colleagues welcome the fact that the government has finally tabled its so-called ethical package; talk about a case of johnny-come-lately and legislation-come-lightly.

I appreciate that the Deputy Prime Minister has acknowledged that there has been an NDP private member's motion on the books for the last year introduced by myself, but it must also be said that for three consecutive years there has been a private member's bill dealing with these issues from the New Democratic Party on the order paper, commencing with that introduced by my previous colleague from Halifax West, Gordon Earle. On this day it is appropriate to acknowledge his leadership on this issue.

What do we have before us now? We have a pathetically weakened, watered down version, not just of the NDP code of conduct and the proposed provisions to enforce that ethical conduct that has been before the House for four years, but even a watered down version of the report that came out of the 1997 parliamentary committee, the so-called Oliver-Milliken report.

I will take just a moment to mention four of the ways in which the legislation clearly does not measure up to what is needed.

First, there is no provision whatsoever for the disclosure of spousal interests, as was properly required, set out and called for by the Oliver-Milliken report, and as properly exists now in provincial codes of conduct in a great many of the provinces across this country.

Let me say that I am not immune or insensitive at all to the need for balance here between the interests of a member and the interests that need to be properly protected with respect to spouses, but there are provisions in many other provincial jurisdictions that require full disclosure of those spousal interests to a commissioner and do not necessarily require that those be fully disclosed to the public. There is some balance that can be achieved here between those competing interests.

Second, investigations can be initiated only by parliamentarians. It is regrettable that there is no provision for any citizen initiated complaints. Yes, we have to be concerned about ensuring that they are not frivolous complaints, but measures could be put in place to deal with that without creating the impression once again that there is something of a closed shop here and that somehow it is none of the citizens' business.

Third, it is unfortunate that there is no requirement that sanctions must be prescribed by the commissioner in dealing with a complaint and finding a member guilty of violations. That must be changed.

Finally, it is most regrettable that there will be different procedures for dealing with such matters as complaints, conflicts of interest and so on between ministers and between ordinary members.

●(1530)

I think that is unfortunate. I think it will create the impression that we not only have two tier health care, two tier education and two tier security today but that we now have a two tier system for ethical conduct as it relates to ministers compared to ordinary members.

I would like to give the Deputy Prime Minister and the government the benefit of the doubt that they have introduced this in a draft form in order to allow flexibility. I would like to accept that it is an undertaking in good faith and that the government is absolutely open to the kinds of changes that are needed. However, I regret to say, given the appalling record and an almost decade of delay in dealing with these issues, it is somewhat difficult not to come to the conclusion that this is just one more delaying tactic.

Let me say very forthrightly that there are disturbing allegations and some disturbing evidence coming forth around some of the handling of another minister, the Minister of Fisheries and Oceans, with respect to matters in his own backyard in my province of Nova Scotia that should now be the subject of a proper, full investigation with the kinds of procedures that are needed.

Let us get on with this. Let us do it quickly and let us make sure that such complaints are dealt with in a manner that is transparent, comprehensive and effective.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, let me begin by congratulating the government on actually making an announcement of policy here in the House of Commons. That was not so difficult. I hope the government will turn that now into a practice, as was the case when this Parliament was a more respected institution.

The Progressive Conservative Party is pleased that the Prime Minister has finally recognized the need to appoint an independent ethics commissioner reporting to Parliament. This has come after a decade of amnesia and a clear failure to deliver on one of the government's fundamental campaign promises. It is unfortunate that it took four ministerial resignations, and perhaps counting, to get to this point.

●(1535)

[*Translation*]

Almost ten years ago, the Prime Minister campaigned on the theme of ethics in politics. He was going to change the way government operated. He certainly succeeded, but definitely not for the better.

Now we have a government whose reputation has been so seriously tarnished by the behaviour of its ministers that it has to account for its actions.

[*English*]

Today's tabling of this draft bill is proof positive that, however difficult, Parliament can hold the government to account.

I note there is no change in the conflict of interest code that will be applied. It is worth noting on this point that the code is loose enough that it allows the Prime Minister of Canada to lobby the president of crown corporations in the interests of his constituents. The code itself needs strengthening, not just the person or the office who enforces it.

This is just a draft bill. We welcome the opportunity to amend it in the House but I make the point that it may take some time before Canadians actually see an independent ethics commissioner. There is opportunity for the government to delay here and it may well do that.

The ethics commissioner will have powers to investigate ethical issues, analyze the facts and draw conclusions. That information will be released to the Prime Minister, to the person who made the complaint, including a member of Parliament in either Chamber, and to the minister being investigated.

Officials tell us that the information will also be released simultaneously to the public. However the ethics commissioner will also provide the Prime Minister with confidential information that will not be part of the public record. That is another way of saying that the reports to the public may well be edited. We would want to have an assurance that the reports that this House receives, the reports that are made public, contain all the relevant information and are not edited by the government or by the Prime Minister on the way to the public domain.

Of course under this provision it is the Prime Minister who remains the one who makes the decision as to whether a minister goes or stays. That is hard to change in our system, except that the spirit must be understood that if improper behaviour is found, the overwhelming weight of responsibility on the government is to dismiss a minister whose conduct has been found inappropriate.

This new package calls for an annual report to Parliament. We will want to know in great detail what will be contained in that report. It must be more than simply a listing of how many investigations were initiated, discarded or completed. It should provide details of the investigations that were started but discarded.

I regret, as did my colleague, the leader of the New Democratic Party, that there is no provision here for a citizen's initiative of inquiry. I think the world has changed and the expectations of democracy have reached the point that we cannot continue to ignore the rights of citizens on questions of this kind.

[*Translation*]

As for the code of conduct, I am happy the government based its bill on the Milliken-Oliver report, a report that was ignored for four years.

[*English*]

We look forward to examining what the government is introducing and comparing it with what the joint committee recommended.

With respect to the appointment of the commissioner himself or herself, let me ask the Deputy Prime Minister to consider a method of appointment that may find support in the House and would certainly add to the stature of the person named. Would the government consider having a committee of justices of the Supreme

Routine Proceedings

Court convene to nominate a person who might serve in the capacity of ethics commissioner of the House of Commons? I think that would be one step that could ensure we had an officer whose credibility and reliability were respected generally in the country.

Finally, the amendments to the Lobbyists Registration Act are long overdue. We will want to examine this legislation closely so as to ensure that the amendments accomplish the goal of strengthening the act. I am a little surprised to note that the penalties for abusing the act will not change. We will want to ensure that those penalties are adequate, particularly in an age when the role of lobbyists becomes much more significant, certainly more significant than the role of members of this House, and the law must reflect that reality.

* * *

● (1540)

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

Mr. Réginald Bélair (Timmins—James Bay, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to table, in both official languages, the report on the mission by a Canadian delegation of the Canadian Group of the Canada-France Inter-Parliamentary Association for the presidential elections in Paris, from April 29 to May 16, 2002.

[*English*]

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the seventh report of the Canada-China Legislative Association regarding the fifth bilateral meeting held in China in May, 2002.

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour of presenting to the House, in both official languages, the report of the delegation of the Canada-Europe Parliamentary Association to the fifth Conference of Parliamentarians of the Arctic Region held in Tromsø, Norway from August 11 to August 13, 2002.

I should mention in passing, if I may be allowed to do so, that parliamentarians were extremely pleased that the Speaker of the House agreed to attend the meeting.

* * *

IMMIGRATION AND REFUGEE PROTECTION ACT

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance) moved for leave to introduce Bill C-237, an act to amend the Immigration and Refugee Protection Act

He said: Mr. Speaker, I am pleased to introduce my private member's bill designed to bring some simple but long-needed reforms to our immigration system with respect to refugees.

Routine Proceedings

Currently the senior immigration officers' standards call for them to review each file. However, the SIOs' findings are not binding and all claimants go through a regular process regardless of the legitimacy of their claims. This can take anywhere from two to five years. My bill simply would give the senior immigration officers the authority to determine if a refugee has made a prima facie case. If not, they would be sent home rather quickly.

Canada has been a place of safety for refugees in the past and must remain so. My bill seeks to fulfill a need for SIOs to speedily remove obvious abusers of the system while still providing for genuine refugees that need our help.

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

* * *

PATIENTS' BILL OF RIGHTS

Mr. Greg Thompson (New Brunswick Southwest, PC) moved for leave to introduce Bill C-238, an act to establish the rights of patients in relation to health, treatment and records.

He said: Mr. Speaker, this bill would be commonly referred to as the patients' bill of rights, what rights patients are entitled to in Canada and the corresponding responsibilities of patients themselves in dealing with health care professionals.

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

* * *

• (1545)

FOOD AND DRUGS ACT

Mr. Greg Thompson (New Brunswick Southwest, PC) moved for leave to introduce Bill C-239, an act to amend the Food and Drugs Act (process for approval of new drugs)

He said: Mr. Speaker, this bill would effectively improve the process of drug approval in Canada. It would speed up the process.

The model that I am looking at in this bill would correspond very closely to the one in the European Community.

There would be an absolute benefit to Canada. The sooner that drugs get on the market and become available to Canadians, the sooner that diseases will be cured and people will not be hospitalized for as long a time. There would be real benefits to Canadians if this bill were passed by the House of Commons.

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

* * *

A DAY FOR HEARTS: CONGENITAL HEART DEFECT AWARENESS DAY ACT

Mr. Greg Thompson (New Brunswick Southwest, PC) moved for leave to introduce Bill C-240, an act establishing A Day for Hearts: Congenital Heart Defect Awareness Day

He said: Mr. Speaker, congenital heart disease affects approximately 4,600 newborn babies every year in Canada. In fact in one birth out of every 100 births in Canada, the baby suffers congenital heart disease.

This bill would be a recognition and awareness of that medical phenomenon. With this bill we would set aside February 14 as congenital heart disease day in Canada.

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

* * *

PUBLIC SERVICE WHISTLEBLOWING ACT

Mr. Greg Thompson (New Brunswick Southwest, PC) moved for leave to introduce Bill C-241, an act to assist in the prevention of wrongdoing in the Public Service by establishing a framework for education on ethical practices in the workplace, for dealing with allegations of wrongdoing and for protecting whistleblowers

He said: Mr. Speaker, this is a very appropriate day to introduce this bill, given the fact that an ethics package was introduced today by the Prime Minister.

The bill would effectively establish a framework for education on ethical practices in the workplace and for dealing with allegations of wrongdoing and for protecting whistle-blowers.

We know that if there is wrongdoing in any government department, there is always a reluctance by the people who know of that wrongdoing to come forward. Obviously they have been punished from time to time by the government. There are many examples of that today in the country.

The bill would free people up from sitting back and not coming forward. We want openness and transparency in government and a sense of public servants working on behalf of Canadians.

The bill is commonly referred to as the whistle-blowers bill. I am looking forward to a debate in the House on the bill.

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

* * *

MEDICALLY UNNECESSARY ABORTION REFERENDUM ACT

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.) moved for leave to introduce Bill C-242, an act to provide for a referendum to determine whether Canadians wish medically unnecessary abortions to be insured services under the Canada Health Act and to amend the Referendum Act

He said: Mr. Speaker, this bill would provide for a referendum to be held on the question of whether public funds should be used for medically unnecessary abortions. If electors agreed that this should not be the case, an amendment to the Canada Health Act would be brought into force which would allow a reduction in fiscal transfers to provinces that allow such funding.

I note for the record that prior to prorogation the bill was numbered Bill C-452. I request the consent of the House that that designation remain unchanged.

The Speaker: We will get the bill read the first time, if that is satisfactory with the hon. member, and then we will put that question.

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

The Speaker: The hon. member has asked for unanimous consent that his bill be labelled Bill C-452. Is there unanimous consent to have the bill named this way?

Some hon. members: Agreed.

Some hon. members: No.

* * *

● (1550)

CRIMINAL CODE

Mr. Chuck Cadman (Surrey North, Canadian Alliance) moved for leave to introduce Bill C-243, an act to amend the Criminal Code (abduction).

He said: Mr. Speaker, I am reintroducing this legislation to amend the Criminal Code, specifically the section concerning the offence of the abduction of young persons.

Section 281 currently provides for the offence of abduction of persons under the age of 14 by a person other than the young person's parent or guardian. I am proposing to change the offence so that it applies to the abduction of all persons under the age of 16. My intent with this change is to provide law enforcement and the courts with just another tool to combat the sexual exploitation and the abuse of young people by those involved in the sex trade.

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

* * *

REMEMBRANCE DAY NATIONAL FLAG ACT

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance) moved for leave to introduce Bill C-244, an act requiring the national flag of Canada to be flown at half-mast on Remembrance Day.

He said: Mr. Speaker, I am pleased to reintroduce this bill. If the bill were to come before the House, I am sure there would be unanimous consent to it.

It will be November 11 in a few short days and we will meet across Canada. Up until now the only flag that flies at half-mast on a government building on that day is the one on the Peace Tower. This bill would require all government buildings from coast to coast to fly their flags at half-mast on November 11.

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

Mr. John Williams: Mr. Speaker, I rise on a point of order.

My colleague asked for unanimous consent of the bill in order for it to be effective by November 11, which is just around the corner. Therefore, I ask for unanimous consent of the House to approve the bill just introduced by the member.

The Speaker: Is there unanimous consent?

Routine Proceedings

Some hon. members: Agreed.

Some hon. members: No.

* * *

DIVORCE ACT

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance) moved for leave to introduce Bill C-245, an act to amend the Divorce Act (shared parenting).

He said: Mr. Speaker, I am pleased to once again introduce this bill.

Unfortunately, all too often in Canada our courts do not consider the best interests of the children in divorce rulings and grant sole custody only to one parent.

Shared parenting should not be awarded only under special circumstances but it should be granted under all circumstances except in cases of proof of abuse, neglect, mistreatment or if it is not in the best interests of the child. The bill would ensure both parents are put on an equal footing and reduce the likelihood of one parent denying the right of the other to see their children.

The Special Joint Committee on Child Custody and Access recommended legislation on shared parenting almost five years ago, yet to date the government has done nothing to help the children of divorced parents.

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

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INCOME TAX ACT

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance) moved for leave to introduce Bill C-246, an act to amend the Income Tax Act (child adoption expenses)

He said: Mr. Speaker, I rise today to introduce a bill that would amend the Income Tax Act to allow for the deduction of adoption expenses. This bill, if passed, will allow adoptive parents to deduct expenses related to adopting a child up to a maximum of \$7,000 for that taxation year or the prior two years.

Adopting a child is an expensive and lengthy process. The bill would help encourage couples who would like to start a family by reducing the burden of additional costs incurred.

Since I first introduced the bill in February last year, I have received hundreds of letters and e-mails from people across Canada writing in support of the legislation. I ask that all parliamentarians support this worthy bill.

Routine Proceedings

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

* * *

• (1555)

CRIMINAL CODE

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): moved for leave to introduce Bill C-247, an act to amend the Criminal Code (conditional sentencing)

He said: Mr. Speaker, Canadians have been living with conditional sentencing for about five years now. During that time the courts have handed down thousands of conditional sentences. This form of sentencing should be intended for relatively minor offences, however, the law does not outline where it may be used. As a result, many criminals received light sentences for crimes as serious as sexual assault, manslaughter, drunk driving and drug trafficking.

The B.C. Court of Appeal stated, in a decision regarding conditional sentencing, "If Parliament had intended to exclude certain offences from consideration, it should have done so in clear language".

My bill clearly lays out circumstances where conditional sentencing may not be used by the courts for instances of such serious criminal offences.

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

* * *

CONTROLLED DRUGS AND SUBSTANCES ACT

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): moved for leave to introduce Bill C-248, an act to amend the Controlled Drugs and Substances Act (trafficking in a controlled drug or substance within five hundred metres of an elementary school or a high school)

He said: Mr. Speaker, I promise this is the last bill I will introduce today. I rise today to reintroduce a bill that would address drug trafficking near elementary and high schools. The bill seeks to set mandatory minimum sentences for those convicted of trafficking in drugs within 500 metres of a school.

Implementing a drug-free zone around schools would obviously provide young Canadians with a safe school to learn and reduce drug usage by our youth. Drug traffickers, who specifically target children, should be faced with stiffer penalties under our laws. By deterring drug trafficking near schools, children will be provided with further protection against the influence of drugs.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to seek unanimous consent that the report of the Standing Committee on Procedure and House Affairs tabled in the House earlier this week be concurred in without debate.

The Speaker: Does the hon. member for Peterborough have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

Some hon. members: No.

* * *

PETITIONS

CHILD PORNOGRAPHY

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I have the honour to present a petition with 100 signatures from concerned constituents in my riding of Cambridge.

My constituents wish to bring to the attention of the House that a clear majority of Canadians condemn the creation and use of child pornography. Due to recent court decisions, the petitioners call upon Parliament to take all necessary steps to outlaw all materials that promote or glorify child pornography.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, I have 2,250 signatures of petitioners who draw attention to the House that the creation and use of child pornography is condemned by the clear majority of Canadians.

Because the courts have not applied the current child law appropriately in meting out swift punishment, they call upon Parliament to protect their children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed. In other words, close the loophole, the sooner the better.

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, I have a petition containing the names of over 100 citizens of the great riding of Halton and the surrounding area petitioning the government to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

• (1600)

RIGHTS OF THE UNBORN

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, several hundred petitioners draw attention to the House that modern science has unequivocally and irrefutably established that human life begins at conception.

They therefore request that the government bring in legislation defining a human fetus or embryo from the moment of conception on, whether in the womb of the mother or not, and whether conceived naturally or otherwise as a human being, and making any and all consequential amendments to all Canadian laws as required.

CHILD PORNOGRAPHY

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of the constituents living in Lambton—Kent—Middlesex who call upon Parliament to protect children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

RIGHTS OF THE CHILD

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, I would like to present a petition on behalf of several hundred people from across the country who are calling upon Parliament to immediately enact fair family law legislation which incorporates the presumption of equal shared parenting and children having a voice in divorce proceedings that affect them which is in the best and complete interests of children and incorporates their rights as decreed by the United Nations.

ADOPTIVE PARENTS

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, I am pleased to table three petitions today containing a total of 183 signatures from people across Canada who support a tax deduction for child adoption expenses.

These petitions are in support of my private member's bill that I reintroduced earlier today on child adoption deductions.

These Canadians, as well as the hundreds of people who have written me letters, passionately believe adoptive parents are confronted with significant financial burden and should be allowed a deduction for the expenses related to adopting a child.

CHILD PORNOGRAPHY

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, I have two petitions from citizens of Esquimalt—Juan de Fuca.

The first petition calls upon Parliament to protect children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

COAST GUARD

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, the second petition asks that the Coast Guard be an independent body, whose priority is the saving of lives, separate from the Department of Fisheries and Oceans, with all the necessary resources for staffing and equipment, including a new hovercraft that will enable it to perform rescues of those in peril.

RIGHTS OF THE CHILD

Mr. Rex Barnes (Gander—Grand Falls, PC): Mr. Speaker, under Standing Order 36, I have a petition to present to the House of Commons with regard to the rights of the child having a voice in divorce proceedings. I present this before the House.

CHILD PORNOGRAPHY

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Speaker, I have the honour to present to the House a petition signed by over 100 residents of the riding of Beauséjour—Petitcodiac from the Tantramar region concerning child pornography.

Routine Proceedings

They are calling upon Parliament to protect children by taking all necessary steps to ensure that materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

RIGHTS OF THE CHILD

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, I am pleased to present a petition today containing some 1,300 signatures.

The petitioners call upon Parliament to immediately enact fair family law legislation which incorporates a presumption of equal shared parenting and children having a voice in divorce proceedings that affect them and which is in the best and complete interests of children and incorporates their rights as decreed by the United Nations.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I wish to present to the House a petition with 235 names calling upon Parliament to immediately enact family law legislation which incorporates a presumption of equal shared parenting and children having a voice in divorce proceedings that affect them and which is in the best and complete interests of children and incorporates their rights as decreed by the United Nations.

CHILD PORNOGRAPHY

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, I have a number of petitions to present today.

The first nine petitions, containing over 1,400 signatures, calls upon Parliament to condemn the creation and the use of child pornography. My constituents believe the courts have not applied the current child pornography law in a way which makes it clear that sex exploitation of children will always be met with swift punishment.

My constituents call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify child pornography be outlawed.

● (1605)

RELIGION

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, the second petition from my constituents calls upon Parliament to protect the rights of Canadians to be free to share their religious beliefs without fear of prosecution.

Routine Proceedings

[Translation]

GENETICALLY MODIFIED FOODS

Mr. Georges Farrah (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, Lib.): Mr. Speaker, I am presenting a petition signed by 26 petitioners from the riding of West Nova, in Nova Scotia, who are asking the government to pass Bill C-287, An Act to amend the Food and Drug Act regarding genetically modified food.

CHILD PORNOGRAPHY

Mr. Georges Farrah (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, Lib.): Mr. Speaker, I am tabling another petition signed by 60 petitioners from the same riding of West Nova, in Nova Scotia, asking Parliament to protect children by adopting the necessary measures to declare illegal any material that promotes pedophilia or sadomasochism involving children.

MEDICAL RESEARCH

Mr. Georges Farrah (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, Lib.): Mr. Speaker, I am presenting one last petition, signed by 102 petitioners, again from the riding of West Nova, in Nova Scotia, asking Parliament to focus its legislation on adult stem cell research in order to identify the necessary treatment and therapy required by Canadians.

[English]

RIGHTS OF THE CHILD

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am pleased to present two petitions today which call upon Parliament to immediately enact fair family law legislation which incorporates the presumption of equal shared parenting and children having a voice in divorce proceedings that affect them.

There are hundreds of signatures on these petitions which are mostly from Ontario and Manitoba. I am pleased to make this presentation.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I also have two petitions to table today.

The first petition is in reference to the United Nations convention on the rights of the child and the need for Parliament to enact new legislation with respect to fair family law legislation and the presumption of equal shared parenting and giving children a greater role in divorce proceedings and incorporating the rights that were discussed in a joint committee of the House of Commons and Senate that was entitled "For The Sake of the Children".

I table this petition on behalf of residents of Alberta and Saskatchewan, and Medicine Hat, many of whom have added their names to many of the petitions that we have heard on this subject today.

STEM CELL RESEARCH

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the second petition I wish to table today comes from my constituency in Nova Scotia, mostly residents of Trenton, who are calling upon the federal government to enact legislation with respect to the use of non-embryonic stem cells.

The petitioners call upon Parliament to focus legislation in support of adult stem cell research to find cures and therapies necessary to treat the illnesses and diseases of Canadians who suffer ailments.

CHILD PORNOGRAPHY

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36 I have a handful of petitions signed by people from across my constituency and beyond who call upon the government to revisit the question of pornography and take the necessary steps to give confidence to people that their children will be protected.

STEM CELL RESEARCH

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36 I have the pleasure to present a second petition which encourages adult stem cell research and not research on unborn infants.

CHILD PORNOGRAPHY

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I am honoured to present a petition which has been endorsed by over 1,000 constituents of Saanich—Gulf Islands.

The petitioners call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed and to protect our children from all forms of pornography.

We, as legislators, fathers and mothers, have a duty and an obligation to protect our children.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I rise to present five petitions in the House today against child pornography, urging the government to act immediately to protect children. It is a concern to all Canadians and all parliamentarians and it is the responsibility of the government to do something about it.

These petitions come from across Nova Scotia, from Stony Island in Shelburne County; Barss Corner and New Germany in Lunenburg County; Woods Harbour in Shelburne County; North Queens; and Bridgewater, Riverport, and Lunenburg in Lunenburg County.

• (1610)

RIGHTS OF THE CHILD

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, I have three petitions that are signed by folks from British Columbia to New Brunswick who call upon the government to remember the United Nations convention on the rights of the child that indicates that children have the right to have access to both parents.

The petitioners call upon the government to immediately enact its family legislation which incorporates the presumption of shared equal parenting. I have affixed my signature.

CHILD PORNOGRAPHY

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, I also have a petition that calls upon the government to protect children by taking all necessary steps to ensure that all material which promotes or glorifies pedophilia or sado-masochistic activities involving children is outlawed.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

NUCLEAR SAFETY AND CONTROL ACT

The House resumed from October 22 consideration of the motion that Bill C-4, an act to amend the Nuclear Safety and Control Act, be read the second time and referred to a committee; and of the amendment.

The Speaker: It being 4:10 p.m. the House will now proceed to the taking of the deferred recorded division on the amendment to the motion at second reading stage of Bill C-4.

Call in the members.

• (1620)

[Translation]

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

(Division No. 10)

YEAS

Members

Bachand (Saint-Jean)
Bourgeois
Cardin
Dalphond-Guiral
Gagnon (Québec)
Godin
Guimond
Lalonde
Lebel
Loubier

Bigras
Brien
Crête
Desrochers
Girard-Bujold
Guay
Laframboise
Lanctôt
Lill
Martin (Winnipeg Centre)

Masse
Ménard
Perron
Proctor
Roy

Abbott
Adams
Allard
Anderson (Cypress Hills—Grasslands)
Assadourian
Bagnell
Barnes (London West)
Beaumier
Bellemare
Bevilacqua
Blondin-Andrew
Borotsik
Bradshaw
Brisson
Bryden
Burton
Cadman
Cannis
Carignan
Casey
Catterall
Charbonneau
Clark
Copps
Cullen
Day
Dion
Drouin
Duplain
Efford
Elley
Farrah
Fitzpatrick
Forseth
Gallant
Goldring
Gouk
Harb
Harvard
Hill (MacLeod)
Hilstrom
Jackson
Jordan
Karygiannis
Kenney (Calgary Southeast)
Kilgour (Edmonton Southeast)
LeBlanc
Leung
Longfield
Lunney (Nanaimo—Alberni)
Macklin
Maloney
Marcil
Martin (Esquimalt—Juan de Fuca)
McCormick
McKay (Scarborough East)
Meredith
Mills (Red Deer)
Murphy
Nault
O'Brien (London—Fanshawe)
Obhrai
Pacetti
Patry
Pillitteri
Price
Rajotte
Reed (Halton)
Reid (Lanark—Carleton)
Rock
Savoy
Schmidt
Sgro

Government Orders

McDonough
Paquette
Picard (Drummond)
Rocheleau
Tremblay— 30

NAYS

Members

Ablonczy
Alcock
Anders
Anderson (Victoria)
Augustine
Bailey
Barnes (Gander—Grand Falls)
Bélangier
Bertrand
Binet
Bonwick
Boudria
Breitkreuz
Brown
Bulte
Byrne
Calder
Caplan
Carroll
Castonguay
Cauchon
Chatters
Coderre
Cotler
Cuzner
DeVillers
Dromisky
Duncan
Easter
Eggleton
Eyking
Finlay
Fontana
Fry
Godfrey
Goodale
Grose
Harris
Harvey
Hill (Prince George—Peace River)
Ianno
Johnston
Karetak-Lindell
Keddy (South Shore)
Keyes
Kraft Sloan
Lee
Lincoln
Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough)
Malhi
Manley
Mark
Matthews
McGuire
McTeague
Merrifield
Minna
Myers
Neville
O'Reilly
Owen
Pagtakhan
Penson
Peterson
Pratt
Proulx
Redman
Regan
Ritz
Saada
Scherrer
Scott
Shepherd

Government Orders

Simard	Skelton
Sorenson	Speller
Spencer	Steckle
Stewart	Stinson
Strahl	Szabo
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (New Brunswick Southwest)	Tonks
Torsney	Ur
Valeri	Vanelief
Vellacott	Volpe
Wappel	Wayne
Whelan	White (Langley—Abbotsford)
Wilfert	Williams
Wood— 175	

PAIRED

Members

Asselin	Bergeron
Collenette	Dhaliwal
Duceppe	Fournier
Gagnon (Champlain)	Knutson
McCallum	Paradis
Robillard	St-Hilaire— 12

The Acting Speaker (Mr. Bélair): I declare the amendment lost.
[*English*]

I wish to inform the House that because of the ministerial statement and the deferred recorded divisions, government orders will be extended by 40 minutes. We will now proceed to debate the main motion at second reading of Bill C-4.

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to rise and debate this matter. I move:

That the question be now put.

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

Some hon. members: Agreed.

Some hon. members: No.

Mr. Clifford Lincoln: Mr. Speaker, I rise on a point of order. I just wanted to explain that I wanted to intervene briefly in this debate.

The Acting Speaker (Mr. Bélair): I am advised by the table that indeed we can go on debate.

[*Translation*]

Mr. Pierre Brien: Mr. Speaker, I rise on a point of order. I would like you to clarify the decision that you made a few seconds ago.

• (1625)

The Acting Speaker (Mr. Bélair): Standing Order 67 provides for either a debate on the motion, without amendment, or a vote. Do any hon. members wish to speak to this motion?

[*English*]

[*Translation*]

The hon. member for Lac-Saint-Louis.

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I would like to speak briefly to Bill C-4. In itself, this is a very small amendment to the Nuclear Safety and Control Act.

This bill contains only one short paragraph with the effect of limiting to the owner or occupant or any other person who has the

management and control of the nuclear facility the responsibility of taking measures to reduce contamination or the level of contamination.

In other words, very subtly, the intent is to relieve financial institutions and lenders who choose to invest in nuclear facilities of any and all civil or legal liability. These institutions and investors would be completely excluded from the legislation with respect to any liability when investing in nuclear projects.

[*English*]

That raises the basic question of why is this so. Why should they be exempted? Yesterday the report of the Auditor General on contaminated sites brought home to us the issue of extremely costly and enduring problems caused by the disposal of toxic waste.

In 1995 the Auditor General set out a figure of approximately \$850 million as the cost for the federal government to arrive at a solution regarding the disposal of nuclear waste.

The nuclear energy industry involves two major risks and problems. First, there is plant safety. I know that in Canada our industry has been reasonably safe. At the same time, examples have occurred, certainly in the United States at Three Mile Island and also outside. Of course the worst example of a meltdown within a nuclear plant was Chernobyl.

Also there is the whole question of nuclear waste. We still have not found a solution to permanent storage of our nuclear waste. Not only Canada but countries all over the world have been wrestling with this problem. Those that use nuclear power are faced with the problem of having to deal with nuclear waste. It is always the problem of where to store waste on a quasi-permanent basis, which is the large challenge posed to them.

The benefits are certainly there. Nuclear power is present in Ontario. Nuclear power is used extensively in France. Certainly the power by itself is deemed by the industry to be clean power. At the same time, there is no possibility of putting aside the huge risks of plant problems and meltdowns, especially the problem of dealing with the waste which can stay in the environment for literally thousands of years.

This is the reason countries like Sweden and Germany have had national debates on nuclear power. Most recently Finland had a national referendum on nuclear power. Finland decided to go ahead with it. On the other side, Germany declared a total moratorium on nuclear power. Sweden declared a moratorium on nuclear power. In Canada, Quebec has decided to curtail nuclear power. It has a small nuclear plant, but no more nuclear power.

We should encourage investment in green energies, renewable energies, whether wind, solar or biomass.

Government Orders

Bill C-4 enables investors to treat nuclear power as strictly a business risk, ignoring all environmental risks and liabilities which are potentially huge. It is due to the huge potential risks that the Paris and Vienna conventions have placed a limit of liability regarding nuclear safety, which is more than six times higher than the limit placed in Canada. In Canada we use a limit of \$75 million, whereas the Paris and Vienna conventions place that limit at \$600 million.

Therefore, rather than facilitate and exempt investors from any liability regarding an investment in nuclear power, we should heed the report of the Auditor General and with the utmost safety, caution and prevention use all our skills to put in place safeguards and constraints regarding whatever will cause future toxic waste.

• (1630)

The time may have come, like in Sweden and Germany and most recently in Finland, to review our energy policy and declare, especially in the context of Kyoto, that we are firmly in favour of renewable energies and firmly against making it easier for investors and others to invest in nuclear power with its huge health and environmental risk.

For these reasons, I hope that Bill C-4 will not proceed in the way it is structured now, that we revert to a position where, if there has to be such a law, that investors in financial institutions will bear the burden of the risk, as they should. We should not make it easier for investors to invest in nuclear power. We should, on the contrary, put constraints on them so that in turn they turn their thoughts, their money into investing in green energies of the future, especially in light of Kyoto and the fact that we are soon to ratify the Kyoto protocol.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I am very pleased to speak to the bill and to follow my colleague from across the House. The debate on the bill to amend Nuclear Safety and Control Act is important. Nuclear power is an extremely important issue for Canadians, given that it is a major power source in the country, but also a power source that poses some of the greatest security risks.

The purpose of the bill is simple enough. It is to amend the Nuclear Safety and Control Act to clarify who is liable in case of a nuclear accident. As the Minister of Natural Resources has explained, under the current wording, the Canadian Nuclear Safety Commission has the authority to order the owner or occupant or any other person with a right or an interest in it to take measures to reduce radioactive contamination. However, the proposed amendment replaces the words "person with a right or interest in" with the words "person who has the management and control", which limits the scope of liability.

Further, the minister has said that the amendment serves to clarify the risk for institutions lending to companies in the nuclear industry. What this really means is that banks can freely lend money to the nuclear industry without having to worry about any kind of liability. Therefore, banks can now invest in nuclear power plants without worrying about the consequences, like contaminated air, water or land. They do not have to worry about a possible meltdown or even seepage into the land that grows our food or the water that we drink.

It would be nice to make money without having to worry about how it will affect other people but that is not the world in which we should be living.

Even without the amendment, the liability that banks and any other lending institution faces under the Nuclear Liability Act is a maximum of \$75 million. Considering that nuclear accidents, such as Chernobyl, can run up costs in the billions of dollars, banks and others that could be liable are in fact already getting off very lightly. For example, in the United Kingdom the liability limit is \$300 million and in other European countries the liability is as high as \$600 million.

Considering the dangers and the expenses associated with nuclear power, the only amendment that should be made should be to widen the scope of liability for this industry, not narrow it as the bill would do.

The government has presented the bill as simply a housekeeping measure, but in fact there are many serious issues that arise from it. The bill makes it easier for banks to give loans to nuclear power plants because banks no longer have to worry about liability.

• (1635)

The Minister of Natural Resources said the bill is not and should not be misconstrued as a measure to provide favourable treatment to the nuclear industry. Yet when banks virtually finance anything else, a house, a building or a store, banks take on a measure of liability. Why are the banks being let off the hook when it comes to one of the most dangerous industries in Canada? How can this not be considered favourable treatment?

The federal government has long favoured the nuclear industry, giving it billions and billions of dollars in subsidies. Massive accidents such as the horrendous one in Chernobyl and Three Mile Island and the various smaller problems with nuclear plants in Ontario and New Brunswick have not deterred the government from supporting the nuclear industry. In fact the minister has made it clear that this amendment was designed to make it easier for the industry to gain capital and, therefore, expand.

Iraq and North Korea have been dominating the news lately. Why? Because of the fear that they may have developed nuclear weapons. What does that have to do with Canada? Canada only uses nuclear energy as a power source, as an energy source at this point. However Canada has also exported nuclear technology to countries such as India, Pakistan and South Korea, countries that have used this technology to develop and use nuclear weapons.

Government Orders

As well as the waste product from nuclear power plants that as my hon. colleague across the way mentioned, plutonium is one of the most dangerous products out there right now. Not only is plutonium a key ingredient to make nuclear weapons, it also is a major threat to human life itself.

Radiation release into the environment has led to the contamination of soils, air, rivers and oceans, causing cancer and other diseases in people. The generation of electricity in nuclear reactors produces substances that can be used for the fabrication of nuclear weapons. The dangers associated with the handling of weapons-usable nuclear substances requires a high level of security and secrecy even in democratic countries.

Moreover, nuclear energy has never been economical despite the massive state subsidies that it has received for decades. Even now funding still pours into the nuclear sector at the expense of renewable energy like solar or wind energy.

These are all reasons to stop the expansion of the nuclear industry and to look at alternative fuel sources, yet the government wants to continue to support the industry by making it easier to finance it. At a time when most countries are moving away from unsafe and unclean energy sources, the government seems intent on preserving them.

I and my colleagues in the New Democratic Party have put forward proposals to meet the goals set out in the Kyoto accord and they apply to this bill as well. Instead of expanding nuclear power we should look at safer, cleaner solutions. It is possible and feasible to expand the use of alternative sources such as hydro, wind and solar power. We have also called for a renewed emphasis on urban transit, a clean air fund, and a research incentive program to cut our dependency on sources of energy such as nuclear power.

The bottom line is that we need to stop the expansion of dangerous and unclean energy such as nuclear power and look at viable, clean alternatives. I urge my colleagues in the House to vote against the bill.

•(1640)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, let me first commend the hon. member for Lac-Saint-Louis on the wisdom of his comments today on Bill C-4, to amend the Nuclear Safety and Control Act.

I have had the pleasure and the honour of speaking on this bill for a total of 90 minutes. I have a little more to say. In light of the evidence presented by the government, there is a need to put more energy—not nuclear energy but something more common sense in nature—into this issue, and ask the government not to move any further into privatization by basically promoting private investment in the nuclear industry.

The fact that major financiers were not investing in the nuclear industry because they were indirectly liable for such a project shows that they knew it was risky. It is well known that financiers do not put their money into ventures that pose huge risks, the scope of which they do not know.

No one here can know the full impact of radioactive waste. During the previous session, we reviewed Bill C-27 on the management of nuclear fuel waste. We are well aware, because we examined the issue, that many countries have still not found the solution. I mentioned this yesterday in my speech. Some radioactive elements are present for periods as short as 550 years. That may seem very short in the history of a people or of humanity. However, other radioactive products remain present for 14 billion years, which is a much longer period.

As regards nuclear energy, we must question this form of energy, which is seen as a contributor to greenhouse gases. There is an inherent danger to the use of nuclear energy in terms of the world's safety, whether it is in the production of that energy, in the burial of radioactive waste, or even in the possibility that someone could get these products to make nuclear bombs.

I firmly believe that a debate should take place on whether or not to continue to develop nuclear energy. There are some rather striking examples. Take Germany, where 30% of the electrical energy was dependent on the nuclear sector. Germany is now announcing that it is dropping nuclear energy and that by the year 2050, it will have eliminated around 80% of its greenhouse gases. That country is ending the development of nuclear energy and, at the same time, it is able to commit to reducing its greenhouse gas emissions by over 80% by the year 2050.

As we can see, these two objectives are not incompatible. This is what I am urging the government to do. It must go forward and begin a process to drop nuclear energy and its proliferation. This proliferation is being promoted by the bill, which tells major financiers “There is money to make in the short term in the nuclear energy sector, with no long term responsibilities anymore”.

We know full well that large multinationals, whose only objective is to make money, can easily invest in the nuclear energy sector. Should a catastrophic environmental disaster occur, they will just withdraw and their responsibility will be limited. They will not go any further. They will have made their money when it was easy. When there are responsibilities to be assumed, who will assume them? Who will have to clean up all these contaminated sites? Again, indirectly, it will be the public, because this situation will always occur.

In environmental matters, the government is always the one responsible for decontaminating, for reassuring the public and for ensuring that we have a healthy environment to live in. This is why it becomes more and more necessary not to involve the private sector in such important areas but to withdraw it from those sectors because it is not capable of assuming long-term responsibilities.

•(1645)

I think it is pretty clear that the government is not up to speed, particularly where alternate or renewable energy sources are concerned. It cannot therefore really want to invest in them.

Moreover, we are told that governments have invested over \$15 billion in the nuclear sector. With opportunity costing, this represents indirectly over \$161 billion invested in nuclear power.

Government Orders

Let us try to imagine the investments that could have been made in opportunity costs on renewable energies. There is nothing complicated about it: nuclear waste is with us just about forever, and is a risk to the entire population of the planet and the planet itself. There are, however, other important elements that are also equally eternal: the sun, the air, the water, the land. These are all elements with which we must work to obtain constantly renewable energy.

The Bloc Québécois has raised this, has made predictions about the potential employment benefits of the wind energy industry. But to no avail, because the government wants to invest in nuclear energy.

This government has a fundamental problem when it comes to wind energy. There is, of course, always the exception that confirms the rule, and I again thank the hon. member for Lac-Saint-Louis for his speech. The government is still at the stage of wondering whether the windmills are turned by the wind, or create the wind. So if that is the stage they are at, there are a lot of serious questions to be asked.

I am therefore urging the House to put this bill on hold so that the public can have its say as to whether it wants nuclear energy or not. According to the latest surveys, the people of Canada and of Quebec are saying no to nuclear energy.

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

Some hon. members: Question

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Bélair): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Bélair): Order, please. At the request of the chief government whip, the vote is deferred until tomorrow at 10 a.m.

• (1650)

[English]

Ms. Marlene Catterall: Mr. Speaker, pursuant to Standing Order 45(7), I would ask that the vote be further deferred until next Tuesday right after question period.

[Translation]

The Acting Speaker (Mr. Bélair): Does the chief government whip have the agreement of opposition whips to further defer the recorded division?

Ms. Marlene Catterall: Mr. Speaker, I will confirm with the other whips whether they agree and report back to the House.

[English]

I am told that yes indeed there have been consultations with the other four whips, and there is agreement to defer it further until Tuesday afternoon.

[Translation]

The Acting Speaker (Mr. Bélair): The hon. members have heard the chief government whip. Consequently, the recorded division stands deferred until next Tuesday, at 3 p.m., after oral question period.

* * *

[English]

CANADA PENSION PLAN

The House resumed from October 22 consideration of the motion that Bill C-3, an act to amend the Canada Pension Plan and the Canada Pension Plan Investment Board Act, be read the second time and referred to a committee.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I was only five minutes into my speech when the House adjourned for the day yesterday so I am glad to continue with some of our thoughts regarding Bill C-3, an act to amend the Canada Pension Plan and the Canada Pension Plan Investment Board Act.

Yesterday I dealt with some of the reservations of the NDP. To summarize the points I raised, the question that arises is this: Is it a good idea for us to be on the open market with our Canada pension plan savings? I will try to answer that not in an ideological way but just by looking at the empirical evidence.

If we look at the actual experience in the last period of time since the Canada Pension Plan Investment Board was struck, put in place and put in charge of investing our hard earned pension contributions, the experience has been terrible. I could have done better by playing pin the tail on the donkey when it comes to the stock market investments it has made. Unfortunately, it chose to get into this free market, the stock market, at exactly the wrong time, like a bunch of amateurs or a bunch of tourists. It was seduced by the high earnings in the bubble that took place in the high tech sector when people were getting returns of 20% and 30% per year on their investments. The board wanted a piece of it and got in, but it got in at the wrong time and has lost a fortune. Originally the board was given \$11 billion to invest on our behalf. In the first return that came back, it had lost \$1.5 billion of that.

Government Orders

I am not trying to argue ideologically that it should not be in there. I am just trying to share with the House the empirical evidence. It has been a disaster. What struck me as odd in that first quarterly financial statement is that the board doubled the CEO's salary even though he lost \$1.5 billion in the first venture into the stock market. It also doubled his performance bonus. His performance bonus went from I believe \$140,000 a year to over \$200,000 a year. Imagine that. If the board is going to reward bad behaviour so generously, what if we ever do show a profit? It will be staggering. What I am saying is that we seem to have adopted the worst corporate models in the structure of this board, not some best practices or some unique structure, because let us face it, this is unique. This is the taxpayers' money being invested on our behalf on the private market. Those are my reservations. Yesterday I did raise some of the details of what our reservations are but this summarizes them.

We are apprehensive. Now the fund is no longer \$11 billion. The fund has grown, not because we have made smart investments but because the rate of contribution has been massively increased. It is now \$53 billion in spite of the fact that in the next quarterly report the board reported a loss of \$800 million. In the quarter after that it lost another \$1.5 billion. In the quarter ending in September 2002 it lost \$1.3 billion. The fund is hemorrhaging. We are making bad investments. The people we have put in charge of our retirement security are investing badly on our behalf.

Whether it is a good idea or not, we cannot argue with the fact that had we not gone down this road those many billions of dollars would not have been lost and would still be sitting there or maybe would have been loaned to municipalities or provinces, as was our past practice, so that the money could have been used in relatively low interest infrastructure loans to benefit Canadians. It certainly would not have been invested offshore, which is the experience now.

Part of the bill would allow the Canadian Pension Plan Investment Board to invest on foreign shores 30% of the \$53 billion it now plays with. Surely parliamentarians would argue that we are trying to maximize the benefit to Canadians with the use of this money by providing a good rate of return, yes, but that we have as a secondary objective economic development in our own country. Besides, there are no ethical guidelines built into Bill C-3. In fact it specifically states in the CPPIB mandate document that no other consideration other than the "maximum rate of return" shall be contemplated in the investment strategy.

• (1655)

I will not buy shares in a mutual fund if I know that mutual fund is investing in some maquiladora sweatshop on the Mexican border where child labour or rampant abuses take place. I choose not to have my investment dollars invested in unethical investments, but no such guidelines exist within Bill C-3 or within the trust document of the Canada Pension Plan Investment Board. What if it would get a great rate of return for clear cutting the rain forests of the Amazon? Do Canadians want to participate in that even if we would get a better rate of return? I say no.

If we were to put it to Canadians they would say no, but they will not have a chance to say no. Why? Because of the other thing I raised yesterday, which was the composition of the 12-person board entrusted with our the security of our pension future. It is not

representative of Canadians. There is no worker representation. There are no working people, no organized labour, no pensioners and no participants in or beneficiaries of the plan represented on the 12-person investment board that makes the decisions. It is a basic tenet in the trade union movement I come from that any employee benefit plan should have equal joint trusteeship. Labour and management jointly decide how a pension plan is invested, not a bunch of Bay Street appointees of the Liberal Party who are appointed by the minister.

One of them who was appointed is a Liberal member of Parliament whom I beat to win my seat. He has no financial background. David Walker is a political scientist. He is now one of the 12 people in charge of investing \$56 billion on our behalf. What is his brilliant financial experience? I am not saying he is not a competent and capable guy, but he is certainly no financier nor does he represent any of the groups that should be represented on the board. I think it is crazy.

An hon. member: Close to the Minister of Finance.

Mr. Pat Martin: He does have a close relationship with the Minister of Finance, that is true, so maybe that is enough to qualify a person for that 12-person board. That is the reason they chose 12 people: that was how many Liberal political hacks were out of work at the time and needed patronage appointments. This is why we are critical.

We have \$53 billion there, which is soon to be \$120 billion. Can members imagine the responsibility of investing \$120 billion to \$150 billion on behalf of working Canadians? It is a staggering duty and obligation. It takes a great deal of finesse and experience not to squander and lose it, like these guys have been losing it on the stock market, and as I have said, doubling their salaries in the meantime. The CEO's salary doubled even though they lost \$1.5 billion the first year out. Somebody said to them, here is \$11 billion, do not lose it, and they went and lost it. So we rewarded that by doubling his salary and doubling his performance bonus. It is like taking a cow to the market and trading it for three beans, none of which sprout. There is nothing to be rewarded here.

We have serious reservations about this. Personally I am furious about it. I sat as a trustee on a union pension fund. I know a bit about this kind of thing, and I also know about some of the ethical guidelines that we built into our trust documents because we chose not to invest in the tobacco industry, for instance. I do not care what the rate of return is at R.J. Reynolds. I do not think Canadians want their pension fund invested in the tobacco industry, because (a) it would be offshore, helping an industry in the United States, and (b) it is something that we ideologically do not support. But we will not have that opportunity.

Government Orders

There is another thing. This 12-person board, the one that is hemorrhaging money and bleeding like a cut vein, only has to report back to Canadians once every two years. Has anyone ever heard of a board of directors that does not have to come back to their shareholders except for once every two years?

An hon. member: Yes, the Canadian Wheat Board.

Mr. Pat Martin: I do not know why I am being heckled by the Canadian Alliance. They are not even heckling on topic. It is really quite bizarre.

When the board does report back once every two years, there are not even the same rights that shareholders have at meetings. At least at a shareholders' meeting the shareholders can move a motion, an amendment or a resolution and maybe give direction to the board as to how they would like it to conduct itself.

• (1700)

We do not have that privilege. We do not have that right. We will be told how it did and did not do. I suppose the board will allow us to speak at the mikes and say a few things, but there is certainly nothing binding about those meetings. It is completely undemocratic. It has nothing to do with good corporate governance. It encompasses none of the basic tenets of good governance, which is now gaining a certain popularity throughout the investment world.

These are some of our serious concerns about Bill C-3. I would add that the fund controlled by the Canada Pension Plan Investment Board will become so massive that it will be impossible to invest that amount of money throughout Canada, even the 70% that will be invested in Canada, without political implications. Some of the decisions made by this 12-person political patronage board will surely be driven by some regional political or sectoral political influence. We cannot move that amount of money around Canada without causing a wave, a ripple effect. This is billions and billions of dollars. What if it were decided that an area needed some political tweaking, perhaps, a little more economic activity? Instead of the government spending some money there in economic development, it could simply direct its political patronage employees, and I will say could, to invest a whole bunch of money in that particular region, sector or industry sector. These are all worries that are very valid and very real. I am not saying that this will happen. I am saying it could happen without the proper guidelines and controls built into the system. None of that do we see in Bill C-3.

This bill started out as Bill C-58. We had a similar debate when it was introduced. I believe it was introduced last spring and had second reading on June 21 before Parliament prorogued. We had these same debates and frankly we were optimistic because we thought we had made a sufficient number of points. We thought that when Bill C-58 was reintroduced and tabled as Bill C-3 some of those concerns would have been addressed, the very least of which is the ethical guidelines. The government chose not to avail itself of the window of opportunity to give us some satisfaction on these issues.

On the issue of ethical guidelines, we do not even have to compromise profits. As many members here will attest, for instance, some of the ethical mutual funds perform better than the general mutual funds. I would argue that ethical investment funds can perform at least as well and in many cases better.

In terms of foreign investment, if I may I will restate the argument that we do not want our pension plan invested offshore. We want it to do the maximum amount of good in terms of secondary benefits in this country. Again, the experience to date has been, ideology aside, that those offshore investments of the Canada pension plan investment fund have lost 3%. They are minus 3%. They are showing a negative. In the investments made locally, other than stock market investments, which have been disastrous, there has been an average gain of 13%. Investing domestically has actually performed better than investing internationally, so we really do not need any more arguments.

First, we can be ethical and show a better rate of return. Second, we can be domestic and show a better rate of return. Third, we could be a lot more transparent and introduce a code of good corporate governance at least in terms of the structure of the 12-person investment board. Last, we could have a board that would be accountable to the Canadian people in a structure that at least would report back more than once every two years, something that I think is almost comical. There also should be some give and take, some mechanism or vehicle by which the Canadian people could make their wishes known and which would be binding on the board in terms of giving direction, through some kind of motion, plebiscite, vote or process. We have none of that.

• (1705)

No one tried very hard with respect to Bill C-3 to meet any of the concerns that we raised last spring with Bill C-58 and which we now see again before us in the same type of document. We in the NDP are disappointed, and as might be expected our caucus will vote against Bill C-3 based on the items I cited and many others.

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Madam Speaker, Bill C-3 would basically carry on with the work that was done in a prior Parliament under Bill C-2 establishing the Canada Pension Plan Investment Board. Some of the points the member has raised were discussed and considered when we went through that process.

One of the principles that was discussed was whether the Canada Pension Plan Investment Board should be an instrument of policy. By that I mean whether it should be an instrument used to promote social or fiscal policy or other objectives that Parliament might have such as ethical investment which the member mentioned. Should we have any investments in tobacco companies because tobacco is bad? We want to clean our environment therefore should we not be supporting those areas?

Those are all very important goals that we try to work on. However considering the size of the pool of funds available to the investment board it is clear that there is a high risk that those investments, if strategically placed, could have a significant disruptive effect on the marketplace.

Government Orders

The decision was taken back then that the Canada Pension Plan Investment Board and its investment funds would not be utilized as a policy tool. In fact, we would have investments. Our objective was to maximize the return on investments comparable to what other investors receive in the marketplace and that investments would be made in the broad cross section in Canadian markets as well as having a balanced debt and equity, and to afford up to 30% of those investments offshore as under the RRSP program. That is where Parliament made that decision.

This particular bill is not bringing that subject back up again although the member again raised the concern that we would like to do those things. Upon reflection, I am sure the member would agree that it would be a dangerous thing to take the money of participants in the Canada pension plan and use it to somehow steer social or public policy considering that such a large amount of money is intended to provide pension benefits for retirees, death benefits for spouses and children, survivor benefits and disability benefits which are substantial. The member may want to comment on those points.

He may want to comment on the fact that the Canada pension plan system was under some question about whether or not it was viable over the long-term. He may also want to comment on the fact that the changes made in Bill C-2 were necessary to ensure the long-term sustainability of the Canada pension plan system.

Notwithstanding the member's noble intent to advance social and public policy, I think he would concede that it is in conflict with the premise of ensuring that the Canada Pension Plan Investment Board optimize the return for pensioners to ensure that the cost of operating the plan is as fair and reasonable as possible. At the same time it should be maintaining the benefit levels of all of those benefits, whether they be pension benefits, survivor benefits, death benefits or disability benefits. We must ensure that they remain at levels which would allow our seniors to get the benefits.

• (1710)

Mr. Pat Martin: Madam Speaker, if the hon. parliamentary secretary is really interested in my views, he would not have used nine and a half minutes of the ten minutes allotted to questions and comments to ask the question. However, I will answer some of the things he raised.

In terms of ethical investment, I was not recommending we get into some kind of social engineering. I was not even directly recommending that we use the fund in any specific way to achieve secondary goals. I was raising the point that we do not want to encourage bad behaviour in terms of investing in negative things that some of us have strongly held views about such as off-shore sweat shops in some free economic trade zone.

Some of the funds that we might invest in that show an attractive rate of return could be in things that we would not tolerate on our own shores. Given the off-shore permission now of 30%, that is even more of a factor. That could happen without ethical guidelines. I do not think Canadians would like it if they knew it was happening. Specifically, the spokesperson for the CPPIB says that our legislation specifically prohibits us from engaging in any investment activities other than maximizing investment returns. This is exactly what the parliamentary secretary said, that the only criteria, the only objective, is the maximum rate of return.

That is a crude, outdated and obsolete view on investment these days because even as a trustee of a union pension fund many years ago, we started to take into consideration that there is more than one bottom line. Obviously we must get a reasonable rate of return and hopefully the maximum rate of return. However, we do not have to compromise that to have an ethical investor. That is what the empirical evidence shows, that sometimes the ethical investment funds outperform. Plus, if we did use any of those funds in our Canada pension plan fund for secondary goals, we would be limited in some plans to 10% of the actuarial surplus.

In other words, we do not gamble the actual body of the equity in the fund. The limit is 10% of the surplus that we can participate in those side issues. We should not be rolling the dice with the whole shebang on the stock market and losing billions of dollars, which we are. The status quo is also not very good. No one would say that it is good to lose \$1.5 billion per quarter. The only justification is that the CEO says that we did not lose as much as some other people because the stock markets have been bad lately. I am saying maybe we should not be there at all. Maybe the jury is not in as to whether we should be rolling the dice with the future of retirement funds of Canadians.

• (1715)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Madam Speaker, it is a pleasure to speak on this bill. One of the greatest policy challenges for the 21st century will be the impact of our aging population on our social programs, be they health, pharmacare, housing or seniors' housing. All of these programs will be torn asunder by a massive population bubble that will move into that retired age group and put an unsustainable demand upon the social programs. We will simply not have the people working and the tax base to pay for all that we ask.

Indeed not only is it the biggest challenge in the 21st century in terms of domestic policy, but it also is perhaps the most neglected issue because in the House the intergenerational transfer of wealth and the impact of our aging population on our social programs is virtually neglected. That is what I will talk about today specifically with reference to our pension plans, and the CPP in particular.

If one looks at our aging population, the population over the age of 65 will double over the next 20 years. That is combined with a reproduction rate that is below replacement levels. The replacement level is 2.1 children per woman and now we are down to 1.4. We can see that not only is our population declining in the workforce, but we also have a massive increase in population over the age of 65.

Government Orders

This will put that unsustainable demand on our pension system. What choices do we have? Option one is to increase the amount of payments people make through their payroll taxes into a fund to pay for retirees, but there is a finite limit to that. Right now workers pay 10% of their income into that fund. The estimation is that we must pay about 20% into that fund to sustain our retirees in the future. Whereas today we have one person out of every four over the age of 65, in the year 2030 one out of every two will be over the age of 65. That is a massive number of people.

That is combined with the fact that we are living longer. What is interesting is that the age of retirement was actually put together in the 1880s by Otto von Bismarck in Germany. At that time he deemed that 65 would be the age of retirement. Yet at that time the age of a person's life expectancy was 55. Therefore, he did not expect many people to retire to be able to access the German pension fund. In 1966 we blindly took it upon ourselves to determine that age 65 would be the age of retirement when people could receive their CPP pension plans.

The other fact is that we are living longer. In the year 2030 it is estimated that our longevity will be expected to be 90. One can imagine that not only will there be a larger pool of people in their retirement years extracting money from our pension plan, but we will also be extracting money for a longer period of time, on average at least 25 years after the age of 65. That is truly a massive and unsustainable amount of impact upon these pension plans.

The Association of Canadian Pension Management said in January 2000:

The combined forces of the retirement of the Boomer Generation, rising life expectancies, and falling birth rates will seriously strain, and could possibly rupture our retirement and healthcare systems in the next 30 years.

It also said in January 2000, and this is prophetic:

If we do not change the rules of the game, the OECD estimates Canada's public spending on pensions and healthcare would rise from 13% of GDP in 1995 to 23% in 2030.

How will we pay for education, highways, welfare, this House and the myriad of other social programs and issues that government is asked to pay for? We tend to forget that there is only one payer in the system, and that is the beleaguered taxpayer out there who is already overtaxed. For those who would say that we must raise taxes to meet these increased social demands, I would suggest this is what happens.

• (1720)

It has been proven in Canada that when we raise taxes, it puts a constricting effect upon our economy, the very economy that we rely upon for jobs and to produce the tax base to pay for health care, pensions and other programs. Raising taxes will put a damper on our economy and have the deleterious effect of a negative impact to our tax base by shrinking it. Therefore this is not an option.

What can we do? First, the government needs to do is rationalize our CPP. It should lower the rates right now so we can get our economy moving. Payroll taxes right now are running a significant surplus, which is a removal of wealth from the existing workers of today. Let them have that money, let the private sector have the money and let the companies have the money so they can reinvest in

our economy which will make our economy competitive with other around the world.

Second, the government needs to rationalize our pension system. The OAS, which is the old age security, and the guaranteed income supplement are two other issues that need to be rationalized.

We pay a very large sum of money, or roughly \$18.7 billion a year, for old age security. I would submit to the House that we need to do the following. People who are making over \$60,000 should not receive OAS. The OAS needs to be targeted toward those who are making less than \$60,000 a year. The savings from that can be plowed into the guaranteed income supplement so that those seniors who are significantly impoverished, and there are a lot of them, will have more money on which to live.

I draw the attention of the House to this. What does an impoverished, poverty line senior make today under the GIS? A senior living below the poverty will receive the monthly maximum of \$436.65 for old age security. That combined with the GIS, the guaranteed income supplement, brings that to a maximum of \$774 a month. How can somebody who has aged, who is retired, who has put their back into this country, some of whom have fought in wars, survive on \$774 a month?

We need to do is this. Somebody who is making a rather large sum of money, over \$100,000 a year, should not receive OAS. Why not use the OAS savings then to supplement the guaranteed income supplement for those seniors living below the poverty line? That way those seniors will have the money on which to survive. In effect, what we are doing is targeting our pension programs, our social programs, to those who need them, which then make them truly a safety net for those who cannot make it.

If we do not do that, we will have a legion of seniors in the future who live below the poverty line and who cannot afford the medications they require because medications are being delisted and not covered by pharmacare due to the cash crunch in which the governments find themselves. They will not have the money to pay for adequate housing. As a result, they will fall through the cracks and they will suffer. That is not the objective of a reasonable, rational social program.

The government needs to rationalize the OAS and GIS. It should take the OAS away from those who are making more than \$100,000 a year although some of it is indeed clawed back today. There should be a graded scale for individuals making between \$60,000 and \$100,000 a year. If we claw that back a little more aggressively that money can go to those seniors who live below the poverty line so they will have enough money to put food on their tables, a roof over their heads, clothes on their backs and can afford the basics of life, including medications that they will need to use in their senior years.

Personally, the other thing we need to do is change the retirement age. We should abolish the mandatory retirement age of 65. If we do this, it will serve two functions. If someone wants to retire at 65 and take their CPP, they can. However why not provide a situation where between the ages of 65 and 70 individuals can accept 50% of their CPP and earn an income up to \$30,000 a year without any negative effect on their CPP?

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●(1725)

This would save and reduce the demand on our CPP, keep youthful, vigorous seniors in the workforce, if they choose to, given them an incentive to stay there and they will still be paying taxes. This would have several benefits. Not only would it benefit our economy by allowing these people to stay in the workforce and use their expertise to support our economy, but there also would be less demand on our CPP. In my view this would be innovative. In fact, in a court case, the Supreme Court said that abolishing the mandatory retirement age of 65 would not be a transgression of our Constitution. I think section 1 actually allows us to do that.

If I can quote again the Canadian Pension Management Group, it said:

We need to move from a system which currently provides incentives for people to retire early, to one which provides incentives for people to stay in the work force as long as they are willing and able to do productive work.

That is something at which the government should look. It should abolish the mandatory age of retirement of 65. If people want to retire at 65 and accept their full CPP, they can. However give people the option of having a partial CPP payment between 65 and 70, while allowing them to work and earn an income. That would go a long way in taking the pressure off our pension plan.

The third issue is the RRSPs. We need to increase the foreign content amount from 30% to 50% and allow people to invest 25% of their gross income up to \$20,000. This would go a long way in helping people provide for themselves. If we do that, we can lessen the demands on our pension system. At the same we should allow people over the age of 65 to redeem their RRSPs tax free up to \$20,000 a year.

I say that because people making less than \$20,000 a year should not be taxed. It is impossible to live on less than \$20,000. Why should anybody be taxed for making less than \$20,000 a year? That is theft from the poor as far as I am concerned.

If the government truly wants to give people a chance to provide for themselves, if it wants the poor to have more money in their pocket, then do not tax them if they are making less than \$20,000 a year. What the government could do, which would be innovative, is increase the basic individual allowance from what I think it is about \$12,500 to \$20,000. That would remove the poor off the tax rolls, which indeed would be very innovative.

To quote the Canadian Pension Management Group again concerning RRSPs, it said:

Because these global markets offer the best opportunities to diversify longer term risks, the globalization of Canadian retirement savings should be seen as a positive, not a negative, development for the 'financial wellness' of Canadians.

In essence, give people the tools and the ability to provide for themselves.

In summary, whether we talk about pensions, health care or any of the social programs that we have and enjoy, the government is simply not dealing with the impact of a massive baby boomer bubble that will put unsustainable demands on our social programs.

Our social programs will rupture in the next 10 to 15 years unless we plan now. This is cannot be dealt with in the year 2015. It is

something that has to be dealt with now, so we can institute the plans and measures that will allow us to have a graded series of responses to prepare for this cataclysmic event on our social programs.

●(1730)

Speaking from the point of view of being in the health care system, we see this in the emergency department in hospitals and in offices. Our aging population will have massive demands upon our health care system. Some would suggest that because we are living longer and are healthier that this will have no appreciable effect on our health care system. They are absolutely dead wrong and here is why. Yes, we are living longer and we are healthier, but we also will need more joint replacements, angiograms, angioplasties and a whole host of treatments and medicines.

We are also not taking into consideration the impact of the dementias on our health care system. Dementias, whether Alzheimer's or multi-infarct dementia, and other neurological disorders will have a massive effect on our health care system in terms of housing and medical care, and we are utterly ill-prepared to deal with this situation.

I would only impress upon the health care minister for her to work with her provincial counterparts to plan a national strategy to deal with the neurological disorders of the aged, including the dementias and depression which the World Health Organization said would be the second leading cause of morbidity in the next 10 to 15 years. We again are completely and utterly ill-prepared to deal with the impact of this on our health care system.

This includes our pharmacare system. Because of the impact of increasing demand and a lack of resources, governments are forced to ration. That is a polite way of saying that they are withholding essential treatment from sick individuals in an effort to meet their budgets. Who actually is deprived of health care? It is the poor and the middle class, not the rich because they will either pay for it or go south of the border to buy the care they require.

Our health care system in its current form is depriving the poor and middle class of health care, not the rich. I say this right now in view of the fact that the Kirby commission report is coming out this week and the Romanow commission report will be coming out next month.

Ex-premier Romanow has said very clearly that the issue of private services will not be on the board with respect to his final report. I can only impress upon Mr. Romanow that this is short-sighted and highly destructive to the longevity and sustainability of our public system. Private services performed properly in a parallel fashion will save our public system by removing demand without removing resources. I say that personally, not as a party issue.

I say to Mr. Romanow that we should keep all our options open, remove the dogma from the issue and deal with the facts and solutions that work to save our public health care system so that all Canadians, particularly the poor and middle class, who are having their health care withheld, rationed or deprived today will not have to endure that in the future.

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I just hope the government will work with members from all political parties and with its provincial counterparts. It should bring its provincial counterparts to the table and tell them to throw their dogmas out the window, that the challenge is here from the people of our country to have sustainable social programs and that there is a duty and a moral obligation to fix these problems in a sustainable fashion. I hope the Prime Minister takes his leadership role in the few months he has left, makes that final gesture and builds the legacy that he is seeking.

• (1735)

Mr. Larry Bagnell (Yukon, Lib.): Madam Speaker, I have two questions for the hon. member for Esquimalt—Juan de Fuca. As always, I appreciate his thoughtful intervention.

The member recently proposed that to attract rural doctors there could be an advance payment of their tuition. He proposed that as a new and exciting idea but I recently met with the Yukon Medical Association and it is ahead of all of us on that. It already has that.

My first question relates to the comments the member made about pharmacare and the cost of the drug system. I am quite keen on making sure that drug patents do not go beyond the 20 year limit through any mechanism and I wonder if the member supports that.

My second question relates to his comments on the OAS and the pension plan. He made a thoughtful suggestion for improving the contribution to low income earners on the OAS whereby the OAS itself would be capped at \$60,000 or \$70,000 and then all those savings would be put, I assume in a revenue neutral fashion, into the supplement.

I am curious. Does the Alliance Party have that in its platform? Does it agree with that position?

Mr. Keith Martin: Madam Speaker, I was speaking personally in my speech and not behalf of my party. We have a plan on pensions, which we have actually put forth in the past, and I think it is quite innovative. It is called super RRSPs and they go beyond the current system.

I just want to preface what my friend has said on the issue of the medical manpower crisis and how Yukon has handled it. Yukon has been able to fund a certain number of students to become doctors, nurses and technicians in return for an equal number of years of service in a rural setting. I hope he will ask his colleagues in Yukon to show the rest of the country how that works because it does work there and it will work everywhere else.

The second issue is pharmacare. The 20 year patent stays. We support the 20 year patent. We also support the closure of loopholes that enable some drug companies to extend their patent beyond 20 years. The pharmaceutical companies have said very clearly that they want the same patent protection that exists in the rest of the world, which is 20 years for the most part. We support that and the government should be supporting that. In fact, it should work with us to close those loopholes to make it a firm 20 years.

On the OAS solution, it was a solution that I was simply offering for the government to consider, pouring the OAS savings between \$60,000 and \$100,000 income earners into those who are making less than \$20,000.

Mr. Greg Thompson (New Brunswick Southwest, PC): Madam Speaker, again I listened very carefully to the member but a question arises out of the previous question. He mentioned the Alliance position, formerly known as the Reform Party, in the 1997 election. It was laid out in its platform when it called for replacement of the CPP with what it called the super RRSPs. He did mention that but he did not talk about the year 2000 election and the party's position at that time.

In fact, just to remind the hon. member, his party did not have a position. It was nowhere to be found in the Canadian Alliance platform leading into that election. In fact, one of its members, the hon. member for Elk Island, got into a lot of trouble with his party leader at the time because of the position he staked out independently of the party. Perhaps he could comment on that.

I also want to remind him of a letter that was sent to Alberta Premier Ralph Klein by today's leader of the Canadian Alliance. This was published in the *National Post* on January 21, 2001. In that letter, the leader of the party and five of his cronies called for Alberta to withdraw from the Canada pension plan and set up its own plan. That was the position of his leader as late as January 21, 2001. My question would be, is that still the position of his leader, and has his leader mentioned that he still holds that position now as leader of the party?

• (1740)

The Acting Speaker (Ms. Bakopanos): Before I give the floor to hon. member I would like to caution members in the use of certain words in the House. I am not sure that cronies is a parliamentary word, but we will let the hon. member answer.

Mr. Keith Martin: Madam Speaker, I suggest the member ask the Leader of the Opposition that himself.

I want to remind the member and the House that when our party was elected in 1993 as the Reform Party, it was the only political party in the House to offer constructive solutions to save Canada's pension plan. We were the only party that brought the issue forward and warned that in the future our country would slam into a brick wall when it came to our pensions. We did our best to offer constructive solutions to save our pension plan because nobody else was doing that.

For heaven's sake, the member should understand that at least we, in the Alliance now, and then when it was the Reform Party, are trying our best to offer constructive solutions to save our pension fund. If we did one thing, we at least put on the board that we cannot dawdle on our pension plans and allow our impoverished seniors to suffer.

If the member and his party have more constructive solutions they should bring them to the House so we can battle them out. The best solutions can actually then come to the top for the benefit of the people.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Speaker, the member across the way gave a very interesting speech. I have always looked at the Canada pension plan as a three legged stool. We have one leg, which is CPP and CPP disability. The second leg is OAS-GIS. The final leg is the RRSP.

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Right now only about 34% of the population utilizes the RRSP program of which one can shelter the interest that is made on that through a cumulative process and it is not taxed until it is finally taken out.

I wonder if the member could enlighten us as to how we could encourage the population of Canada to increase that 34% utilization of the RRSP plan.

Mr. Keith Martin: Madam Speaker, one of the ways is to lower the overall tax rate. The principle is to enable people to provide for themselves and for those who cannot provide for themselves we should have a social program and a pension system that will provide through the tax system for those who are most impoverished. That is the principle of any safety net and I think that is the original intent.

One of the problems we have is that the amount allowed for those individuals who can contribute is less than what it ought to be. There is no harm in increasing the maximum amount that one can contribute to \$20,000 a year, which is what we should do. We should also increase the foreign content up to 50%. That is generally recognized as constructive in enabling people to provide for themselves.

Therefore it is a twofold approach. For those who can invest, allow them to do that. We should also educate people on the importance of being able to provide for themselves and on how much money they will require when they retire. I know my hon. colleague knows full well that many people today do not understand the amount of money they require in order to retire.

I know the banks have a very innovative program for educating high school students on basic money management and the importance of saving. I think that kind of program should be encouraged across the country so that teenagers can have good, sound economic advice and management on what their future economic needs will be, which we were not taught at all when we were in high school. If we were to do that people would put money into an RRSP for their retirement.

We must rationalize the OAS to provide for those seniors who right now are living below the poverty line and who truly endure lives of quiet suffering, which should not really happen in our country at all.

• (1745)

Mr. Greg Thompson (New Brunswick Southwest, PC): Madam Speaker, I just have a few comments. I probably will not take the entire 20 minutes because I know there are other members who would like to speak.

In answer to the member for Esquimalt—Juan de Fuca, the Progressive Conservative Party position on the CPP is simply this: We recognize it as a fundamental part of Canada's social safety net. We support that plan and we want to ensure the continuity of that plan. When we talk about the continuity and security of the plan, that simply means we want it to be around for future generations.

Madam Speaker, if your memory serves you well, you will remember that the idea of a Canada pension plan first surfaced during the Diefenbaker days. To give the Liberal government at the time, in 1966, full credit, it was the Liberals who took that idea and moulded it into the Canada pension plan that we have today.

I really do get uncomfortable when I hear the Canadian Alliance members talk about those super RRSPs. They seem to forget about the other aspect of the Canada pension plan that a lot of our citizens depend on. It is not just the retirement side of it. If our earnings were high enough, we could receive, I believe, up \$9,345 per year when we retire depending on how long we had contributed to the plan and on our employment earnings over the period of our work life. I am sure, Madam Speaker, you will probably be up in that upper range when you retire. The same would apply to the Quebec pension plan. The two plans are somewhat modelled after each other.

However I think some members forget about the people with disabilities who depend on that plan for income, widows, widowers and orphans as well. I do not think we can lose sight of that. It is the responsibility of government to create plans that can support people who need the support of the citizens because we are in this as a collective group, citizens of a country that is perceived as being one of the most generous countries in the world. It is up to us to put the proper mechanisms in place so that plan will be around for future generations. Some of what I see I am not completely comfortable with.

We are not against putting that fund into equity markets. Many of the surplus dollars in that fund over the years were simply lent out to the provinces in bond form and those bonds did not really pay a very good rate back to the Government of Canada. It was almost, in a sense, free money for the provinces, although they paid sort of a marginal rate of interest on those secured bonds. I think there is about \$40 billion left out there on those long term bonds that continue to be administered by the Canada Pension Plan Investment Board.

Where some of us have a problem is on the simple fact that the investment board has not performed well over the last number of years since its first inception back in 1977 when the last round of changes occurred in the Canada pension plan. That board was set up with what we would expect is a level of expertise in determining where the moneys would be invested and where they would not be invested. Some of the suggestions that we have heard in the House have been that the level of transparency, or how that board was created might be a better way to express it, probably is not consistent with good governance.

• (1750)

In other words, it politicized the make up of the board. The board consisted somewhere around 11 members. There is no question that some of the people on that board do not have that level of expertise that we would expect to manage a fund like the Canada pension plan. What we are doing essentially is throwing money into the marketplace and hoping we will get a better rate of return on that money than we did when we simply lent it out to the provinces at a minimal rate of interest.

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I guess most of us are involved in the marketplace, in the equity markets. I was in that business before I was elected to the House of Commons. In any investment there are good days and bad days and we have to take our lumps. They often say there are only two things that drive the market, fear and greed. I guess the greed aspect of it is where the NDP might have some legitimate concerns because to throw money into the marketplace hoping to maximize profits, but there is always a degree of risk in doing that.

I wish to point out some exaggerated examples of that level of risk in the last number of months. We only have to look at the Toronto Stock Exchange, the level where it is today and where it was four or five years ago, or even two years ago, or the New York Stock Exchange which is in a sort of a free fall itself. It is up one day, down the next and some days losing 3% or 4% of its value.

I can remember when I was in the investment business on October 17, 1987, we called it "black Monday" or maybe "black Tuesday". It was a black day in the investment world when the Toronto Stock Exchange lost 17% of its value in one day. Those are some of the concerns that have been expressed by some of the members. When we go into the marketplace, we are going in with the expectation that we will do better than we would if we just simply left the money in a bond or a savings account, in this case lending it out to the provinces.

However, the markets have taken a big hit in recent months and there is no question that the hit in the marketplace has hit every Canadian because every working Canadian contributes into that fund. In other words, it is our money out there in the marketplace. The question is how much risk is this money exposed to? Those are legitimate questions.

The question would be: When do we get into the market? I am no different than most investors and most investors would tend to buy in probably too high and we sell out a little earlier than we should on the basis of fear. There is the idea that none of us want to take a bath at the marketplace but unfortunately, we cannot time these ups and downs in the marketplace. I am not against putting it out there in the marketplace, do not get me wrong, but we have to be vigilant.

Going back again to the make up of that board, we must have the best people on that board. When the returns for that fund come in at the end of this fiscal year, and I think the year end for the fund is some time in December. I am sure the parliamentary secretary can correct me if I am wrong but I do not think we are expecting a huge return. My guess would be that it will probably be in a deficit position. Last year's rate of return, if I am correct, was somewhere around 6.2%. That is not bad, but not really good either, so the question will be, where will it go this year?

• (1755)

The other aspect in relation to the board is that we must take another look at how those appointments are made, how much thought the Government of Canada puts into them, and who makes up that board. We do not want to leave Canadians exposed to the dictates of a particular board when they do not have a lot of confidence in the make up of the board. We stand to lose a lot of money if it makes the wrong moves at the wrong time in the marketplace.

A CPP actuary said that the changes to Bill C-3 would increase returns on the Canada pension plan assets by \$75 billion over 50 years. The actuary said that this reflects both the higher returns of a more diversified portfolio and a reduction in the amount of money that earns lower returns as part of a cash reserve.

That \$75 billion could be a little more optimistic than most realists would accept. When a fund loses money, which I suppose we will be in a position to know about a little later on, it is really a lot more difficult to bring it back, because the principal investment is reduced and the return on a diminished principal makes it much harder to gain back 5% than if we lost 5% on a higher capital account. Those are some of the things we must be concerned about. Actuaries earn their living by planning as best they can with an awful lot of unknowns out there. We must be concerned about it.

On the question of foreign content, our party's position was staked out prior to the 1997 election. The Conservative senators had a few comments to make on that. One of the issues they brought to the floor of the Senate on the bill at that time was the foreign content rule. I am not saying I am objecting to our party's position on that, but I am a little bit uncomfortable with the foreign content rule. In other words, raising the foreign content level in RRSPs. I am saying that for a number of reasons. With the Canada pension plan, the confidence that we should have in the Canadian market should be the driving force in terms of our considerations.

Perhaps the parliamentary secretary would have a little bit to say about that. He is at least one chartered accountant and financial planner in the Chamber here tonight. Maybe we should have a little more clarification in this area. A lot of us are uncomfortable with putting a lot of our own RRSP money into foreign markets. Most of the foreign markets, as hon. members know, are simply U.S. markets and some of those markets have been hit harder than the Canadian market in recent months.

It almost defies what we are here for because we are policy makers. The government goes on at great length talking about how we have been cushioned from recession and how we are in a much better position than the Americans in terms of an economic downturn. Basically the government itself has more confidence in the Canadian market, over which it has some control, than in foreign markets. The government has to make a connection with the Canadian public, because it is not me it has to convince; it is the greater public, which has an inherent interest in the Canada pension plan.

• (1800)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Madam Speaker, I was a bit dismayed at my colleague's comment about preventing and inhibiting foreign content or limiting foreign content in our RRSPs. That flies in the face of the opinion of most experts involved in the pension system. Why does he think that the federal government should play Big Brother to individuals choosing to take care of their own retirement plans by investing internationally?

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Mr. Greg Thompson: Madam Speaker, I do not want the member to think that I am against foreign content. There are just some parts of it that I am uncomfortable with. Philosophically, if one were getting a tax break to contribute to an RRSP one would think that some of that money that is generated by Big Brother, as he calls it, should probably go back to Canadian companies. That is a personal observation but I am not philosophically opposed to foreign content.

However there is one question I would ask the same member. I think it is the last party in the House that should be on its hind legs talking about pension plans and the largess of government and the generosity of governments. This is the same party that consistently ran and fought against members of Parliament getting pensions. This is the same individual who did a complete flip-flop at least twice and possibly three times on members' pension plans, which do have a connection to the Canada pension plan.

Basically, on the members' pension plan, this particular member swallowed himself whole at least twice because his party members campaigned and fought the 1993 election on the promise that they would never dip into the pork barrel of members' pensions. They ran against it and got elected because they ran as angry Canadians against the generosity of the federal government when it came to members of Parliament.

On that basis alone the member should sit in his seat tonight and simply listen. He has no credibility on pension plans because there is a connection between the generosity of the Canada pension plan and the perceived generosity of members' pension plans which he completely flip-flopped on, as did his previous leaders, all three of them.

The Acting Speaker (Ms. Bakopanos): We have seven minutes and we have three members, so let us keep it short and we can all get our questions in. The hon. member for Kootenay—Boundary—Okanagan.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Madam Speaker, I listened with interest to the Conservative speaker because I am always waiting to see if his party has something good to add to the discussion. However, I must question anything he said because by his last intervention alone he showed that he does not know his facts when he suggested that the hon. member who questioned him had flip-flopped after running on the fact that we did not believe in the MPs' pension. We never said that MPs should not have pensions. We said that they should be more in line, and there have been a lot of changes.

If he can make that kind of mistake with the intervention that he made in answering the member for Esquimalt—Juan de Fuca then I must question the validity of all the things he said standing in this place today.

Mr. Greg Thompson: Madam Speaker, how do I respond to something like that because it is on the public record? Members from that party went doorstep to doorstep, aside from their policy positions, knocking on doors promising they would not be part of the pension plan. What did they do? It resulted in getting a lot of them elected to this House only to figure out that they made a huge mistake, that they had families and wives, and some of the benefits that would accrue to their families if something happened to them

would obviously be lost. They concluded that it was the wrong thing to do.

To deny that for themselves would be denying their widows or their children and families that they leave behind. Hopefully nothing would happen to any of them but I am saying that as a policy position. They did a complete flip-flop on that.

If the member had been listening carefully I outlined that our position is simply that we support the Canada pension plan and always have. We have always supported modernizing it to meet the changing demographics of Canada. The member for Esquimalt—Juan de Fuca was absolutely correct, the changing demographics is something that we must be cognizant of. We must change pension plans to reflect the very small growth in the Canadian population and the fact that there will be more Canadians retired when these baby boomers retire. In terms of Canadians working versus those retired, these plans will simply collapse under their own weight.

We have staked out a pretty fair position on this, one that is supported by most Canadians. I go back to that sort of generosity of Canada itself. It is recognized as one of the best countries in the world with social programs for people who really need them. I am not ashamed of that and I will continue to support programs that support the individuals who make up this great country of ours.

• (1805)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Madam Speaker, the member obviously does not know one orifice from a hole in the ground. I will refer him to the facts about the MP pension plan.

He was not here in 1993 when we were first elected. The then reform party was the only party, including the member's party which only had two members, to talk about the MP pension plan. We forced the government to bring the MP pension plan which was more lucrative than any other pension plan in this country into line with the pension plans of senior bureaucrats in the public service.

Members of my party opted out of the MP pension plan the first time there was an option to do so. The second time, when many of us were eligible for the pension plan after having served six years, the Prime Minister gave members who had opted out the option of opting out again. As I have already indicated, my party was the only political party whose members opted out the first time around and chose to opt out again. We opted out again while we were eligible to do so.

The third time around the Prime Minister forced all MPs in the House back into the pension plan whether they liked it or not.

Those are the facts. My party was the only party who had MPs who had opted out not once, but twice, even though we were eligible for the plan. No members in his party did that.

The public should know that it was the Canadian Alliance Party, the reform party back then, that forced the government to come up with an MP pension plan that was in line with one in the public service. That is something we are proud of, and the public should know we did that.

Mr. Greg Thompson: Madam Speaker, the member has a very short memory and a distorted one at that.

There is only one member in the House who can stand up and say that he refused to be part of the pension plan. That member is the hon. member for Calgary Centre, the leader of the Progressive Conservative Party. He could have taken part in the plan but he did not. The leader of the Progressive Conservative Party chose not to be part of the new pay package or the pension plan.

The fact of the matter is and no matter how those members try to crawl around this issue under the cover of darkness, the member's pension will be more, not less, than it would have been—

Mr. Richard Harris: Madam Speaker, I rise on a point of order. I am sure other members are finding it abundantly painful that the member is not addressing the subject at hand which is the amendments to the Canada pension plan. That is what we are here to do. We are here to do parliamentary work. I would suggest that the member respect the voters who are looking for some real and constructive changes.

• (1810)

The Acting Speaker (Ms. Bakopanos): That is a matter of debate.

Mr. Greg Thompson: Madam Speaker, I thank you for that intervention. You are absolutely right. Those members do not like debate when it comes down to intellectual honesty.

I was responding to a question on the members' pension plan raised by a member of his party. He should talk to that member. He asked the question and I am simply being polite enough to answer it but members of the Canadian Alliance do not want to hear the truth.

The truth is their pension plans are more generous than when they entered the House in 1993 and denied the old plan. Their trickery worked. The Prime Minister in his generosity, if we want to say that, went back to the drawing board a couple of times for those people. Every one of them is in the pension plan which is much more generous than the old plan. They completely swallowed themselves whole on it. There is only one member in the House of Commons, the leader of our party, who refused to be part of the new plan, much to his credit.

The truth is that when people run to get elected on an issue, they should at least have the backbone to stand up and take that position back to their constituents and into the next election. The truth is they swallowed themselves whole on that. They completely flip-flopped on their position.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, sitting in between the two hon. members, it was much like watching a tennis match left and right. My neck is sore from the last five to ten minutes of debate, but at least it was lively.

I am thankful for the opportunity to talk about Bill C-3. I have some concerns with regard to the bill, as do my New Democratic colleagues. There are three main points I would like to talk about.

The first is the lack of rules with regard to pension funds and how they would be administered, monitored and where they would go. The second is that there does not seem to be a comprehensive business plan for such a large investment that is really in a public trust through the Canada pension plan and the historic relevance to Canadians. The third is just outright bad timing, looking at the

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market right now. If a person's house were on fire, the person would not rush the furniture back inside the house.

This is very bad timing. We have seen tremendous upheaval and losses in markets. They will be rushing public funds, suitcases full of Canadian taxpayers' money, into the fire and making them very vulnerable at a time when the market needs to straighten itself out.

The Canada pension plan is one of those pillars in Canada and in the free world with regard to securing some type of relevance and more important, some type of stability for one's working commitment and then having the ability to retire with security. It is about the ability for a person to pay for his or her housing, food and clothing and to participate in a meaningful social life once the person has completed his or her term of service in the workplace. That is something that is being put at risk with regard to this particular amendment.

That is one of the reasons the timing element is so critical. By 2012 there will be \$120 billion to \$150 billion that will be put into the basic domain and at risk. That is a concern because that growth is something that should be secured as opposed to potentially put at risk at this particular time.

Today we saw the release of an ethics package by the Deputy Prime Minister. Canadians are yearning for more ethical conduct in Parliament. As well they are looking for more ethical conduct in the business community. We have seen the recent scandals. A few examples are Enron, WorldCom and Arthur Andersen, where there has been clear void of ethics in terms of reporting their financial earnings, what their business plans have been and what their actual profits were. That is a real concern. That is no different from the ethics issue in Parliament.

Canadians feel really uncomfortable with the current conditions and the treatment by the business community in business practices that have cost them earnings that they and their families have worked for. They have put that in the trust of investment and they have not had returns but have had significant losses. I do not think there have been many people who invest in the market who have not been affected by some of these things. Some of it is poor ethical behaviour on behalf of corporations. They have boards of directors too and some of them may not have been aware of all the things that were happening with their prospective businesses.

That brings me to the appointment of the 12 member board. There does not seem to be a clear process with regard to the appointment being independent. It is going to be a patronage system. It is not going to be representative of the public trust, being the actual pensioners and their earnings, citizens or different types of representative organizations. They are going to be appointments. That is not very fair and that is not proper. More important, it is going to lead to some very questionable practices.

Even if the 12 members are selected in earnest, their decisions in terms of the financial investments could have ties with regard to patronage or government contracts, all of those things. Whether it is intentional or unintentional, it casts a cloud of concern or at least ill repute over the whole process. We need to make sure that the Canada pension plan is one that is above reproach.

Government Orders

●(1815)

Canadians want to feel comfortable that their pension and future are tied significantly to a process that is pure, pristine and proper and not one that can be evolved through patronage appointments and basically who the appointees supported and how they contributed. That is the potential element with regard to the process that is underway.

We have had in this last stock market year 14% to 33% losses where normally we would have had 8%. Once again the timing is bad. We know that there is volatility. We know it is not resolved.

We know that the United States is having a difficult time with its economy. The latest projections are that it will actually have to borrow money. It will be in a deficit and it will have to borrow money to give tax incentives back to its citizens. We know that the market might be connected toward its productivity in terms of Canada and that makes us more vulnerable.

One of the concerns we have is the 30% in foreign ownership and once again the lack of rules with regard to the process. I quote from the actual document:

Our legislation specifically prohibits us from engaging in any investment activities other than maximizing investment returns...The policy further states that we will not accept or reject investments based on non-investment criteria.

That is very disconcerting because we could have the potential of no screening of where the money in the funds goes. We could actually prop up businesses as well as products that are harmful to the objectives of the Canadian government and Canadian people, whether it be sweatshops, arms production or any of the child labour situations that we have seen evolve. There will not be that due process and the board will not focus on that either. That will not be a criteria.

If Canadians had the reverse happening to them, where we had other investors propping up investment opportunities in Canada that had significant economic and social impacts on our communities, we would not feel very comfortable about it. I think that role by Canada would be very shameful if we had situations evolve where we had business investments made on the backs of immoral or questionable practices just so that we could extract a couple of percentage points more out of the system.

With regard to the opportunities that are facing the country, the challenges also lead to opportunities. With some of the funds there could be more of a focus on the municipal bonds programs or the Ontario bonds program. I note they do not pay the same rates of return as other opportunities but there is one taxpayer and the fact is that if we do not achieve the full result from the actual investment in terms of maximizing profit with maximized return, we will have stability. There are plenty of infrastructure opportunities to build our economy and to build our business community through the bond system.

I know municipally we have always sold bonds and they have been sold out within a day or two. They present anything from 6% to 7% at times for the actual return which is solid in terms of the inflation rate. It also provides an opportunity for the municipality to retrieve long term vision and goals so that we are able to build

society, a community and advance our future business plans as a people.

We have to keep that in mind because there is only one taxpayer. Perhaps in getting a sense of security we would lose a couple of points. We could save because we know that even in the last results the Canada Pension Plan Investment Board lost \$1.5 billion on stocks, just from April to June. We know that the money could have been paid off through lending to municipal projects or provincial projects that were actually offering successful rates of return. It is actually a win-win.

There is a real problem with regard to the bill and the lack of public participation. We have a problem with regard to the actual reporting of the board. It has 12 members. We know that they will be selected by the minister and they are going to be above reproach.

We have a situation where the fund will be up to \$150 billion by 2012 and there will have been only four board meetings accountable to the public by then, one every two years. We will have \$150 billion potentially and the board will only have to report to Parliament and to the citizens of Canada four times. That is incredible. It is an incredible public trust on people who are appointed through a patronage system and I do not think it is proper. It is shameful because it puts this situation at risk.

●(1820)

Canadians are looking for more stability now. We have our situation with our health care, our pensions and with regard to deciding upon where we want to move forward with social planning. We do not want to put things further at risk. For that reason, I cannot support this bill. I believe it should be turned down by the government, especially in the time frame we have right now.

[*Translation*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

Government Orders

[English]

Mr. Paul Szabo: Madam Speaker, I rise on a point of order. I believe you would find agreement that the vote be deferred until tomorrow morning at 10 a.m.

The Acting Speaker (Ms. Bakopanos): The recorded division stands deferred until tomorrow morning 10 a.m.

Mr. Paul Szabo: Madam Speaker, I rise on a point of order. Discussions have taken place between all parties and there is agreement, pursuant to Standing Order 45(7), to further defer the recorded division requested on second reading of Bill C-3 until 3 p.m. on Tuesday, October 29.

The Acting Speaker (Ms. Bakopanos): Is it agreed?

Some hon. members: Agreed.

Mr. Paul Szabo: Madam Speaker, under the circumstances, I wonder if the House would undertake see the clock as 7.10 p.m.

The Acting Speaker (Ms. Bakopanos): Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Ms. Bakopanos): Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:25 p.m.)

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