



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, October 26, 2005**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, October 26, 2005

The House met at 2 p.m.

[English]

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*Prayers*

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• (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 Glengarry—Prescott—Russell.

[Members sang the national anthem]

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## STATEMENTS BY MEMBERS

• (1405)

[Translation]

### ALZHEIMER SOCIETY OF LAVAL

**Ms. Raymonde Folco (Laval—Les Îles, Lib.):** Mr. Speaker, I want to congratulate the Alzheimer Society of Laval, which is celebrating its 10th anniversary.

Since 1995, this organization has continued to expand the services it provides to residents of Laval with Alzheimer's and to their families.

In order to meet the needs of the people of Laval, this organization is working to build a home for people in the early and moderate stages of Alzheimer's.

The organization recently paid tribute to the efforts of its administrators, including Marcel Léonard, its members, including François Perreault, its volunteers and staff, including Ginette Joly, and its partners, including Pfizer Canada, during an gala held in their honour. The three founders, Pierre A. Grothé, René Roy and Jean Rizzuto, were also remembered for their contribution.

No doubt due to the rapid aging of the population and the growing number of individuals suffering from this disease, the Alzheimer Society of Laval will become, more than ever, an essential tool in our community.

### CORRECTIONAL SERVICE OF CANADA

**Mr. Art Hanger (Calgary Northeast, CPC):** Mr. Speaker, I rise today on an issue of concern to people across the country, the decay of our correctional system.

Last week the Ontario Association of Chiefs of Police went public with their concerns about lengthy court delays, soaring costs, and lax prison rules that make a mockery of the justice system. York Regional Police Chief La Barge has even had to go to the effort of setting up a new committee to work with government and community leaders in an effort to hold Correctional Service of Canada accountable, including preventing violent criminals from visiting amusement parks at taxpayers expense and risk.

Several years ago, the Canadian Justice Foundation raised public awareness about the fact that a nun was being allowed to take a violent murderer out on day trips, a practice that showed no regard for public safety. Recently, it was reported that inmates were getting access to prison security plans and confidential personnel files.

It is time to slam the door on this cavalier attitude toward violent criminals and put public safety first. If we fail to show criminals there are consequences for their actions, we fail our citizens who will fall prey to their violent acts.

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### IMMIGRATION

**Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, Canada has eliminated the right of landing fee for all refugees. An increasing number of Canadians are now calling on the government to eliminate it for new immigrants.

The right of landing fee was introduced in 1995, when Canada was facing a deficit situation. Now that we have eliminated the deficit, it is time that we eliminate the landing fee. The \$975 fee is charged to people 19 years of age and over, irrespective of their country of origin. It amounts to twice the per capita income for many of the countries where our immigrants are coming from.

Recently, the Prime Minister made clear that Canada needs more immigrants and must keep its doors open to immigrants. Eliminating the landing fee would allow us to keep our doors open to skilled and ordinary immigrants. It would also allow Canada to remain a model country for the world.

*S. O. 31*

[*Translation*]

### BREAST CANCER

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, October is breast cancer awareness month and a time to raise money for research.

Currently, one in nine Canadian women will develop breast cancer in her lifetime. In 2005, an estimated 21,600 women will be diagnosed with this terrible disease and 5,300 will die of it.

Five years ago, I was diagnosed with aggressive breast cancer. I know just how much this experience affects our lives and those of our partners, children and loved ones. I am among the survivors, one of the ones in remission.

In recent years, huge advances have been made as a result of research. That is why, since 1993, breast cancer incidence rates have stabilized and mortality rates have dropped.

I invite all my colleagues to support this important cause and to think about the thousands of women with breast cancer.

\* \* \*

● (1410)

[*English*]

### MARK ARENDZ

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I want to acknowledge a very courageous and generous young man, 15-year-old Mark Arendz of North Wiltshire, P.E.I. In 1997 Mark lost his left arm in a farm accident. Since that time, Mark has demonstrated a phenomenal will to both recover and make a valued contribution to his community.

With the assistance of the War Amps CHAMP organization, Mark has become a junior counsellor, acting as a role model for other young people in similar circumstances.

Mark, though, has taken his message further. With the help of Marilyn Affleck, coordinator with the P.E.I. Federation of Agriculture's farm health and safety program, Mark has been meeting with school students to talk about the program's "be careful" message, which is, when working on the farm, to be careful and aware of farm hazards.

Agriculture is the backbone of P.E.I.'s economy. Our farmers, farm workers and farm families are essential to the prosperity of this industry. Through the effort and example of people like Mark Arendz, the message of working safely is reaching future generations.

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### LUPUS

**Hon. Rob Nicholson (Niagara Falls, CPC):** Mr. Speaker, I rise today on behalf of those who are faced with a terrible disease called lupus.

This is Lupus Awareness Month in Ontario and throughout the month there have been a number of activities across the province geared to raising awareness about this chronic disease. Indeed the Lupus Foundation of Ontario is located in my riding in Ridgeway, Ontario.

Lupus can affect people of all races and ethnicities, and people of all ages. The disease turns the immune system against the body and attacks the body's own healthy cells causing tissue damage, organ failure and in some cases, death.

The symptoms and health effects of lupus can go undetected for many years before people obtain a correct diagnosis and medical treatment. Medical research efforts into lupus and the discovery of safer, more effective treatments for lupus patients are underfunded in comparison with diseases of comparable magnitude and severity.

There is an important need to increase awareness about the debilitating impact of lupus, and I call on the government to give more support for lupus research.

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### SOUTH ASIA EARTHQUAKE

**Mr. Wajid Khan (Mississauga—Streetsville, Lib.):** Mr. Speaker, I want to take this opportunity to thank all Canadians, whether they are private citizens or NGOs, for their generosity in responding to the tragedy in Pakistan.

The government has responded comprehensively and quickly over the past few weeks. CIDA and the Canadian Forces, in particular, need to be singled out for their professionalism and dedication in the provision of relief.

I am gratified by the government's announcement today that an additional \$20 million will be provided, including \$8 million in response to the UN's flash appeal.

The need for aid, however, does not cease simply because the media spotlight moves unerringly on. I would like to remind members and all Canadians that we cannot forget the ongoing needs of the victims of the South Asian earthquake, nor indeed the victims of other natural disasters wherever they may be.

\* \* \*

[*Translation*]

### CANADA POST

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Mr. Speaker, this week the Bloc Québécois members from the Quebec City area presented a petition signed by 130,000 individuals opposed to the closure of the Canada Post sorting plant in Quebec City.

The concerns of the employees and the general public about the impact on the quality of postal service and the economy are fully justified.

Despite this huge response and the opposition by the socio-economic and political stakeholders on the north and south shores of the greater Quebec City area, the minister responsible for the Canada Post Corporation continues to turn a deaf ear.

At stake are 500 jobs, more than 150 of them casual, as well as the quality of postal services.

The residents of the Quebec City area have spoken. The Bloc Québécois supports their demand and urges the federal government to take heed and to make an announcement this very day that it is giving up its plan to close the Quebec City mail sorting plant.

*S. O. 31*

#### FRANCO-MANITOBAN AWARD WINNERS

**Hon. Raymond Simard (Saint Boniface, Lib.):** Mr. Speaker, every year, the Société franco-manitobaine pays tribute to a number of Manitoba francophones who have made outstanding contributions to the development of the community.

On October 22, the Riel awards were given to sculptor Marcien LeMay, posthumously, for arts and culture; to Louis Bernardin, for community development; and to Yvon Dumont, for his commitment to the francophone Métis community.

The award for communications went to Louis Paquin and Charles Lavack of Les Productions Rivard for their TV production and training activities.

The 2005 Gala des Lauriers de la PME, an award ceremony to recognize small businesses, was held the very same evening in Ottawa. Gérald Labossière of Assessment and Intelligence Systems was chosen from among competitors all across Canada for an award in the knowledge-based economy category for the excellence of his contribution to the Canadian economy as the head of a company in a francophone minority community.

Congratulations to all the winners.

\* \* \*

• (1415)

[*English*]

#### HIV-AIDS

**Ms. Helena Guergis (Simcoe—Grey, CPC):** Mr. Speaker, I want to take this opportunity to commend the minister and CIDA for working with the Canadian Coalition on HIV/AIDS and Youth in Africa.

World Vision, Care Canada, Foster Parents Plan and Save the Children are excellent Canadian NGOs tackling this problem. But when it came to HIV-AIDS, we were too late getting into Africa. We do not want to see the same thing happen in Asia.

I want to know if the minister will commit to a similar program in Asia with this group of Canadian NGOs. They have come up with an excellent plan and it deserves the support of the federal government.

A Conservative government would send more of Canada's aid to Canadian NGOs because they have an excellent reputation working around corruption and getting aid into the hands of people who need it the most. Unlike multilaterals, they must be accountable to the more than one million Canadians who support their work.

Again, I want to encourage the minister to work with this group of Canadian NGOs on their \$50 million, five year, HIV-AIDS program in six Asian countries.

\* \* \*

[*Translation*]

#### CANADIAN FALLEN FIREFIGHTERS FOUNDATION

**Ms. Françoise Boivin (Gatineau, Lib.):** Mr. Speaker, as the new member for Gatineau, I have had several opportunities to meet with an extraordinary group of individuals, the members of the Canadian Fallen Firefighters Foundation.

Last week, I expressed in this House my support for the creation of a monument to Canadian firefighters, to be erected on a site in the national capital.

Today's announcement by the Minister of Canadian Heritage and the fact that the NCC says it has reserved a location for the monument at LeBreton Flats, are a result of the tireless efforts of Dr. William Brooks, president of the foundation, Gary Barnes, vice-president of the foundation, and Georges Potvin and Barbara Zents, from Families of the Fallen.

Setting aside the petty politics around Motion No. 153 as amended, let us all commend our heroes.

\* \* \*

[*English*]

#### PAY EQUITY

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, starting in 1991 flight attendants working for Air Canada and Canadian Airlines filed pay equity complaints with the Human Rights Commission. Years later they are still waiting for justice. These claims are now with the Supreme Court. Imagine having to go to our highest court for what the Minister of Justice and the Minister of Labour continually call a fundamental human right.

Thousands of women, entitled to pay equity, wait for years while employers keep claims in the courts. The situation is so serious that a UN committee has called on the federal government to act and implement equal pay for work of equal value.

The government's own report from the pay equity task force set out a clear plan for pay equity legislation. The Standing Committee on the Status of Women has asked for the legislation. Still the Liberals delay. Our sisters are tired of waiting.

The NDP calls upon the Liberal government to stop forcing women to fight for decades for economic equality and introduce proactive pay equity legislation now. Where is the legislation?

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#### BATTLE OF TRAFALGAR

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, this week marks the 200th anniversary of the Battle of Trafalgar, a pivotal moment in modern history, which gives us an opportunity to remember the price of freedom.

When Lord Nelson signalled to his fleet that "England expects that every man will do his duty", he made history. The Royal Navy's brilliant triumph against more powerful forces at Trafalgar marked the beginning of the great Pax Britannica which brought freedom of the seas, prosperity for North America, the end of the slave trade, the spread of free trade and the rule of law across the globe, and indeed the conditions that made possible Confederation here in Canada.

### Oral Questions

[Translation]

The patriot newspaper, *Le Canadien*, wrote in 1808 that “Great Britain's navy is now the bulwark against tyranny”.

[English]

That is why Maritimers and Newfoundlanders, Upper and Lower Canadians, French and English, all rang their church bells to celebrate the victory of freedom over tyranny, why Quebec City was lit up in 1805 to celebrate and why Lord Nelson's Column graces Montreal's Place Cartier today.

[Translation]

Mr. Speaker, lest we forget.

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•(1420)

### ABORIGINAL COMMUNITIES

**Mr. Bernard Cleary (Louis-Saint-Laurent, BQ):** Mr. Speaker, in Quebec City on October 11 and 12 an extraordinary meeting of the Assembly of First Nations chiefs of Quebec and Labrador was held to address the social crises in our aboriginal communities.

I want to acknowledge the efforts and work of the first nations chiefs who took part in this meeting.

Having first hand experience with the pain suffered by many of the families in Quebec communities, I want to express my full support, with sincere peace and friendship, for this important undertaking. I am certain that together they will find solutions to the problems in their communities.

\* \* \*

[English]

### TAIWAN

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, members of the international health community were in Ottawa this week to plan for a flu pandemic. The Liberal government excluded Taiwan from the conference. This is not in the best interests of Canada or global health.

Taiwan suffered 84 deaths from SARS in 2003. Its location makes it vulnerable to the avian flu and a human flu pandemic.

On September 28 the Taipei Economic and Cultural Office wrote the health minister requesting an invitation to have Taiwan go to the Ottawa conference. This government refused the request. Twenty-three million people live in Taiwan. It is an international travel hub with direct flights to Canada.

This should not be about politics. Pandemics know no borders. It is in everyone's best interests to have Taiwan in Ottawa sharing its expertise and learning from others.

Sadly, the government just does not get it.

[Translation]

### MONTREAL ITALIAN COMMUNITY

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, today, we have the honour of welcoming a group of citizens of Italian origin from the riding of Papineau, in Montreal. I would like to take this opportunity to stress the exceptional contribution of these people, who are members of Montreal's large Italian community and also constituents of the riding of Bourassa.

Like all Italian Canadian associations, this group plays a major role in the relations between Canada and Italy. These groups are important cultural, educational, economic and political bridges.

Italy is also our second most important bilateral partner. In 2004, our exports exceeded \$1.8 billion. The Canadian government also wants to strengthen bilateral cultural and personal ties, and to work on implementing innovative programs in new areas, such as youth exchange programs and cooperation initiatives in science and technology.

[Member spoke in Italian as follows:]

Grazie per tutto, grazie per vostro appoggio et benvenuti a Ottawa.

\* \* \*

[English]

### LOCKHART FULTON

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, in this Year of the Veteran, I rise to pay tribute to fellow Manitoban, Lieutenant-Colonel Lockhart Fulton who died last Friday at the age of 88. Believed to have been Canada's senior surviving combat officer from World War II, Lockie Fulton was legendary for leading the men of the Royal Winnipeg Rifles from the front, in hundreds of battles and skirmishes from D-Day to VE-Day, without ever being wounded.

His bravery was recognized during the war when he received the Distinguished Service Order from Field Marshal Montgomery, and later in life when he was made a member of the Order of Canada and the French Legion of Honour.

A distinguished Canadian regiment, the Royal Winnipeg Rifles, has lost one of its most distinguished members and Canada has lost a true citizen, soldier and hero.

At the going down of the sun, and in the morning, we will remember him.

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## ORAL QUESTIONS

[English]

### ABORIGINAL AFFAIRS

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister continues to fail to show leadership on issue after issue. The first example is the Kashechewan Reserve in northern Ontario.

*Oral Questions*

Because of the neglect by the government, 1,000 people require immediate medical attention from contaminated water and now the Government of Ontario has had to step in and evacuate people because of the government's incompetence.

Why, when the Prime Minister claims that aboriginal issues are his top priority, does even the Liberal Premier of Ontario say that he is missing in action in this crisis?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, first, the Minister of Indian Affairs was at the reservation in northern Ontario last week to deal with it.

Second, under an arrangement that was signed almost a decade ago with the Province of Ontario in terms of evacuation that is handled by the province, it is the responsibility of and is being paid for by the federal government. We are assuming our responsibilities, we are dealing with the situation and we will do so.

\* \* \*

**THE ENVIRONMENT**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, it was the Premier of Ontario who said that he was missing in action.

The second example is the dangerous American LNG tanker traffic through Head Harbour, New Brunswick. The Prime Minister has maintained that he will not take a position until the paperwork has been filed. Well, the paperwork has been filed.

Will the Prime Minister do what Canadian prime ministers have done for 30 years and stand against American LNG tanker traffic in our internal waters at Head Harbour, New Brunswick?

• (1425)

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, that never happened in the last 30 years because there was never an application for LNG tankers.

We have a group that is looking at all the elements of that file. Under the Canada Shipping Act, if there are problems with safe navigation, the protection of the marine environment, protecting persons, ships, shore areas, et cetera, we will act but we will study it first. We do not make a decision before studying.

\* \* \*

**JUSTICE**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, a decision was made to oppose this by Pierre Trudeau 30 years ago. It is surprising that the government cannot maintain this decision but it is typical of the Prime Minister to show leadership by passing the issue to somebody else.

I have a third example, the Meyerthorpe tragedy. Yesterday the Prime Minister sat with the families, as I did. I am sure the families explained to him that in this case, had there been mandatory minimum prison sentences for this repeat offender this tragedy would never have occurred.

Does this fact cause the Prime Minister to rethink his government's opposition to mandatory prison sentences?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the Deputy Prime Minister, the Minister of Justice and I met with the families and listened to their issues.

I have to say that it is impossible to meet with these families and not be totally cognizant of the terrible tragedy they have undergone and to really want to applaud them for their courage in now seeking, despite that tragedy, to basically ensure this kind of tragedy never happens again.

Under those circumstances, not only did the Minister of Justice, the Deputy Prime Minister and I discuss all the issues they raised, but both ministers gave an answer in terms of how they are approaching those issues and—

**The Speaker:** The hon. member for Central Nova.

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**PUBLIC SAFETY**

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, I guess the real question is whether the Prime Minister will actually do something about it.

The Prime Minister apparently told Secretary of State Condoleezza Rice that the United States has an obligation to get tough on gun smuggling but last August, along with stating that blaming the United States was simplistic, the Deputy Prime Minister and the minister supposedly responsible for public safety said, "we have no evidence that there are more guns being smuggled into Canada". More dithering and confusion.

Why did the Prime Minister publicly contradict and undermine the public safety minister and which position was advanced to the secretary of state, his or hers?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, not only did I not contradict the Deputy Prime Minister but I supported the position she took. I supported the position she took at the dinner in the discussion we had on the importance of stopping gun smuggling and the importance of governments on both sides of the border working to ensure smuggled guns do not come into this country and are not part of these kinds of problems. I have to say that the Deputy Prime Minister argued the case very forcefully and successfully.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, the fact is the Deputy Prime Minister called the Prime Minister's position simplistic.

In spite of the fact that it is hard for customs officers to stop illegal firearms at the borders with flashlights, the Prime Minister says "there are things that come from the United States that we don't like" and "Americans have a responsibility to stop the flow of guns into Canada".

However on August 25 the Deputy Prime Minister again said, "Americans have taken a very, very tough line, one of the toughest lines in the world in relation to guns being smuggled in or out of their country", which is a direct contradiction.

Just who did the Prime Minister get his talking points from, the Liberal spin room, his internal polling? He does not listen to the Deputy Prime Minister.

*Oral Questions*

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, there is absolutely no contradiction between the Prime Minister and myself, nor the Prime Minister and myself and Condoleezza Rice. We all agree that gun smuggling is a problem and that it is a shared problem, which is what I have said.

In response to the hon. member's question, I would hope we all know that gun crime on the streets of cities like Toronto is about more than the smuggling of guns. We have to look at the root causes of crimes. We have to look at whether we have the right laws in place.

\* \* \*

[Translation]

**SOFTWOOD LUMBER**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday, the Minister of Industry stated that granting loan guarantees to softwood lumber companies, as the Bloc Québécois wants, could be interpreted as a form of protectionism by the Americans. However, loan guarantees are allowed under WTO and NAFTA rules.

Can the Prime Minister confirm that it is, in fact, perfectly legal to grant loan guarantees to companies affected by the softwood lumber crisis?

• (1430)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, as I said yesterday, the government is currently examining all its options. We are in the midst of tough negotiations with the Americans. The government certainly intends to support our communities. We already have. The government, along with the Canadian industry, has already taken action in this fight with the Americans, made necessary by their completely unacceptable refusal to comply with the NAFTA rulings.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I heard the Prime Minister clearly. However, I am asking him to confirm that loan guarantees are legal in order to silence some of his ministers, including the Minister of Industry, who made some comments yesterday, and the Minister of the Economic Development Agency of Canada for the Regions of Quebec, who is implying that it would be illegal. But it is legal since Export Development Canada operates on the basis of loan guarantees. That is how we support Bombardier.

Could we also support the softwood lumber companies? My question is for the Prime Minister. Does he agree that it is legal, yes or no? Because it is.

[English]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I wonder where the hon. member has been for the last five years because there are no subsidies in Canada and there is no dumping. We have legally won that case and yet we still see case after case of anti-Canadian protectionist acts taking place.

Whether it is legal or not, we can still expect an American protectionist response.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, listening to the minister and the Prime Minister, we do not get the feeling that the softwood lumber dispute has been going on for more than 40 months.

The government's strategy on the softwood lumber issue is puzzling to say the least. This is further proof. While it has a legal tool at its disposal to support the softwood lumber industry, the government refuses to support this industry with loan guarantees.

Could the government tell us why it is forgoing using such a tool, when it is allowed under NAFTA and WTO rules?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, thanks to the arduous work of the Prime Minister, Canada has made enormous headway on this issue, in fact, more headway than ever in recent decades. We must now focus on having a united Canadian industry. As usual, the Bloc is being divisive and a source of problem, not solution.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the industry is united. The three opposition parties agree that it is the government's strategy that is weak and poorly articulated. The House can feel it, and the Americans can feel it very well too. The government has to show more determination. Its refusal to give the companies loan guarantees is totally incomprehensible.

Will the Minister of International Trade agree that giving loan guarantees would show the Americans that we are determined to support our industry and to fight for it to the very end?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, it is very clear that we have been following this issue closely. We have had discussions and held consultations. As the Minister of Industry indicated, we are in the process of developing a program to help workers, communities and the industry.

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**OFFICE OF THE PRIME MINISTER**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, we have had the sponsorship scandal, which hurt the taxpayers. We know that Jean Chrétien's lawyers cost the taxpayers over \$400,000. Now we learn that the former PM is using the offices of the present PM for personal gain.

Why does the Prime Minister not carry out a proper cleanup of all the questionable practices of his Liberal cronies?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, a support system for former prime ministers has been made available for a very long time. That system is what was used in this instance.

• (1435)

[English]

**Hon. Jack Layton (Toronto—Danforth, NDP):** So, Mr. Speaker, former prime ministers are entitled, I guess must be the concept, to continue to use the offices provided by the taxpayers when they are out making money. I do not think Canadians find that acceptable.



*Oral Questions*

What about the so-called ethics plan that was just released? Why is the Prime Minister ignoring the unanimous multi-party recommendations for change? They called for a real cleanup in politics, not just guidelines, which is what we hear in this new plan. We need a real plan with proportional representation and lobbying controls. Where is the real plan?

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, here it is and I would be happy to send a copy down to the member.

The reality is that the report he mentioned references three simple recommendations that were drawn from the British Parliament. We have a much stronger and broader model that will lead the world, not follow it.

\* \* \*

**FOREST INDUSTRY**

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, for three and a half years the Canadian forest industry has asked the Liberal government to approve its proposal to allow Export Development Canada to back U.S. imposed softwood lumber tariff payments.

Now the government is saying that it needs more time, as if this is a brand new proposal. If the government really wants to backstop the industry, why does it not approve the proposal?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, as my colleagues have said many times, the government is hard at work with its partners to find a durable solution to this matter. The Prime Minister has advanced the cause far further than has been the case in years or even decades.

A number of options are on the table and we are considering them very closely. I can assure the House that we are working very hard on this extremely important issue.

\* \* \*

[Translation]

**SOFTWOOD LUMBER**

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, three years ago it was proposed that EDC guarantee as a receivable the cash deposits that Canadian softwood lumber export companies had to pay to the United States in tariffs.

Is there any explanation as to why the government is now refusing to grant these loan guarantees to the softwood lumber companies that have to unfairly pay the American tariffs?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, we know full well that the softwood lumber dispute is causing many problems for the communities. That is why we have already given them over \$350 million in aid.

That being said, we promised to look into a few proposals and we are currently doing so. We will have more to report in the very near future.

[English]

**DAVID DINGWALL**

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Mr. Speaker, allow me to quote from the introductory comments in the dingwash audit today from the auditor. It states, “We have assumed that the policy reflects the best practices”.

Would these be the best practices that allow the Liberal government to pay David Dingwall over \$50,000 in car allowances, to claim for chocolate bars, chips and cokes while being paid over \$300,000 in salary and benefits, and to break Treasury Board hospitality guidelines 76% of the time?

Will the Prime Minister admit that only in the Liberal government would this be considered best practices?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, I am glad the member introduced this report because in his recent press conference he said that he had not gone over the audit in great detail, which must be code for the fact that he has not read it beyond the introduction.

Not only does the member opposite make accusations without the information but even when he has the information he does not read it and he continues to make those accusations.

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Mr. Speaker, they still have not released over \$100,000 worth of Dingwall's receipts.

The question is: what is the government hiding? Why is the Prime Minister always hiding? Today he is hiding behind accountants. Yesterday he was hiding behind lawyers when it came to Dingwall's severance.

For more than a year we have been asking about André Ouellet and he has been hiding behind tax auditors.

What today's audit reveals is one thing and one thing only. The Prime Minister has no control over crony spending in his government.

If the Prime Minister really believes David Dingwall's spending is legitimate, I invite him to finally come out of hiding, stand up and say so.

• (1440)

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, the hon. member is bogged down in misinformation. Contrary to his statements, all of the information requested was provided to the committee and the government provided more information than was requested.

Contrary to his statement that the terms of reference were not available, it was posted on the Mint site on October 11.

Contrary to his other statements, the firm of Osler confirmed that the processes governing CEO expenses went well beyond what one would expect to find in most private sector corporations. The member should read the facts.

*Oral Questions**[Translation]***OLDER WORKERS**

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, many businesses have closed their doors in the past few years. What the Bloc Québécois feared and this government would not recognize has happened: thousands of jobs were lost as a result of these closures. Older workers are among those hardest hit because it is difficult for them to find new jobs.

After all the promises made in recent months, is the Minister of Human Resources and Skills Development in a position today to announce that she is finally going to implement an income support program for older workers?

*[English]*

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, the hon. member's question allows me to talk about the good work that we are doing in terms of building the strategy for older workers. It is a priority for our provincial colleagues, as it is for Quebec. We are working closely together with the provinces, and in particular with Quebec, to currently analyze the evaluations of the older worker pilot projects in existence.

*[Translation]*

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, time and time again, the minister postpones making a decision. Today, we have on the Hill representatives and workers from various affected sectors; they come mainly from the Saguenay, Huntingdon, Montmagny—L'Islet and Magog areas.

Will the minister take advantage of their being here, on the Hill, to finally announce to older workers who lose their jobs that she will be implementing a real income support program for them, immediately?

*[English]*

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, we are working with the provinces. There is a working group established with Quebec. In fact, it is meeting again today and will meet again in November to look at the experience of and what is taking place with respect to the older worker pilot project. It is something that we take very seriously. It is a top priority for Human Resources.

*[Translation]*

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, on January 26, 2005, the paper mill in Port-Alfred ceased operations for good. Many people have seen their EI benefits run out in recent weeks and are now finding themselves without an income, which leaves them with no choice but to go on welfare.

What is the minister waiting for to tell these unemployed people who have paid EI premiums all their lives that she intends to implement an income support program for older workers who are the victims of layoffs?

*[English]*

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, let me say again that developing an older worker strategy is a top priority for this government and for

Human Resources. In fact, we have invested about \$55 million in these pilot programs to build that strategy. We are working closely with the provinces. There is a working group established with the province of Quebec. We are taking a look at the experience coming out of these worker pilot projects to make sure that we create the right program for older workers.

*[Translation]*

**Mr. Alain Boire (Beauharnois—Salaberry, BQ):** Mr. Speaker, workers are seeking concrete action from the minister. In the last election campaign, the Minister of Intergovernmental Affairs came and promised textile workers in Huntingdon that her government would be putting the POWA back in place. Since the minister made that commitment, in excess of 850 more jobs have been lost in my riding of Beauharnois—Salaberry. Many of the affected workers are no longer receiving employment insurance benefits and they are feeling abandoned.

What is the government waiting for to honour its commitments to older workers?

*[English]*

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, let me say again that the older worker pilot projects will form the basis of our older worker strategy. There is a working group established with Quebec. That group is meeting today. In fact, we have increased the funding to the older worker pilot projects by \$5 million, which will go to benefit Quebec.

We continue to work on this strategy. The group is going to meet again in November. It is something we take very seriously as a top priority because we want to make sure we develop the right strategy for older workers.

\* \* \*

• (1445)

**ABORIGINAL AFFAIRS**

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, according to the Liberal Premier of Ontario, the Minister of Indian Affairs is missing in action throughout the crisis in Kashechewan.

Late yesterday, the minister meekly announced that the drinking water was now free of contamination. A few hours later, the Government of Ontario commenced an emergency evacuation of a thousand women and children for medical care. Where was this minister? Where was this government?

The Prime Minister of Canada is responsible for aboriginal Canadians. Why is he missing in action? When will he stand up and prevent our citizens from living in third world squalor?

**Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, last Wednesday I visited the community of Kashechewan. The residents asked me to provide good water, to provide people to work in the system to make it work. They asked me for long term and not band-aid solutions. We are working together with them on all those things. That is where I have been.

*Oral Questions*

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, I ask the Prime Minister this simple question on behalf of all Canadians who have been sickened by the squalor of Kashechewan. The reality for these Canadian citizens is third world squalor, filth and poverty, sewage from their taps, their children with scabies, and a thousand women and children in medical care.

I have read the minister's so-called action plan from yesterday. He wants to continue the boil water advisory and initiate a study.

How bad does it have to get before the Prime Minister is prepared to intervene and take control of this department?

**Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, as I said, we are delivering the water, we are working on the system and we are working on the long term solutions that the community of Kashechewan deserves.

\* \* \*

**JUSTICE**

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, we are pleased that the Prime Minister finally sat down with the families of the four fallen RCMP officers, but they told me last night that they really did not get any clear answers.

The families have a list of very specific and reasonable proposals: one, scrap the marijuana bill; two, reform the parole system; and three, mandatory prison sentences for serious drugs like methamphetamine, heroin, cocaine and for violent crimes.

When will the Prime Minister act on these requests on behalf of all victimized families and Canadians?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as we indicated to the families, all the important issues which they raised are going to be the subject of our agenda at the federal-provincial-territorial meeting of ministers of justice.

We also indicated an approach with respect to specific initiatives regarding the concerns they had, and which we share, which we will begin to introduce tomorrow in the House of Commons.

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, we need some clear answers and commitments from the Prime Minister, not more "well, we will think about it."

Either the Prime Minister is going to scrap the marijuana bill, Bill C-17, or he is not. Either he is going to reform the parole system or he is not. Either he is going to take real action on crystal meth and marijuana grow ops or he is not. Either he is going to adopt mandatory prison sentences or he is not.

What is it going to be: real justice reform or just more talk?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the hon. member knows, if he respects the parliamentary process, that the bill with respect to marijuana is right now before Parliament and before committees.

With regard to the issue of mandatory minimums, we indicated, as I have said, that we will be introducing a package which will have new offences, sentence enhancements, protection, and more effective law enforcement.

We are concerned with the very issues with which those members are concerned and we share this with them: the protection of public safety and the protection of all our citizens.

• (1450)

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, our government has placed great emphasis on its responsibility to protect our children. An example of this is the fact that the first bill we tabled following the last election was Bill C-2 for the protection of children and other vulnerable persons.

Can the Minister of Justice please tell us when we can plan to see that bill come into force?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the bill, which received royal assent on July 20, which gives us one of the strongest pieces of child protection legislation in the world and which the opposition supported, will come into effect and into force in two phases.

The provisions respecting the protection of children from neglect, abuse and all forms of sexual exploitation, including child pornography, will come into effect on November 30, including provisions regarding voyeurism. Provisions with respect to facilitating the testimony of children and other vulnerable victims and witnesses will come into effect on January 2.

\* \* \*

**ABORIGINAL AFFAIRS**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, after 13 days of silence from the federal government, the province has had to step in and take command of the Kashechewan crisis.

I have been in Kashechewan and I will say in this House on the record that Health Canada officials and Indian Affairs officials gambled recklessly with the lives of the people of the James Bay coast.

I am asking a simple question. I do not want BS. I do not want spin. I want the minister to stand up today and tell the people of Kashechewan that they are going to get a new community, 50 units per year until a new community is born, and if he cannot do that, then he can just sit down and let the province do the work.

**Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, we are looking at all the options that are available, including locating housing outside the diked area. The reality is that the evacuation was the responsibility of Emergency Measures Ontario and the Government of Canada is performing its responsibilities by paying for the entire evacuation.

*Oral Questions***FOREIGN AFFAIRS**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, this week I had the privilege to present to the United Nations, on behalf of the Parliamentary Network for Nuclear Disarmament and Mayors for Peace, a joint call for cooperation in creating a nuclear weapons free world. No progress was made on nuclear disarmament issues at the non-proliferation treaty review in May, nor at the UN world summit in September.

On the eve of international disarmament week, Canada caved in to the Bush administration and suddenly withdrew its sponsorship of a resolution aimed at breaking the disarmament conference deadlock. Will the Prime Minister explain Canada's cowardly conduct, which left co-sponsors in the lurch, killing this crucial—

**The Speaker:** The hon. Minister of Foreign Affairs.

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I was very clear when I was in Geneva last May that Canada cannot accept that for seven years in a row we have not been able to develop a work plan for the conference on disarmament. This has been a major concern for our country. We have been looking into a number of options and possibilities.

It was after consultations with like-minded countries that we took the decision not to sponsor that resolution at this time, but we want to develop a work plan for the disarmament conference. It is a very important priority of ours, but there are other ways of addressing the issue.

\* \* \*

[Translation]

**JUSTICE**

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, we knew that public financial contributions to the Liberal Party were dropping drastically. However, that party is doing very well with lawyers. Indeed, 60% of those who were appointed to the bench had contributed to the Liberal Party fund in the past.

Why does the minister refuse to implement a true reform of the judicial appointment process, if it is not because the current process is already working very well for the Liberal Party and its friends?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the current appointment process is an independent one. It was put in place by the opposition. We have already reformed this process a few times; it is a sound process in theory, but it could be improved in practice.

The request to establish a code of ethics for the members of that committee, a letter confirming the mandate, and some guidelines: these are all steps that can improve a system that is sound in theory.

• (1455)

[English]

**Mr. Rob Moore (Fundy Royal, CPC):** Mr. Speaker, the Minister of Justice refuses to admit what is abundantly obvious to every other Canadian: that this Liberal government systematically screens judicial applicants for their Liberal credentials and donations.

Only a fraction of a per cent of Canadians donate to the Liberal Party, yet according to a study by the Montreal *Gazette*, fully 60% of

candidates named to the bench by the government after the 2000 election donated to the Liberal Party.

Does the minister honestly expect Canadians to believe that these donations had no connection to these appointments?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I will state unequivocally that there is absolutely no causal relation between any donations and the appointments. I will go further. What is undermining public confidence in the administration of justice is that kind of trafficking in innuendo. That kind of cheap shot is undermining its independence and integrity. The process is independent.

\* \* \*

**THE ENVIRONMENT**

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, the Government of Canada said no to the passage of supertankers in Head Harbour Passage 30 years ago. That was the right decision. Now the minister is suggesting that this needs more studies, refusing to say no to LNG tankers.

Those studies were done by his department, the Department of Fisheries and Oceans, and other government departments when they concluded that this is the most dangerous passage in all of Canada.

What would have changed? The tides are the same. The water depth is the same. It is still a narrow channel. Why the hesitation in saying no?

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, one of the things that has changed since the 1970s is that those regulations that were used in the 1970s were revoked by a Tory government in 1987.

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, that is a pathetic minister. He knows—

**Some hon. members:** Oh, oh!

**The Speaker:** Order. I cannot hear the hon. member. For one reason or another, there seems to be a bit of a disturbance in the House at the moment. Perhaps we could have a little less discussion of the question and answer and hear the next question. The hon. member for New Brunswick Southwest has a supplementary.

**Mr. Greg Thompson:** Mr. Speaker, that is a pathetic answer. Those people have been in government for 12 years. They are in the driver's seat. They now make decisions. They cannot blame it on anyone but themselves.

The man sitting next to the minister refuses to get up and actually answer a question in the House. Why will the Prime Minister not get up and answer for him. If he does not have the wherewithal to say no, maybe the guy next to him can say no.

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I cannot understand the hypocrisy of the member who was accusing the Prime Minister of conflict of interest and now he wants him to talk about it. It is pure hypocrisy.

*Oral Questions*

[Translation]

**HOUSING**

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, the Minister of Labour and Housing claims that the CMHC board of directors is doing an excellent job in travelling across the country and listening to those who have things to say. We learned that, in August 2004, the board of directors spent five days in Newfoundland for a dinner and a meeting that lasted five and a half hours.

Does the minister find it appropriate to spend five days in a hotel to do so little work?

[English]

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, I think I addressed this yesterday. We want our boards and board members to live up to the higher expectation standards that the public expects of all of us.

I can tell the hon. member, and I am prepared to sit with him or anybody else and show them that this board has travelled the country. The board members talk to stakeholders. They talk to clients. They do their job. They want to hear from Canadians from the west coast to the east coast, from the north to the south.

Their job is to get out across Canada and to hear from their clients so that we can build more and better housing, including social housing in Quebec.

[Translation]

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, that is not all. In May 2004, the same thing happened in Victoria, British Columbia. The directors again stayed five days in a hotel to attend a dinner and a meeting that lasted five hours and 25 minutes.

Is this the sound CMHC management that the minister is so proud of: 10 days of travel for 11 hours of work?

● (1500)

[English]

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, I know that the Bloc Québécois does not like the CMHC, which is a successful corporation that has made it possible for people to buy homes.

If the member is honestly suggesting that the board of directors, meeting with hundreds of stakeholders in Vancouver and Montreal and taking a ferry, spent five hours in five days to talk to stakeholders, buddy, come to see me and I will show you the facts.

**The Speaker:** I know the Minister of Labour and Housing likes to be chummy, but he might be a little more respectful than addressing the Chair as “buddy”.

\* \* \*

**COMMONWEALTH**

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, the Prime Minister is insisting that Canadians pursue interests beyond the U.S. to look at networks for development.

This year the theme at the biennial Commonwealth leaders conference is “Networking for Development”, but the Prime Minister decided that part of his legacy is to become the first Prime

Minister in Canadian history to turn his back on the Commonwealth meeting and be a no-show.

Can he tell us what kind of message he is sending to our allies, to our friends and to Canadians who expect him to be there to represent their interests? Why is he not going?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I have spoken to Prime Minister Gonzi. I have spoken to the secretary general of the Commonwealth. I have spoken to a wide number of the leaders of the Commonwealth. We have discussed all of this.

At the same time there is a very important conference on aboriginal Canadians, one which we have been leading up to now for over a year. It is very essential. I would like to be able to do both, but unfortunately, I cannot.

\* \* \*

**IRAN**

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, the president and leader of the Islamic regime in Iran today announced that Israel must be “wiped off the map”, and that a new wave of Palestinian attacks will destroy the Jewish state. He has gone on to say that anyone who recognizes Israel will “burn in the fire of Islamic fury”.

Our government tried constructive engagement with the Zahra Kazemi torture and death. That did not work. It has tried constructive engagement related to the nuclear threat in Iran. That does not work.

When will the government abandon this policy of constructive engagement and ask the United Nations for sanctions against this regime?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the Minister of Foreign Affairs has been quite explicit on this issue.

I just want to speak on behalf of all Canadians in vigorously condemning the remarks that were made by Iran's president. This is the 21st century and Canada will never accept such hatred, such intolerance and anti-Semitism of that kind. We believe that kind of an example does not reflect the opinion of the Iranian people. It certainly does not reflect the opinion of the Canadian people, and we vigorously condemn what the Iranian president said.

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**MINING INDUSTRY**

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

The people of Sudbury are ecstatic with the friendly takeover of Falconbridge by Inco. Nickel Belt, northern Ontario and the rest of Canada will benefit greatly from this merger.

What is the position of the Canadian government on this coming together of two Canadian icons?

*Oral Questions*

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, as the member knows, the Inco and Falconbridge transaction is subject to regulatory reviews and shareholder approval. I do want to say in general, that while I would not want to comment specifically on this transaction, it is very important for us to have Canadian champion companies. It is important for them to come together in a friendly way to build deep roots right here in Canada. We need the corporate leadership in Canada. We need the high quality employment opportunities in Canada and we need their social contributions.

\* \* \*

**HEALTH**

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, Canada lags behind other developed countries in the battle against cancer. Cancer numbers in Canada are escalating.

Now the minister is trumpeting his so-called \$60 million down payment, only a fraction of the money needed for the Canadian Strategy for Cancer Control. The Conservative Party brought forward a motion that was passed by the House to fully implement and immediately fund this strategy. For the cost of a minor Liberal scandal, the strategy could be fully funded.

Will the minister listen to the cancer community and the House and fully fund the Canadian Strategy for Cancer Control?

● (1505)

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the fact is that over the last number of years we have spent over \$1 billion on cancer control. The fact is that this year alone, the CIHR, the Canadian Institutes of Health Research, is providing over \$80 million for research in cancer. The fact is we have also provided \$50 million going forward for the next five years to actually work on the elements of a Canadian cancer strategy.

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, if \$1 billion has been spent, why are we not seeing the drop in death rates at the same pace as has been seen in other countries? The problem is that the \$1 billion has been spent in an uncoordinated and inefficient way.

The Canadian Strategy for Cancer Control addresses these issues. Canadians wish that the minister would just stop with the rhetoric and commit to fully fund the strategy and immediately implement this effective and strategic investment in cancer control.

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the hon. member actually never lets the facts interfere with his questions. The fact is that we have been spending millions of dollars on cancer control over the last number of years. The fact is that we have some of the best research being done right here in Canada on cancer control. The fact is that we provided \$50 million going forward for the next five years to deal with some of the elements of the cancer control strategy. The fact is that this is just a down payment and watch for more perhaps over the coming years.

[Translation]

**BURMA**

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, Aung San Suu Kyi, Nobel Laureate and the elected head of Burma in its first democratic election, has now languished under house arrest for ten years. The Minister of Foreign Affairs has just called for her release but refuses to help the Burmese government in exile.

What has the Government of Canada done to implement the recommendations of the motion passed by this House on May 18 particularly in connection with Canadian companies operating in Burma whose actions help the junta to remain in power?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, our government has taken note of the parliamentary committee's recommendations. It is our intention to work with the members.

It is absolutely clear that we are working extremely hard to clearly convey our message concerning the military regime in Burma. Each time we have met with representatives of that country, we have called for the release of the political prisoners being held in their country.

We do not recognize the political parties, but we can assure the House that Canada is vigilant. We are going to work with groups in that country that respect human rights and to continue to call for the release of political prisoners.

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[English]

**INFRASTRUCTURE**

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Speaker, my question is for the Minister of International Trade.

Numerous countries that have significant trade with Canada also have policies that ensure that government funded projects include a considerable percentage of local labour and purchasing. The United States buy American policy requires that 60% of components used in manufacturing, such as steel or wood, must come from the U.S. and that final assembly must be performed in that country.

What is our government doing to ensure that federal funds provided for infrastructure improvements, such as gas tax funding, are spent in Canada and provide employment for Canadians?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, I would like to thank the hon. member for this very important question.

Let me assure him that the decision on how the funds we are providing to cities and municipalities across the country for infrastructure are spent is up to those municipalities and communities. They are not subject to any international rules with respect to government procurement. I am sure that those municipalities will make the best possible use of those moneys which we are spending in cooperation with them.

**PRESENCE IN GALLERY**

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of the Right Hon. Jack McConnell, member of the Scottish Parliament and First Minister of Scotland.

**Some hon. members:** Hear, hear!

● (1510)

[*Translation*]

**The Speaker:** I would like to draw to the attention of the House the presence in the gallery of His Excellency Cristian Preda, Romanian Secretary of State for the Francophonie and personal representative of the President of Romania to the Francophonie.

**Some hon. members:** Hear, hear!

\* \* \*

[*English*]

**POINTS OF ORDER**

## ORAL QUESTIONS

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I want to clarify that the provisions of Bill C-2, which I indicated would come into force on November 30, will come into force November 1, a month earlier.

**Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.):** Mr. Speaker, during an exchange that took place between the member for Central Nova and the Prime Minister, there was some very unparliamentary language, which I will not use nor repeat. I would ask you to look at the blues.

It is true that the member for Central Nova was sitting down at the time, but it was quite loud, and three rows of members of Parliament found that language very disturbing.

I would ask if you would check the blues and ask the hon. member to withdraw his comments to the Prime Minister of our country.

**The Speaker:** I thank the hon. member for Ahuntsic for her point. I certainly will check the blues. I missed such language myself. If there were something, I am sure the member for Central Nova would want to comply in every respect with the rules.

**ROUTINE PROCEEDINGS**

[*English*]

**COMMITTEES OF THE HOUSE**

## ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

**Mr. Lloyd St. Amand (Brant, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Aboriginal Affairs and Northern Development.

The committee has studied Bill C-54, an act to provide first nations with the option of managing and regulating oil and gas exploration and exploitation and of receiving moneys otherwise held

*Routine Proceedings*

for them by Canada. The committee has agreed to report Bill C-54 without amendment.

## GOVERNMENT OPERATIONS AND ESTIMATES

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Government Operations and Estimates.

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**CANADA PENSION PLAN**

**Mr. Tony Martin (Sault Ste. Marie, NDP)** moved for leave to introduce Bill C-432, An Act to amend the Canada Pension Plan (arrears of benefits).

He said: Mr. Speaker, I am honoured to introduce legislation that has been introduced once before by Mr. Caccia when he was here.

The legislation would amend the Canada pension plan so that any person applying for a pension once reaching the age of qualifying would always be able to receive retroactive payments, rather than the current maximum of 12 months.

It also would provide for full retroactive payments for a disability pension, a survivor's pension and a disabled contributor's child benefit rather than current maximums of either 15 months or 12 months for those different pensions.

This is something that should be automatic for our seniors, not something for which they should have to fight. My colleague from Sackville—Eastern Shore agrees with me on this.

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

\* \* \*

● (1515)

**FIREARMS ACT**

**Mr. Garry Breitkreuz (Yorkton—Melville, CPC)** moved for leave to introduce Bill C-433, An Act to amend the Firearms Act (registration of handguns).

He said: Mr. Speaker, I have been forced to introduce this bill because the government refuses to take steps to bring into full force and effect the Firearms Act, section 12(6.1), an amendment passed by Parliament in Bill C-10A and given royal assent on May 13, 2003.

The federal government issued the owners of these firearms a firearms acquisition certificate before they purchased these handguns. Then the government approved the registration of their handguns in accordance with the law that existed up until December 1, 1998.

All these law-abiding gun owners want to do is re-register their handguns in accordance with the Firearms Act as it exists today. The problem is the government failed to implement the will of Parliament because it did not bring the Bill C-10A amendments into force in time to allow these law-abiding firearms' owners to take advantage of the grandfathering privileges we provided for them in section 12 (6.1).

*Routine Proceedings*

My simple amendment to the Firearms Act would remedy this dilemma and save the government the embarrassment and cost of hundreds of lawsuits.

As the Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness was quoted in newspapers yesterday saying, "Handguns in the right hands are not the problem". He is right and Parliament has already decided these section 12(6) handguns are in the right hands.

Let us pass my bill and finish the job Parliament started in Bill C-10A.

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

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**COMMITTEES OF THE HOUSE**

## FINANCE

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, discussions have taken place among all parties concerning the recorded divisions scheduled to take place later today on the two motions to concur in two separate finance committee reports. I believe that you would find consent for the following motion. I move:

That the recorded divisions scheduled to take place later today on the motions to concur in the 16th and 17th reports of the Standing Committee on Finance be deemed concurred in.

**The Speaker:** Does the hon. chief government whip have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

**The Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

**PETITIONS**

## CRIMINAL CODE

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, I rise again on an issue that I have spoken about a number of times in the House with regard to date rape drugs. The petitions I have in hand were signed by a number of my constituents and people across the country. The petitioners call upon the federal government to take stronger action with regard to the issue of date rape drugs.

They call upon the government to do three things: first, to have a separate section of the Criminal Code dealing with date rape drugs to facilitate newer tougher penalties dealing with drug-assisted sexual assaults; second, to have national standards for the collection of evidence with regard to sexual assaults and rapes to facilitate prosecution; and third, to have a national effort to educate young women on the dangers of date rape drugs.

I was pleased to announce yesterday that the petitions I have tabled eclipse the number of 10,000 Canadians who have joined my fight against date rape drugs. These are more Canadians who are

continuing to call upon the government to finally stand up and do something.

## THE ENVIRONMENT

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, I am pleased to present a petition today which has been signed by numerous constituents in my riding of London West. The petitioners ask that Parliament consider a meaningful joint recovery strategy with our American neighbours to protect the orca population living off the B.C. coast.

I have met with a young lady, who is eight or nine years of age, Precious Soufan, who organized the petition. I commend her for her very hard work and dedication on this important environmental issue.

## CANADA POST

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I am tabling a petition from 71 residents of Blaine Lake, Saskatchewan, in my constituency. The petitioners are concerned about the possibility of their rural post office being closed by the Canada Post Corporation.

They call upon the government to ensure that such a move does not take place.

● (1520)

## MARRIAGE

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I have a second petition, with respect to marriage, signed by 100 petitioners from Ontario and Alberta. The petitioners call upon the Government of Canada to support and protect the past legal definition of marriage as the voluntary union of a man and a woman.

They ask that we do all things within the power of Parliament legislatively and administratively to preserve and protect the traditional heterosexual definition of marriage as between one man and one woman and that it should not be the role of the unelected judiciary to decide such fundamental matters of policy.

## FOREIGN ADOPTIONS

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, it is indeed a pleasure for me to rise yet again to present a petition as I have done at every opportunity, this one on behalf of citizens from Hamilton, Burlington, Port Colborne, Halton Hills, Oakville, Mississauga, Waterloo and Kingston.

The petitioners wish to draw to our attention that on average about 2,000 children are adopted each year from countries abroad and brought to Canada by adoptive families here. Despite the fact that in the United States and Great Britain these young children would receive automatic citizenship, they do not have that privilege accorded to them in our country.

Therefore, they call upon Parliament to immediately enact legislation to grant automatic citizenship to those minors adopted from other countries by Canadian citizens, with this citizenship being immediately granted upon the finalization of the adoption.



*Government Orders***MOTIONS FOR PAPERS**

As I have done on other days, I call upon the Minister of Citizenship and Immigration to uphold his commitment to the Canadian people to do this as soon as possible.

## QUEENSWAY CARLETON HOSPITAL

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, it really is an honour to rise today in the House of Commons to introduce a petition on behalf of my constituents. The petitioners call upon the government to turn over the land on which the Queensway Carleton Hospital sits to the hospital for the rental price of \$1.

The Liberal government and the Prime Minister have been threatening a major multimillion dollar rent increase on the hospital. We could put to rest these concerns by simply having the hospital charged \$1 a year, which would free up dollars for patient care.

## TAXATION

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, it is with great honour that I rise today in the House to present two petitions from my constituents in Cambridge.

The first will be of interest to my colleague, the member for Macleod. He recently has made a bold and decisive decision which states that when we are on that side of the House, we will be in the government of course and we will not impose a 30% surtax on imported bicycles.

My constituents ask the government to do exactly what my colleague has recommended.

I commend him for making a decision and my constituents for articulating that in this petition.

## CRIMINAL CODE

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, the second petition comes from my constituents as well. The petitioners are concerned that the justice minister will change section 83 of the Criminal Code and make all martial arts illegal. Imagine that? They are obviously concerned about this, and this petition is in response to that.

## LNG TERMINALS

**Mr. Rob Moore (Fundy Royal, CPC):** Mr. Speaker, it is my pleasure to table a petition to prevent passage of LNG tankers through Head Harbour Passage. It is signed by a great number of Canadians, mostly from New Brunswick.

The petitioners urge the Government of Canada to assert its sovereign rights and to declare no rights of passage for LNG tankers through Head Harbour Passage, based on Canadian law and the precedent set in 1976 when oil tankers were refused passage.

\* \* \*

[Translation]

**QUESTIONS ON THE ORDER PAPER**

**Hon. Dominic LeBlanc (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:** Agreed?

**Some hon. members:** Agreed.

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I ask that the notices of motion for the production of papers be allowed to stand as well.

**The Speaker:** Agreed?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

• (1525)

[English]

**ENERGY COSTS ASSISTANCE MEASURES ACT**

**Hon. Lucienne Robillard (for the Minister of Finance)** moved that Bill C-66, An Act to authorize payments to provide assistance in relation to energy costs, housing energy consumption and public transit infrastructure, and to make consequential amendments to certain Acts, be read the second time and referred to a committee.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-66 at second reading. The bill in essence proposes to help Canadians deal with the high cost of energy.

The recent increases in energy costs have particularly affected low income seniors and families with children whether it be directly through the cost of gasoline and heating or indirectly through higher costs for everything from rent to groceries.

Canadians have let their government know that they are concerned. Indeed, we all share those concerns as they relate to low income people because they are the most vulnerable when energy costs increase.

The bill proposes to address those who are most vulnerable and least able to adjust to sudden changes in market conditions. We have listened to those concerns and we are taking action. The government has a record of helping those who need it, especially low income seniors and low income families with children. We have taken action before with tax reductions and now we are helping again with Bill C-66.

The Prime Minister asked us to look at the best possible options for responding to rising energy costs. He wanted it to be in ways that are practical and in ways that are effective, reasonable and responsible. He also wanted to be sure that we reached many of those people who need the help the most. We hope that Bill C-66 does just that.

*Government Orders*

To begin with, in putting together the proposed legislative package that is contained in the bill, the government was guided by three basic considerations: first and perhaps most important, how to deliver meaningful short term assistance to some of our most vulnerable in the most efficient and timely way. The second consideration looks to the longer term. In other words, beyond our immediate actions, how do we also find ways to make Canadians less vulnerable to price volatility and how do we make Canada more energy efficient? The third consideration wants the government to find ways to provide Canadians with better information on the movement of energy prices and to make those markets more transparent.

I would like to take a few moments to briefly outline the details of the government's three pronged approach to providing assistance to Canadians affected by higher energy costs.

First, as I mentioned earlier, the government wants to be sure that help is directed where it is needed the most. That is why the first part of Bill C-66 provides timely and direct financial assistance to low income seniors and low income families with children.

As I have said before, the government has a strong record of helping those who need it the most. For example, as soon as the deficit was eliminated, the government began the job of providing broad based personal income tax relief, particularly for low income families with children. This process began with the 1998 and 1999 budgets which eliminated the 3% surtax, increased the basic personal amount, and increased the child tax benefit.

Building on that action, the government continued to provide more tax relief in 2000 with the historic \$100 billion five year tax plan. I know, Mr. Speaker, you are particularly interested in that. This plan reduced federal personal income taxes by 21% on average and 27% for families with children.

Budget 2003 built on the five year tax reduction plan by announcing additional increases in the national child benefit supplement for low income families with children. By 2007 these benefit increases will bring the maximum benefit for a first child under the supplement to more than double the 1996 level.

We did not stop there. In budget 2005 we continued to provide more tax relief for Canadians by increasing the basic personal amount of income that all Canadians can earn tax free to \$10,000 by the year 2009. This initiative will not only benefit all taxpayers, it will remove 860,000 low income earners from the tax rolls including almost 250,000 seniors.

• (1530)

Bill C-66 is no exception to past actions the government has taken to help the most vulnerable in our society. To that end, the focus of this bill before us today is to help low income seniors and families by delivering direct financial assistance to them.

The federal government has two main programs that provide financial assistance specifically to low income families and low income seniors: the national child benefit supplement and the guaranteed income supplement. These two groups of Canadians are particularly vulnerable and that is why the energy cost benefit will be provided to them. That is how this bill is structured. It is built upon those two programs.

A total of three million payments will be made to 1.5 million low income families receiving the national child benefit and 1.6 million low income seniors receiving the GIS. As I mentioned earlier, virtually all the recipients of these benefits are affected in some way by higher energy costs, either directly through higher gasoline prices and higher home heating costs or indirectly as higher energy costs are reflected in such items as transportation and groceries. Bill C-66 will provide help to ease the burden of increasing energy costs.

The second part of the government's approach to providing energy cost assistance is to help families lower their future household energy use by making their homes more energy efficient. We will also fast track money to municipalities for investments in public transit infrastructure. These are moves that will bring lasting environment benefits over the longer term.

The government is very much aware that a sustainable economy depends on a sound environment and healthy communities. To that end, we have made significant investments in the environment, as well as sustainable infrastructure such as public transit.

I will briefly outline some of the measures we have taken to improve the environment. Individual Canadians produce greenhouse gas through their day to day activities such as driving vehicles and heating or cooling their homes, anything that involves energy use. There is no doubt that these are things that Canadians and their government can do to help improve the environment, particularly in their homes.

For its part, the federal government offers the federal buildings initiative to help federal departments and agencies reduce energy, water consumption and greenhouse gas emissions. The goal of this initiative is to promote private and public sector partnerships to plan and implement cost effective facility upgrades and retrofits. Through the federal buildings initiative, thousands of federal buildings have already been upgraded, saving millions of dollars and reducing the risks related to climate change.

The government has also encouraged Canadians to reduce greenhouse gas through a range of information and incentive programs. For example, hon. members may be aware of the EnerGuide initiative which was implemented to increase public awareness of the link between energy and the environment, and to promote the opportunities opened up by energy efficient technology.

In 2001, EnerGuide teamed up with the internationally known ENERGY STAR symbol to help consumers identify products that are among the most energy efficient on the market. Choosing an ENERGY STAR labelled product over a conventional model could save a consumer hundreds of dollars in energy costs.

*Government Orders*

Canadians can also help reduce greenhouse gas through such programs as the EnerGuide for houses retrofit incentive program. This evaluation service provides homeowners with independent expert advice on the different systems of a home, heating and cooling systems, for example. This service also provides information on energy efficient improvements that can increase comfort and reduce energy bills.

The low income energy retrofit program proposed in Bill C-66 builds on these initiatives by proposing to deliver \$500 million to about 130,000 low income households. Low income households will also be eligible for grants up to \$5,000.

• (1535)

At the same time, the EnerGuide for houses retrofit incentive program, which is not limited to low income families, will be boosted to retrofit almost 750,000 homes by the year 2010. This is in contrast to the 500,000 homes projected in the 2005 budget. That is an increase of something in the order of 250,000 homes.

On top of that, we are strengthening financial incentives for best in class energy efficient oil and gas furnaces as well as providing corresponding incentives for households that heat with electricity. And there is more.

Bill C-66 also proposes to increase retrofit incentives for public sector institutions such as hospitals, schools, municipalities and provincial governments. I mentioned that the bill also provides further investments in public transit. In the face of rising energy costs, investing in public transit has become more important than ever.

Hon. members will recall that, building on current financial support for infrastructure programs and the full rebate of GST, the government delivered on its commitment to share a portion of the revenues from the federal gas with municipalities to assist with their environmentally sustainable infrastructure needs such as public transit, water and waste water treatment and community energy systems.

Madam Speaker, you and I come from the same community of Toronto and you know that the GST rebate is worth on an annual basis \$52 million to the city of Toronto and that of course is a \$52 million that gets repeated year after year.

Bill C-48, which was passed this summer, built on that commitment by providing further funding for public transit. Bill C-66 does more. It fast tracks that funding and gives the municipalities greater certainty for their own planning purposes. The bill proposes to free up \$400 million this year and another \$400 million in fiscal year 2006-07 for investments in public transit infrastructure for a total of \$800 million over two years. That accelerates the commitment that we made in Bill C-48 and puts it ahead of the recognition requirements that are in the bill for surplus requirements. We are moving those commitments up at least a full year.

The third element of the package contained in Bill C-66 is the creation of an office of petroleum price information to monitor energy price fluctuations and to provide clear current information to Canadians about the prices they see on their gas and other energy bills. The office will fall under the watchful eye of my colleague, the

Minister of Natural Resources. Furthermore, the bill will give Canada's Competition Bureau more powers. It will also strengthen the Competition Act to deter anti-competitive practices.

Like pretty well every MP in the House, we are continuously asked why the gas prices go up on Friday and come back down on Monday on a holiday weekend. I hope that the bureau of price information will at least be able to address that question.

These changes will increase the fines for those convicted of price fixing to \$25 million from \$10 million. The changes proposed in the bill will also provide the Competition Bureau with the ability to assess the state of competition in particular sectors of the economy, so that the bureau can act more quickly when it suspects anti-competitive behaviour.

The comprehensive package contained in Bill C-66 delivers direct financial relief to low income seniors and families with children. At the same time these measures support project green, the Government of Canada's action plan to build a more sustainable environment. I will just quickly remind hon. members of the three focus points of this truly worthwhile bill which I hope they will support.

First, Bill C-66 proposes to deliver direct payments to low income Canadians in a timely and cost effective manner using existing programs. That money has already been provisioned and can be sent out as soon as the legislation receives royal assent.

• (1540)

I hope hon. members will see fit to accelerate the passage of this bill through the House so these moneys can flow in a timely way so seniors and low income families can receive these cheques to offset some of the costs incurred by virtue of energy increases over the past few months.

Second, the bill would promote energy efficiency through new and improved incentives to individuals and families for home retrofits as well as by fast-tracking money to municipalities for public transit infrastructure. Speaking as a member of Parliament from the City of Toronto, the money will be gratefully accepted. Our public transit infrastructure needs are considerable. This will be a considerable sum of money for Ontario as it is distributed through the Association of Municipalities of Ontario on one side and the City of Toronto directly on the other side.

Third, Bill C-66 proposes to enhance market transparency and accountability by making more and better pricing information available to consumers and by taking legislative steps to deter anti-competitive practices.

I am confident that taken together these measures would provide not only short term relief to millions of Canadians, 10% of our population in total, facing difficulty coping with rising energy costs, but they also would have meaningful and long-lasting benefits for greater efficiency and conservation, making Canada a cleaner and greener country for generations to come.

I hope all members in the House will see fit to support this worthwhile initiative.

*Government Orders*

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Madam Speaker, the biggest problem we see with the bill is that it is very limited in scope. It would not help all low income Canadians or low income seniors who have to face the rising costs of gasoline and home heating fuel. Frankly, it would do absolutely nothing to reduce the taxes on gasoline. However it is very specific on who it helps.

It does not help, for instance, poor Canadians who are without children. Statistics Canada indicates that nearly two million individuals under 65 years of age with no children fall below the low income threshold. Why is the government doing nothing for these people?

Why is this linked to GIS such that a senior who has a pension and makes the same as a senior on GIS, the senior on GIS would be eligible for it? The senior who would be eligible for GIS but does not apply and get it would not get this payment. The senior who is equivalent to the senior on GIS does not get the payment either.

The biggest fault with the bill is that it is too limited in scope and does not help Canadians overall deal with the costs of home heating fuel or increased gasoline prices.

**Hon. John McKay:** Madam Speaker, as I mentioned in my speech, about 3.1 million Canadians would receive the benefit from this bill directly. On a single basis it would be \$125 and on a family basis it would be \$250. That is a considerable number of people. Pretty well 10% of the population would receive direct benefit from this bill.

The hon. member is correct in pointing out the fact that it would not cover every poor person. We decided to hang the benefit based upon the GIS system and the national child benefit system because that data is updated regularly. With Budget 2005 we are raising the threshold of the tax system and that will benefit Canadians when they file their returns this year.

With respect to his other question on eligibility for relief for seniors, a single senior would receive a benefit up to an income of approximately \$19,300, including OAS benefits. A senior couple in which both spouses receive GIS would receive the benefit up to an income of approximately \$29,000, including OAS benefits. A couple in which only one spouse receives GIS would receive a benefit up to an income of approximately \$38,700, including OAS benefits.

As long as the relief is tied to GIS, at least one person in the household has to be receiving GIS. That is essentially the way the system of relief, both on the child benefit side and on the GIS side, works. It does throw up the occasional anomaly but in a large measure these anomalies are addressed through the bill.

• (1545)

[*Translation*]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Madam Speaker, my colleague's response is very noteworthy. The government has introduced a bill in which it has decided to help the people that its administrative system allows it to help. It is giving money to seniors who truly need it, meaning those receiving the guaranteed income supplement, and to parents. However, in the absence of an appropriate administrative mechanism, everyone living alone is being left high and dry.

For example, a young woman in my riding told me about this on the weekend. She earns minimum wage, so about \$9 an hour. She has to drive over 10 kilometres to work. Because she lives by herself, she will not be able to get any money under the federal program.

Can my colleague confirm that this is the reality? Is he prepared to expand the scope of the bill so that these people can also receive assistance? We are not just talking about two or three people, but rather about all the people who work hard for their money and who need it to make ends meet.

The government is hiding behind a bureaucratic answer, saying that it allocated assistance the way it could. Could it not have shown enough initiative, instead, to find a solution for low-income earners who work but who, because they have no children or are not over the age of 65, are paying the full cost of the rise in gas prices? Is the government's failure to find a solution to this problem not irresponsible?

[*English*]

**Hon. John McKay:** Madam Speaker, my hon. colleague should be aware that the other provisions in the bill would provide significant relief for other low income families in terms of retrofitting their houses or their apartments, as the case may be, and receiving direct government assistance, assuming they qualify within the EnerGuide guidelines.

With respect to why not more, this is the quickest and most efficient way in which to get cheques in the hands of seniors. My hon. colleague will recall that when something like this was done a few years ago it was hung on the GST tax credit system which created a number of difficulties, which hon. members were very upset about at the time.

As a consequence, if we want to get money into the hands of the people who actually need it, such as vulnerable seniors and families, the way to do it is to use the data that is updated on a monthly or quarterly basis.

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, I listened with great interest to the parliamentary secretary's comments on an issue that is extremely important to all Canadians.

I want to address two aspects of this issue. How do we manage to reduce the demands on fossil fuels, which is important in Kyoto, to our environment and to people's pocketbooks?

My friend from the other side asked why we did not reduce the gas taxes. On the surface it seems like a logical thing to do but when we bored down into it and looked at the experience in the United States, we found out what happens when taxes are reduced at the pump. The private sector comes along, the oil and gas companies, and absorbs a lot of the tax reduction, which we would implement in an effort to help Canadians at the pump, and only a small amount of that actually benefits Canadians and their pocketbooks.

*Government Orders*

It almost seemed counterintuitive but when we looked into it, that is exactly what happened. That is not what we want to do. We do not want to give oil and gas companies money. We want to ensure Canadians have the benefit and relief in their pockets from the oil and gas prices that have gone up.

Does my friend, the parliamentary secretary, think the initiatives the government has produced in terms insulating homes is a responsible way of reducing demands on fossil fuels, which is a good thing for the environment and a good thing for the Canadian economy.

• (1550)

**Hon. John McKay:** Madam Speaker, my hon. friend is quite correct in his analysis. Obviously, in some respects the easiest thing to do would be to deal with either excise tax or GST on fuel costs or gasoline costs.

However that would only address one part of the issue, which is transportation. If people are filling up their cars, that may have some relief in that specific area. The emphasis is on “may have” some relief in that area because all the evidence indicates that fuel oil companies will immediately fill whatever space is vacated by tax relief. Therefore would be counterproductive and it would not be of any benefit to Canadians.

The other thing is that it does not really help anyone who gets transportation in any other manner. If we take public transit we will not get any relief on the suggestion that we just simply deal with pump prices. So that makes no sense. If we went on the one side and just simply dealt with the tax relief at the pump, then probably we would not be able to distribute it as something in the order of about \$800 million to various provinces and municipalities.

For instance, in the case of Ontario that means about \$310 million will now come to Ontario for public transit initiatives. In the case of my friend, who is from British Columbia, just over \$100 million, which no province could reasonably have anticipated would be coming in order to help with public transit initiatives.

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Madam Speaker, it is my pleasure to address Bill C-66.

I want to read the bill into the record and what it is supposed to do, because it is important in terms of analyzing whether or not it actually fulfills the government's objectives in terms of addressing the increasing costs of home heating fuel and gasoline prices for Canadians. The full title of the bill is “an act to authorize payments to provide assistance in relation to energy costs, housing energy consumption and public transit infrastructure, and to make consequential amendments to certain acts”. The bill has three main parts.

Part 1 of the bill outlines who will receive a payment and how much. The payment is targeted to some low income Canadians and will be sent to three different groups: first, \$250 to families entitled to receive the national child benefit supplement in January 2006; second, \$250 to senior couples where both spouses are entitled to receive the guaranteed income supplement, the GIS, in January 2006; and third, \$125 to single seniors entitled to receive the GIS, in January 2006. These are one time payments that will not be issued until the bill is passed.

Part 2 of the bill increases and expands financial assistance and incentive programs for houses and housing projects that make heating system upgrades, improve windows and engage in draft proofing, et cetera. All of this assistance will be delivered over a five year period.

Part 3 deals with public infrastructure. It states that \$400 million previously provided for under Bill C-48 will be freed up by Bill C-66 in each of the next two fiscal years for municipalities to boost investments in urban transit infrastructure.

Parts 4 and 5 of the bill are housekeeping measures.

In addition to the measures laid out in the bill, the government has also announced two other measures with respect to energy prices. First, the office of petroleum price information will be created. Second, the government has indicated it will be introducing amendments to Bill C-19 which are intended to strengthen the role of the Competition Bureau in investigating allegations of price fixing in the oil and gas industry.

To begin, I would like to discuss the reasons for various increases in energy costs. Then I will address the issue of payments for low income Canadians and offer an alternative plan to the Liberal plan. Then I will discuss the secondary measures introduced to attempt to offset high energy prices which are outlined in the bill and those announced outside of the bill. Finally, I will discuss energy policy generally under the government.

I would like to briefly outline the current supply and demand issues facing Canadian consumers, Canadian businesses, and our market. There has in fact been a spike in energy prices. There have been a number of contributing factors to the reduction in supply that have caused this spike.

The first obviously is natural disasters. Hurricanes Katrina and Rita have caused considerable disruption in the supply of oil and gas in the Gulf of Mexico and across North America. As of October 11 three refineries were still shut down from hurricane Katrina and four were still shut down from hurricane Rita, obviously taking that supply off the market.

While Canada is in fact a net exporter of energy, we do import a great deal of our refined oil and gas, especially those provinces east of Manitoba.

International issues such as the political troubles in Iraq, Nigeria and Venezuela have created uncertainty in the supply chain. In addition, there have been production declines in the North Sea and Russia, while worldwide spare production capacity is at its lowest level in three decades. Only Saudi Arabia at this point has any spare crude oil production capacity available.

Despite the decrease in supply, demand has remained stable. The 2004 demand increased worldwide by approximately 3%. This growth will likely slow, but will continue to grow between 1.5% and 2% in 2005-06.

*Government Orders*

At a briefing this week by four of the industry associations involved in the energy sector, it was basically pointed out that over 40% of the increase in the demand for worldwide crude was as a result of the growing economy in China particularly.

This steady demand coupled with the decrease in supply has led to increased energy prices both at home and abroad in every sector.

• (1555)

I must point out, however, that most of the Canadian information on the projected increase in energy prices for the upcoming winter actually comes from the U.S. Energy Information Administration, a statistical agency of the U.S. Department of Energy. It is a shame that similar information cannot be obtained from the federal government through the Department of Natural Resources.

MJ Ervin & Associates, the private sector forecaster and observer of oil and gas prices, has estimated that the average price of home heating fuel has jumped to its highest level on record, 93¢ a litre. The best guess is that homes heated with oil can expect to pay 32% more this year, while homes heated with natural gas can expect to pay 48% more. Electricity bills will also rise but not as dramatically.

In New Brunswick the cost of home heating oil is 5¢ higher than the national average. New Brunswick Power has announced it will request a 10% increase in its electricity rates next year. In Quebec where 70% of the homes are heated by electricity, the provincial energy board will review a request by Hydro-Québec to increase rates by 3%.

In Ontario the Ontario Energy Board approved a rate increase for Enbridge gas that will increase natural gas bills by about \$123 a year. Union Gas also sought and received a rate increase. Sixty per cent of Ontario residents rely on natural gas for heating.

The British Columbia Utilities Commission just approved a 13.3% increase in natural gas. Even in Alberta, Direct Energy has asked the Alberta Energy and Utilities Board to approve a rate increase that will increase the average home heating bill by more than 20%. The average monthly bill for October in Calgary will be \$162.

As we can see, the increase in the cost of heating one's home is affecting Canadians from coast to coast to coast. What has the government done to deal with this massive, broad problem facing Canadian citizens and businesses across the country?

At the heart of Bill C-66 is a payment for some of Canada's poorest citizens. Obviously we in the Conservative Party support measures that provide relief for low income families. We have an obligation to represent and support those who have so much less than the average Canadian.

The government estimates that 3.1 million low income families, or 10% of Canadians, will receive these so-called rebate cheques, although they are actually payment cheques. I am pleased that some effort is being made to try to assist low income Canadians. These Canadians should not simply be left on their own to try to deal with rising energy costs, particularly those on fixed incomes dealing with increases in home heating.

The problem is that the delivery method chosen by the government will miss too many Canadians who need help paying

their heating bills and their gasoline bills for their cars to get them to and from work. Persons with disabilities who claim a disability benefit will not receive the payment. Seniors who qualify for the GIS but do not claim it will not receive a payment. A Statistics Canada study released on Friday, October 21, 2005 found that over 206,000 eligible individuals missed out because they did not in fact claim the GIS.

With respect to seniors, we also have a situation where someone whose pension makes them equivalent to someone on the GIS will not in fact receive any sort of assistance under the government's program. Students will not receive a payment.

This program will not help poor Canadians who do not have children. Research from Statistics Canada again indicates that nearly two million individuals under 65 who fall below the low income threshold have no children. Under this bill these individuals will receive no help.

It will miss most farmers who have been hit very hard by the energy price spike. They must not only heat their homes but their barns as well. It will also miss many Canadians who are poor, but not quite poor enough in the government's eyes to qualify for a payment. Of course, it must be noted that this plan does not in any way, shape or form offer relief at the pump nor compensate for the increase in fuel prices.

We in the Conservative Party have an alternative. We have an alternative because too many Canadians will not be assisted by this plan. We have a plan that will help all Canadians. The fact is the government should start by axing the tax on the tax at the pumps. This would give an immediate tax break to all Canadians. Two Liberal members spoke and basically gave the party line as to why the Liberal government does not want to do this.

• (1600)

The fact is it would be a very immediate measurable thing that would impact Canadians by reducing the tax at the pumps. It would obviously reduce it for people who drive their own vehicles but it would also reduce it, as the member mentioned, for public transit. It would also reduce it for municipalities and others who have to pay for school divisions, who have to pay for fuel, who have to ship students to and from school, municipalities that have to subsidize their public transit.

Further to that, if the government wants to help public transit, then it should adopt the plan put forward by our leader this summer in Toronto to allow people who have public transit passes to claim a certain percentage of the cost. It is not one or the other. We can do both at the same time and offer tax relief to more than just a few Canadians in this plan.

The fact is 42% of the cost of a litre of gasoline is federal, provincial and municipal taxes, including the GST. As a comparison, in the United States it is 27%. Currently the 7% GST and the HST are charged on gasoline after federal, provincial and in some cases municipal governments have added their excise taxes.

*Government Orders*

The fact is the Liberal government continues to overtax Canadians. The government should not profit when people are feeling the effects of these increased prices in their pocketbooks and at the dinner table.

For every 1¢ increase in gasoline prices, the federal government receives about \$32 million in extra revenue. That money should be going back into the pockets of Canadians and not into the pockets of the government.

In addition, the Conservative Party will reduce personal taxes overall. That is the second way to immediately address this issue in a broad way. Instead of selectively picking some low income Canadians over other low income Canadians, we could reduce personal taxes overall.

A Conservative government's approach would provide immediate and long term broad based tax relief starting with reducing personal income tax rates and substantially raising both the basic personal exemption and the spousal exemption under the Income Tax Act. Reducing personal income taxes would hike the take home pay and raise the standard of living of all Canadians.

The fact is we have driven the tax agenda in this country for years and we will continue to do so because it is fair. It is fair that Canadians keep more of their own life energy in their own pockets to spend as they best see fit.

I want to move on to the second part of the bill. I want to point out that while part 1 books the expenditures on payments to low income Canadians in the current fiscal year, the expenditures in part 2 are over five years. This is very odd accounting, but as we are finding out more and more with the way the government deals with budgets and finances, it is simply a classic example of Liberal accounting.

What I believe the Liberals are trying to do is to force us to accept spending on the EnerGuide program, spending that could have been announced in past budgets or in the next budget. They want us to accept this by tying it to the energy payment for low income Canadians. There is no reason to put it in this bill.

In fact Bill C-66 includes \$205 million from already announced energy efficiency programs, and \$100 million which is being moved out of Bill C-48 and into Bill C-66 under the guise of energy efficiency. This is simply ridiculous. This clause of the bill is completely unnecessary. A whopping 43% of the funds set aside for the bill will go to the administration of the EnerGuide program, not toward tax cuts or rebates.

In theory, the EnerGuide program provides financial assistance to homeowners and landlords to help improve energy efficiency. I encourage members to talk to constituents who have actually utilized this program, because I have. The fact is it is an extremely complicated program. It requires a homeowner or landlord to pay for an inspection of their home both before and after renovations to see if they can receive a loan or rebate for the changes they have made to improve the energy efficiency of their own home. Some funding will flow through the Canada Mortgage and Housing Corporation, but will benefit only 130,000 low income Canadians. The same number, only 130,000 Canadians, have used this program since October 2003.

We are spending more than \$1 billion on an EnerGuide program that may be only used by 260,000 Canadians. This is yet another example of misguided Liberal priorities.

• (1605)

I would like to move on to part 3 of the bill, which deals with infrastructure. Again, this section of the bill is not necessary. This spending was announced under Bill C-48, the second budget bill, but has been moved to Bill C-66, which is a bad example of tricky Liberal accounting. This is certainly a question that the government should have to answer.

First of all, how can the Liberals introduce a budget by Bill C-43 and, second, declare non-confidence in their own budget, introduce a second budget, say that the funding would proceed once they knew the fiscal figures for 2004-05 and say that spending would commence as of August 2006? I believe that is what the parliamentary secretary told the Senate committee. Then, somehow, the government moved spending from that bill, Bill C-48, to this bill, Bill C-66.

This money does not help rural Canadians, who pay some of the highest energy costs. In addition, it does not provide the stable funding that municipalities are looking for. The money is actually being allocated without any thought as to what it actually might be used for.

The Conservative Party, on the other hand, is committed to developing an infrastructure plan that would not only provide money to municipalities to meet infrastructure needs, but would also provide benchmarks to allow local governments the ability to plan in the long term for their own infrastructure needs.

We have also committed to meeting and even possibly exceeding the amount of money spent on infrastructure by the federal government through the so-called gasoline tax transfer. Such commitments are very much in line with the infrastructure goals of the Federation of Canadian Municipalities.

Moving to the last two sections of the bill, I note that they deal with measures that are rather small measures in terms of costs but large in terms of the federal government.

First, Industry Canada is finally giving more money to the Competition Bureau to allow it to conduct investigations into collusion. The Conservative Party and members of the Standing Committee on Industry, Natural Resources, Science and Technology have been requesting the government to increase funding to the bureau since April 2002. The bureau has indicated for years that it does not have the resources needed to carry out the investigations.

However, we have not seen the amendments to Bill C-19 that would make changes to the Competition Act and allow the bureau more flexibility in its investigations. I am certainly looking forward to those amendments, although I have a bit of a digression here. At committee we have heard witnesses on Bill C-19, which the government is sort of presenting as the answer to increased gasoline prices by saying that if there is any evidence of collusion it will be dealt with by increasing the powers of the competition commissioner.

*Government Orders*

I can accept the argument that perhaps more resources are needed for the bureau, but the fact is that any six Canadians can write to the competition commissioner and ask her to investigate any sort of a discrepancy they feel is in the oil and gasoline industry. The government's argument that in fact the bureau needs more powers to conduct investigations is actually ridiculous.

The fact is that Bill C-19, according to some very able lawyers across this country, is simply an incredibly flawed piece of legislation. It is in no way an answer to what the government is saying it is in terms of dealing with gasoline prices. Frankly, the government should even withdraw the bill. It should send this back to the justice department and rewrite a proper bill.

Second, to return to Bill C-66, it would create the petroleum price monitoring agency. It is rather ironic that the government is presenting this as an answer, because lo and behold, the current Prime Minister eliminated this in the 1995 budget. I find it a little strange that something that the then finance minister and current Prime Minister eliminated in 1995 is now being presented by him as an answer in 2005.

The fact is that if the natural resources department would act in a practical manner and provide this information we could easily have this information available. The natural resources department and this entire government have languished in developing a long term energy framework and have actually contributed to the high heating costs we will experience this winter.

The Conservative Party has been focusing for a long time on a long term energy framework which would focus on renewable and non-renewable energy sources, take into account outstanding obligations and meet our long term requirements for domestic consumption and export.

We believe that strengthening energy market integration will ensure greater reliability of energy supplies across the country. We will explore ways to reduce barriers to the movement of energy products across provincial and other borders. The fact is that the Liberals have not addressed any of these issues. The Liberals have not had the time to monitor or publish an energy policy or reports on gas prices, which was promised this fall. Private companies such as MJ Ervin and Associates have stepped in to fill the void.

• (1610)

We find that the bill is severely lacking and way too limited in scope in terms of who it helps and that it is misguided in its approach. We will begrudgingly support the bill, as it does help some low income Canadians, but we certainly hope that the government will bring forward another bill. We will certainly be looking forward to committee, where we can actually try to expand this to help all low income Canadians and in fact all Canadians who are dealing with higher energy costs.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I have a couple of questions. The first is with regard to the member's opening commentary on and analysis of Bill C-66. He mentioned how many Canadians actually will be left behind by this bill.

Millions of Canadians will be left behind. It is something that is not addressed in terms of a comprehensive national strategy to deal with the fluctuation in the oil and gas industry and specifically what

came about after hurricanes Katrina and Rita, which basically spiked up the levels significantly.

I would like the member to expand upon why it is that we are picking winners and losers from among all of us in Canadian society who have been significantly affected by this.

There is also the vulnerability of certain groups and organizations. I have mentioned seniors and how there is a differentiation with the GIS, which is leaving some people behind. We also know that many seniors are not even registered for the GIS. Recent reports indicate that over 200,000 Canadian seniors are eligible for the GIS but are not receiving it. They will not get any type of relief. As well, the Canada disability pension is an issue that is left out of this equation.

Second, I would like the member to expand upon the Conservative policy. I know that the Conservatives have been advocating for tax cuts as part of their policy to lower prices for consumers. My concern about that is the fact that there have been instances in the past when the industry has soaked up the profits. There is no current mechanism right now to ensure that they would not do so at this time.

I do know that two Conservative provincial governments actually have regulations in place and have policies related to pricing and market determination. I would like his thoughts about having some type of system which would at least prevent this happening and assure Canadians that they are not going to be further subsidizing the industry.

• (1615)

**Mr. James Rajotte:** First, Madam Speaker, I think my colleague is absolutely right in the sense that this bill picks winners and losers. It differentiates among various groups of lower income Canadians facing energy costs. There is the example of the person who gets topped up by GIS and gets to a certain level, and the person who actually does not get any GIS, who receives a pension, let us say, but is at the same level. The person getting GIS gets his payment. The person who gets a pension on his or her own and is at the same level does not receive anything.

As well, he pointed out quite correctly that there are many people who are eligible for GIS who do not register and therefore do not receive it. Under this legislation, they will not receive anything. I do not know how the government can say that is fair or equitable to people, especially when they seem to be in the same categories of need.

Obviously our view is that the government should introduce some broad-based measures that actually help all Canadians, because it is lower income Canadians who are going to be dealing with a lot of these costs, but also, frankly, there are the people in the agriculture sector who have some real challenges in dealing with the higher costs of energy. They are not helped at all in the bill. There is nothing whatsoever for them. There are just too many people left out.



*Government Orders*

With respect to the industry if a cut were actually provided, let me note the fact that gasoline pricing is probably one of the most transparent forms of pricing. It is set everywhere. I would encourage anyone to go to MJ Ervin and Associates and to websites that actually cover gasoline prices, because we can actually monitor quite closely what happens with prices. If the federal government were to provide a tax cut by eliminating the GST that is applied to the federal excise tax and the other taxes, we could immediately see whether the industry in fact increases its prices or not, because it is so transparent.

I know that members of the government have argued that the industry has done this in the past. I would like to see evidence of that. Before committee last year, the Competition Bureau actually said there was no evidence of this.

That is what our recommendation is. I think it would be the best broad-based approach to actually reduce energy costs for Canadians.

[*Translation*]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, I listened carefully to the hon. member's remarks. I want to make some comments and put a few questions to him.

I am a little surprised. I do not know whether the hon. member agrees, but this bill seems particularly suited to large cities such as Toronto, Montreal, Calgary and Vancouver, which are getting a lot of attention. But many other areas are forgotten, namely the so-called remote regions. The hon. member can correct me if I am mistaken, but this bill does not seem to provide much, if anything, for remote areas.

I am asking myself some questions, because there is no direct assistance for taxi drivers, independent truck drivers, agricultural producers, or independent forestry companies. With the exception of taxi drivers, who are present in large numbers in major centres, businesses located in the regions are hardly getting anything.

This assistance is also provided to seniors, but only those who are getting the guaranteed income supplement will be eligible for it. This means that the overwhelming majority of seniors will not qualify. I wonder if the hon. member could comment on this.

And what does he think of the office that will be put in place? This office will not have any investigative powers. It will merely be allowed to make recommendations. Moreover, it will not be fully independent to make real recommendations to the House of Commons.

• (1620)

[*English*]

**Mr. James Rajotte:** In regard to my colleague's numerous questions, Madam Speaker, let me say first that my colleague is absolutely correct in the sense that this legislation completely ignores rural areas. It completely ignores the reality that most rural people often have to drive a great distance to and from work or even to town to get groceries in terms of their daily lives. This legislation will not reduce the cost of gasoline for them whatsoever.

He also mentions quite correctly that many people are dependent on utilizing gas, people such as taxi drivers and truck drivers, and he also points out the importance of the trucking industry, frankly, in

our national economy. Again, this legislation does absolutely nothing to address that. There is no assistance and there are no tax cuts whatsoever to allow these people to somehow bear up a little better under the increasing costs of fuel payments.

Third, in terms of this new office, some members on the other side have been calling for it for years. It is ironic that the current Prime Minister, as finance minister, cut it in his 1995 budget. If the Liberals want to introduce it again, I do not see a big problem with it. I do not think it will actually do anything. I do not think it will help anything. I think that the Department of Natural Resources should actually be collecting this information as well as or even better than private sector people like MJ Ervin and Associates.

The second point is the investigative powers. Frankly, in my view the Competition Bureau has enough in terms of investigatory powers. Perhaps it needs more revenues. That is the way our party would deal with the issue.

**Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.):** Madam Speaker, I hear opposition members talking about how many seniors will be left out and not about how many seniors will be included. We hear them talking about not being satisfied with the delivery methods for this program. We hear them talking about Liberal accounting.

I have been in the financial business for 20 years and I have never heard such terminology as "Liberal accounting". Here I hear it every day. Under Liberal accounting, if we take that as the Liberal Party, there has been great fortune in Canada over the last 10 years, fortune such as we have never seen before.

Would the member reverse the benefits to the higher income seniors—as opposed to the lower income seniors—if his party were in power?

**Mr. James Rajotte:** Madam Speaker, it is a question of fairness between a senior who qualifies for the GIS and receives this payment and another senior at exactly the same income level, who gets to that level through a different pension, does not receive the payment. That is a question of fairness and of equity. The government is ignoring that, and, yes, I will stand and criticize that because it is the wrong thing to do.

Second, as I and Statistics Canada have pointed out, many people who are eligible for the GIS do not get it.

The payment system which the government has set up is wrong, and I will criticize that. I will not stand here and applaud something that is unfair and inequitable to seniors.

In terms of Liberal accounting, I will give members one example. In the last election campaign, the finance minister stood and said that we could not afford a Conservative platform, that it was too expensive, because there was only a \$1.9 billion surplus. Months later, what happens? The government had made a mistake and the surplus was actually \$9.1 billion. Does the member want me to applaud that? I will not. It is massive overtaxation of Canadians and it is wrong to mislead and misinform Canadians as to what the actual level of the surplus is.

*Government Orders*

**The Acting Speaker (Hon. Jean Augustine):** It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Renfrew—Nipissing—Pembroke, Veterans Affairs; the hon. member for Québec, Canada Post Corporation.

• (1625)

[Translation]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Madam Speaker, we should have been celebrating today, because we are debating Bill C-66. For years now, the Bloc Québécois has been calling for the Competition Act to be amended, to include investigative authority among other things. We are finally going to have amendments, which the Standing Committee on Industry, Natural Resources, Science and Technology will be considering tomorrow.

We were also calling for a petroleum monitoring agency. Unfortunately, the government truncated the agency's mandate, but it is nevertheless going ahead, in part, with the Bloc's idea.

But the place where the government's and Prime Minister's plan disappoints us the most and needs the most improvement is with respect to Bill C-66.

We have before us a bill in reference to the sudden spike in oil prices, which will compensate for the related loss of buying power and will target those in greater need. The problem is that not everyone who is in need was included, only those who could be administratively included.

For example, seniors who are receiving old age pension benefits under the guaranteed income supplement program will be entitled to compensation. Seniors have experienced price increases following the hike in oil prices, whether or not they have a car. Those who do not have cars have to take cabs to go places. Their heating costs are going to increase as well. As far as I am concerned, this kind of compensation is fully justified. This was requested by the Bloc Québécois and it was part of the action plan that we presented in early September, a full month before the government tabled its action plan.

The bill also provides for people with children to be entitled to similar compensation. We are in favour of that as well. However, the budget for all of these measures will be \$550 million, while the Bloc Québécois had estimated the amount required at \$1.5 billion.

Why did the government not put forward a measure for women, people living alone or certain categories of workers? For example, someone came to see me on Saturday. The man told me that he was earning minimum wage and had to drive about 10 kilometres to work and back. At his income level, he will not be entitled to any form of compensation.

This means that workers will be worse off. People who are at the lower end of the middle class and those who are poor, even though they have a job and try to earn their living as best they can, will not get any help.

The government has given us only one explanation. The minister told us that the government had looked at how to address this. He also said that the government has decided to set aside those for

whom there is no existing administrative mechanism for compensation. It does not make any sense. The government will absolutely have to review its plan of action on this and ensure that everyone is covered by the proposed plan.

I will give another concrete example. There is a music school in La Pocatière, a municipality in my riding, that hires teachers, who quite often are from out of town, from Quebec City, Montmagny, Rivière-du-Loup, from all over the region. They are often young people who have just finished or are finishing up their music degree. Now there is a major problem. These young teachers no longer want to come because of the high cost of gas, which cuts into the little bit of income they earn from giving lessons.

These people from the remote regions are not included in the plan in any way. This is true for the young music teachers in my example, but it is also true for everyone who has to travel in the region.

This morning a press conference was held here by older workers aged 55, 56, or 58 who have been laid off by companies in the regions. These people from the clothing and textile industry often do not earn \$20 or \$25 an hour. They need to carefully consider how much it will cost them to get to work and to look for work since they often have to travel 10, 20, 30 or 40 kilometres away to find work, which costs money. Looking for work then becomes a problem since the individual has to cover 100% of the cost, only to earn a modest salary. This, in effect, slows the economy.

Yet, there is one economic sector, the oil industry, that is raking in exorbitant profits. The federal government is refusing to help people in need for two reasons. First, it has not found good administrative mechanisms to meet the needs. Second, it does not dare take a sizeable bite out of the oil industry profits.

In its action plan, the Bloc Québécois had provided for an increase of approximately \$500 million or \$550 million, with a tax on additional profits. Last week, we saw these profits skyrocket. This morning, in the news, there was a report on an oil company whose profits did not increase that much. However, executives received \$93 million on shares that they sold during the last period. This gave the impression that profits had not increased as much as expected.

• (1630)

The government program should be improved considerably. The government must ensure there is enough money within the contingency fund provided for in the budget. It must demand an additional contribution from oil companies to put an end to the diversion of wealth that the last increase has created.

*Government Orders*

This increase is not only the result of the forces of nature. In the last 10 years, North America has been experiencing a significant reduction in its refining capacity. This reduction has been orchestrated so that, as soon as an event has changed the speculation issues, the tap has been closed and prices have been able to skyrocket. If the petroleum monitoring agency had already been able to take action in such a situation for a few years, we could have taken measures to correct it. However, the government did not do so during the last crisis. Let us hope that the current agency's mandate, which is inadequate, will be expanded to an inquiry mandate.

So we can see that the government has shunted numerous groups aside. To give a few more examples, as well as the people living alone, there are the independent truckers. One in my riding told me recently that, after a long work week, he managed to bring home \$800 to his family once all his expenses were paid. With the huge jumps in gasoline prices we have had already, and are still experiencing, that money has disappeared. He does not bring home enough, sometimes nothing at all. When things were at their worst, he had no money for his family; everything went into operating the truck and keeping the economy running.

These categories of people needed help when speculation hit them hard in the pocket-book. The impact did not take three weeks or a month to make itself felt. As soon as the speculative price hike took place, these people had to bear the brunt of it. We believe it is the government's responsibility to make sure that enough of the increased profits made by the oil companies get back into the pockets of these people.

As well as the truckers, there are the farmers, particularly the maple syrup producers. They use a great many oil-fired burners in their operations, so their profits are dwindling because their production costs are increasing, the result of higher oil prices. The total loss to Canadian agricultural activities is \$250 million. Our farmers have had a hard time of it in recent years; they do not need anything else.

We believe that the government would have the means to compensate them so that their operations and the economy can continue to progress without their having to add to their already substantial debt load.

Those are all examples of segments of the population that deserved a hand up from the government but are not included in the bill at present.

As for the taxi drivers, there was a pre-fabricated solution available for them. For a number of years, the Government of Quebec has had a tax credit for taxi drivers. All that was needed was to extrapolate from this model and to apply it to all of Canada. This would also have decreased the effects of inflation. The rise in inflation is solely due to the rise in fuel costs. Its effects are just beginning to be felt.

People who had protected contracts will no longer have one. Taxi drivers will receive normal increases to cover their operating expenses so they can drive their cabs. But ultimately consumers will pay the price of this increase. The federal government should have ensured that they would get assistance too.

The same is true for independent foresters. These days, people no longer use small chain saws to cut down trees, but rather multi-purpose machines costing hundreds of thousands of dollars that consume lots of gas. There is no assistance for these people. Often, in rural areas, people struggle to pay their bills every month and save a few pennies. As a result, the recent increase in gas prices is preventing people from making ends meet every month. Some of them are forced to hand the bank their keys, because they can no longer operate their business.

We have seen the danger for consumers, in the past, when gas prices rise, and I hope no one forgets it. It is always the same old story. Prices shoot up, then they drop a little, and the hope is that the public will forget, after which prices shoot up again, a little later.

• (1635)

The price increase has nothing to do with allowing for environmental costs or ensuring energy diversification. It is so the oil and gas companies can increase their profits. This is important. We should talk about this to make sure that we are paying the actual cost, not just the production costs, but the environmental costs too. I think that everyone agrees we should pay the actual cost of gasoline.

However, we should not have to pay the prices following speculation, which could have been prevented if the right tools had been put in place. Right now, we are doing crisis management. Costs have increased significantly for some people. So, we need to consider to whom we can give this assistance. We are talking about seniors and parents, and so much the better.

However, there is no money for other people who need it just as much as those two categories, but who are not getting anything, simply because no administrative process was provided. But the Bloc Québécois had, among other things, proposed a refundable tax credit that would have been paid to all families with an income of less than \$30,000. This initiative would have cost \$1.5 billion, but the money would have come from the reserve provided in the budgets and from the additional levy imposed on oil companies.

So, the government must assume its role in the distribution of wealth. Wealth is something that is generated, but there are artificial factors that come up and result in oil companies making undue profits. Why not find ways to give that money to those who are feeling the effects of the current price increase?

It is clear that many people were forgotten by the government. This does not mean that we should reject this bill. We are talking about the very principle of giving back to the public a part of the greater profits made by oil companies, which are the result of this major short term price increase triggered by speculation. As regards this principle, we are pleased that the government agreed with it after our presentation.

### *Government Orders*

Remember what the Minister of Transport said a few months ago: market forces rule, we cannot do anything, we cannot make a move, we must stay put. However, the Bloc Québécois reacted by proposing a plan and by asking questions. In the end, the Minister of Transport stuck to his position, but the government agreed with the principle that there should be a form of compensation.

This type of compensation is provided for in the legislation in principle and we support it. However, it is grossly inadequate. At various stages of consideration of the bill, we absolutely must be able to amend it in order to expand on who will be entitled to this type of income. There currently are not sufficient types of assistance for everyone who needs it, who deserves it and who had to pay the price for higher fuel costs.

I will give another example of a sector where we should have taken action. There is no incentive in the bill nor in the government's current policy for consumers to buy more fuel efficient cars. We are told, "The high price of fuel will encourage us to develop other types of energy". However, to do so, there needs to be incentives. We also need to elaborate on the polluter-pay principle, which the government did not follow through on. It has not provided any help for consumers to buy more fuel efficient cars, which would have been an excellent way to contribute to improving the environment and alleviating the pressure on the price of fuel.

We see that there are truly many sectors that have been forgotten that should not have been. There is also the entire issue of green energy. The government could have made sure that for wind power production, which costs roughly 2¢ per kilowatt hour more than conventional energy, this difference is recognized and covered by the WPPI program.

This program should be modified so that the incentive offered is 2¢ per kilowatt hour, that \$2.1 billion over 10 years is available and that the ceilings per province is withdrawn from the program. There is currently a ceiling for each province. There is a penalty for provinces that take their own initiative. In Quebec, especially, there is a wave of wind power development. It would have been very beneficial to take this development even further.

● (1640)

This bill represents only part of the action planned by the federal government to deal with the increase in the price of gasoline. There are certain short-term measures in this bill. They are inadequate and fail to help all sorts of clientele, all sorts of people who every day suffer the financial consequences of the hike in gas prices.

Today some people are saying that there is no reason to complain, because prices have fallen to 95¢ a litre, and that is reasonable. It should not be forgotten that in early January 2005 we were paying 78¢ a litre. That is still an increase of 20% to 25%. Few economic sectors are experiencing this price explosion and can rake in the profits that come with it. It is somewhat as if the rest of the economy had been taken hostage. With the rise of the dollar and the price of gas, the capacity of businesses to make profits has been greatly compromised.

For example, in my riding, there are people in the Rivière-du-Loup region who sell products to the state of Texas. The mere fact of the increase in transportation costs wipes out their profit margin.

These people, who are doing their job as they should, making efforts to find and develop markets, have seen the sudden arrival of an additional unforeseen factor, a kind of diversion of profits toward one particular industrial sector. The petroleum sector has to be disciplined, because these convulsions in the economy are not necessarily beneficial for the economy as a whole; we have had a very clear demonstration of that with the most recent hikes.

I also hope that, in the mandate that is finally given the petroleum monitoring agency, there will be a power of recommendation to the House of Commons, as the Standing Committee on Industry, Natural Resources, Science and Technology had recommended almost unanimously. At that time, only the MPs in the Alliance—a party that no longer exists— withheld their consent to this position.

If the government decides to make the agency nothing more than a mirror of the activity, that will be a small improvement, but very far from what we are looking for. What we want is an instrument of action for parliamentarians. Every year, we will have a report on the evolution of the petroleum market. The agency could have made recommendations on changing the organization of that market.

We are not talking about price control, but about a system to guarantee that there will not suddenly be excessive price hikes. All kinds of actions have been undertaken elsewhere, particularly in some U.S. states, where there is a ban on vertical integration, that is from drilling right up to the gas pump. That might help us control the market better, but it would require us to get some information, find out how that works and what solution we could propose to improve the situation.

So the federal government has agreed to bow to pressure, particularly that of the Bloc Québécois, and of the economic situation itself. We had made some concrete proposals. The government's action, however, does not go far enough.

This crisis may be an opportunity to make more progress in distributing the wealth that is concentrated in the oil and gas sector. The economy would also have to be diversified in order to reduce our dependency on oil and gas and to develop other energy sources. It is also necessary to keep an eye on the signals we are giving out.

In fact, the roots of this problem go back a long way. For years, the present Prime Minister—and former finance minister—sent the message that this could not be done, that those were the rules of the marketplace, that it was up to the players to set up the rules of the game and we could not assume any responsibility.

We have felt the effects of that with the increases in fuel prices. We kept on knocking at the door, however, and have managed to get the government to open it a crack. So much the better.

*Government Orders*

Now we will have to ensure that this bill and the other government actions really achieve something. The first thing to do is to broaden the pool of those entitled to compensation for losses caused by the rise in fuel prices. That is what people expect of government. Corrective measures must be taken and the bill must undergo some major changes. This is urgent.

• (1645)

[*English*]

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Madam Speaker, my colleague always speaks passionately to these matters. I know he has the concerns of low income people greatly at heart.

I too have received a lot of calls from people who do not qualify through the present criteria. I hope there might be some expansion in this legislation but if not, it does seem to me to be a way to deliver some relief to a large number of people very quickly and efficiently.

I know my colleague studies these matters. I have an idea of the cost of this, and we heard it in the debate today, but I wonder if he has an idea in his mind of the amounts of money involved in the following.

It is my understanding that people like truckers and farmers who use gasoline and diesel already receive the GST rebate, so they are helped already by our system, the system we have here in Canada not overseas. Also, it seems to me that all low income people receive GST rebate cheques on a regular basis and they will continue to receive those.

I also know we have transferred from the gas tax, which we are discussing here, large amounts of money directly to the municipalities all across the country, particularly for transit but also for other purposes. I wonder if my colleague has any sense of the amounts of money being transferred from the GST in these particular areas.

[*Translation*]

**Mr. Paul Crête:** Madam Speaker, the Bloc Québécois has done an estimate for each of the proposals it has submitted. Take for example assistance to remote regions, which is not in the bill. We estimate that this measure would have cost about \$158 million for Quebec and \$600 million nationally. For all of Canada, assistance to taxi drivers would be \$17.5 million; to independent truckers, \$75 million; to farmers, \$250 million; to logging companies, \$50 million. That gives a general idea of what we wanted on this side.

On the other hand, where would this money come from? It would come from the contingency fund that the government has set aside in its estimates for extraordinary circumstances. I hope that we all consider the rise in gas prices that we have seen to be an extraordinary circumstance. Otherwise we are giving a free pass to the oil companies. In any case, its economic impact is extraordinary.

To answer the hon. member, it is very important that we bravely draw \$500 million from the extra profits of the oil companies. To date, the government has not been imaginative enough to find any solutions other than helping out seniors and people with children—

as is entirely proper—since administrative mechanisms already exist for them.

The Minister of Finance has openly admitted before the Standing Committee on Industry, Natural Resources, Science and Technology that there was no mechanism for making payments to other people, so therefore he was not going to grant them assistance. This response does not seem particularly astute, but in reality it conceals an even deeper reason: the implication is that the Minister of Finance did not want to further tax the oil companies so that this assistance can be paid for.

That woman from my riding, 35 or 40 years of age, earning \$9 an hour, who has to travel 10 or 12 kilometres per day and lives alone, should have been entitled to some form of allowance. That money could have been taken right out of the extra profits of the oil companies: that would have seemed completely natural.

The bill should be amended so that we can get that additional money from the oil companies to help our loggers, our farmers, our independent truckers and the people in our remote regions. That way, all of these people would be able to deal with the repercussions, which are similar to those of the depression of 1930. Before that date, people were stripped of their purchasing power. The same thing has been done in this gasoline crisis, especially to the people who make the economy work. We expect the government to make this effort and to have the courage to take a significant amount back from the oil companies, so as to then give it to the people who have been hurt in their pocketbooks and dearly need that money to make ends meet every month.

• (1650)

[*English*]

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Madam Speaker, I thank my hon. colleague for his analysis and the list of improvements to the bill and for pointing out not only the redundancies in the bill but also its shortcomings. It is almost as though the legislation was brought forth to diffuse attention on the current scandal of corruption that has plagued the current government.

A couple of years ago my colleague had a situation that involved a constituent who travelled across the border to fill his car up with gasoline. This individual was attempting to make ends meet.

Will the bill help that unfortunate constituent who went to jail for not paying the extra taxes that had been put on our gasoline?

[*Translation*]

**Mr. Paul Crête:** Madam Speaker, that person, like all people who live in remote regions like the riding I represented before the last election, if he does not have any children and if he is not a senior, he will not get any compensation. This has a major economic impact in our regions. If he is looking for a job, there are additional costs on which he has not planned. If his wages are not very high, and suddenly there is a \$10, \$20 or \$30 increase in the price of gas, he will be caught short.

*Government Orders*

Maybe if someone earns \$100,000 a year, another \$10 a week does not seem like very much. But for a person with a family income of \$25,000 or \$30,000 a year, it affects what is left to pay for the groceries and the rent. So the economy slows down because people make a mental calculation and say, "In the end, I lose out if I travel 30 kilometres or more. So it does not make any sense to continue working there". And that leads to all kinds of other problems.

The government really does have its hands full with the sponsorship scandal. Nevertheless, in regard to this bill and the principle behind it, the increase in the price of gasoline leads to a redistribution of wealth. It must be admitted that there is a valid principle here and that is what the Bloc Québécois has been saying since the beginning. There must be major improvements to the bill now for the groups of people whom I mentioned in my speech. I hope that by the end of the debate, the government will finally support this.

There was a request that the bill be referred to committee first, which would have made it legally possible to expand it, give it a broader scope and make adjustments. The government refused to do so. I hope that the government is not going to hide behind an administrative procedure or a parliamentary practice. The hon. member for Peterborough just said a few interesting things. He said, "I hope that there might be some expansion in this legislation". So I hope that all members of the House of Commons will view things in the same way, especially those on the Standing Committee on Finance, which is going to discuss this bill. The committee needs to improve it. A valid principle is being served here, but in regard to the procedures and the people who are going to receive the money, it is clearly not enough.

[English]

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, the hon. member said that this would only be a temporary measure. Could he comment on how the bill would deal with speculation in the industry of ongoing profiteering and stock exchanges? More barrels of paper are traded per day than are barrels of oil pulled out of the ground. This has a cost on consumers.

[Translation]

**Mr. Paul Crête:** Madam Speaker, there was a time when the current government would say, "There is nothing we can do". We had to come back many times so that it would realize that perhaps we should change the Competition Act to see if, indeed, things were being done properly and to provide the power to investigate.

There is another thing that has not yet been done at this point. The government should, through the Prime Minister, among others, say, "What could be done about international speculation and refining margins?" This work must be done in the next few months. Otherwise, in one year or two, we will find ourselves again facing the same situation and the government will have to bear responsibility.

• (1655)

[English]

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, before I begin my debate, I would ask the House for unanimous consent to split my time with the member for Skeena—Bulkley

Valley. I believe if you would ask all parties, there would be agreement.

**The Acting Speaker (Hon. Jean Augustine):** Does the member have the consent of the House to split his time?

**Some hon. members:** Agreed.

**Mr. Brian Masse:** Madam Speaker, I thank all parties for allowing us to split our time today as it is a very important debate.

There are some good things in Bill C-66 which the New Democratic Party supports, especially the introduction of some of the interventions in fuel efficiency and economies for our homes to help us kick our dependency on oil. We support that. However, there are some weaknesses which we will touch upon, but it is a step forward.

The great disappointment the New Democrats is this will do nothing to address the systemic problem of dependency, speculation and fluctuations in the oil and gas industry which impact on the Canadian economy, consumers and our sovereignty.

Energy pricing is something that affects every industry as well as almost every consumer. With the wild fluctuations that can take place, it literally can drive people out of business. It also can cause people to make choices in buying prescription drugs to treat their health, or paying the rent, or buying food or getting their kids to and from school.

Canadians face these significant problems. When there are wild fluctuations and prices go up, there is often little time in between to deal with it and budget for it. Too many Canadians now are dealing with issues related to home income costs and being unable to afford the things that are necessary for them to prosper. The bill does not address that issue.

I want to touch briefly on what is happening with the industry in general. First, heating oil prices have risen by a third over the last year and natural gas prices have nearly doubled. World production of oil and gas continues to meet world demand, but three apparent physical factors are the main contributors to the problems that we are facing today.

First, we have a growing demand from industrialized countries like China and India, as well as a growing demand from North America. Because of NAFTA, our market is integrated with the United States. As well, the massive industrialization of China and India is usurping resources not only in the oil and gas industry, but also in other industries, for example, steel, where it will have a significant impact upon Canadian companies as well as on our ability to compete.

*Government Orders*

Some of those countries, and I point to China in particular, subsidize those industries and have lower working and environmental standards that allow them to compete at a lower wage. This is affecting Canadian jobs.

Second, we have increasing prices and demand. OPEC countries are uncertain about their reserves and ability to increase production for the long term. The statements that came out of OPEC after Katrina identified that it could do little to keep oil prices down any more because refining capacity was so restricted. Although it pulled more barrels of oil out of the ground, it had little opportunity to move that into refining to keep the price down. That is very important to note.

During our hearings in the industry committee, we heard testimony from the industry as well as outside industry which identified that Canada's refining capacity was at 95% to 97%. At the same time a company like Petro-Canada was closing the Oakville refining. It decided not to invest in the improvements and upgrades of that facility or to build a pipeline to Montreal to increase refining capacity. The end result was it lost half of its refining capacity. Now we will be importing oil from another company to offset that lost refining capacity. That vertical integration is very critical on the market.

Last, another threat to future supplies and increased demands is related to the political uncertainty in certain countries where exploration has taken place. There is the potential of tapping into those markets because of the environment and political instability. We witnessed the retreating of plans to expand or to get into those markets. For example, Petro-Canada had to leave an opportunity behind most recently.

• (1700)

The industry committee convened a meeting over the telephone because of the price spikes related to Katrina and the effect upon Canadian consumers and society. There has not been enough talk about the industry, its profits and what happened during that time period.

Recently, the Canadian Centre for Policy Alternatives released an independent study on gas pricing entitled "What's Behind High Gas Prices". The study proves that Canada's oil and gas industry has reported record profits of \$16 billion in the last year alone, according to Nickle's Energy Group.

Michael Ervin, a leading industry insider and consultant himself, described the industry's recent profit margins as spectacular. This would not have been so bad if it were not for the expense for Canadian consumers or if it were down to simple market forces, as had been advocated by the industry. However, it is not. There is clear evidence of price gouging by the Canadian oil and gas industry, particularly during the period of the recent U.S. hurricanes.

Continuing with that study, it was able to conclude that the price of crude oil rose by \$10 U.S. per barrel between June and September. If the industry had kept its other expenses constant, that should have led to an increase at the pump of just 70.9¢ per litre. Instead, the average increase was 15¢, with some communities paying significantly more. Over Labour Day weekend, the average increase was 40¢ on the June price alone. According to a report from the

CCPA, the price of Canadian gas should never have gone above \$1 per litre.

The gas industry was engaged in clear gouging, taking advantage of public fears over Hurricanes Katrina and Rita. For every penny per litre the gas rises, the industry takes an additional \$1.1 million per day. This means that the point of peak gouging, when the difference between a justified crude oil increase and pump price was as much as 45¢, the industry was raking in \$15 million of excess profit every day.

Regarding the industry and its refining capacity, the evidence presented by experts at committee was that the profit zone was spectacular. That came from its own advocates.

We need to talk a bit about what is happening with the industry and what it is getting from the Canadian citizen. The Auditor General did a report and analysis of the industry. She found that the fuel sector received more than \$40 billion in federal subsidies over the last 30 years. What we have is record profits at the pump, record prices at the pump and the industry continues to get massive subsidies from the Canadian government. This is incredible. Canadians would be shocked.

The Pembina Institute recently stated the industry had \$1.4 billion annually in grants and subsidies. It is based on lowering the cost to producers, not to consumers. The industry gets tax deductions in terms of forgoing tax revenue, due to industry specific tax concessions.

It also is important to note that the industry will receive a general corporate tax reduction under the government. There has to be a sense of balance in this. That is not happening in terms of the debate. We will see, with this legislation, that some Canadians will benefit to a certain degree by a few hundred dollars. They will be able to put that money toward the increased cost that they have incurred and will incur in the future related to the price of gasoline and natural gas for heating their homes.

That money will be shifted over to the industry. There is nothing in the legislation that does anything to have a significant overview as well as accountability that will ensure the gouging does not continue. At the same time we will have a settling of prices.

I understand and appreciate the fact that we are moving to more sustainable practices, but that has been done out of crisis. Once again the bill, which will be administered over five years, looks to address some of those concerns, but it is not aggressive enough.

I would point to the auto sector. I represent a significant auto sector strategy. We are trying to work toward getting more energy efficient vehicles on the road, while at the same time creating Canadian jobs. The government has yet to come forward with a national auto policy on that. We should have incentives on the front end and at the same time ensure that the technology is based in our country. This will help to create jobs. We will have cleaner, more efficient vehicles on the road that produce less pollution. More important, it will take our dependency off a system that creates far too much vulnerability for ordinary citizens and does not have a great accountability in terms of the environment and where are country will go.

*Government Orders*

• (1705)

[Translation]

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, I take this opportunity to respond to my colleague's speech.

[English]

The situation, for those who are watching, is one that we were seized with as a government. It was one that came to our attention as elected officials because all of us were aware that the increase in gas prices was increasingly frustrating and demanding on people, particularly those on fixed incomes.

My colleague brought to the attention of the House the environmental aspects of this issue. I know there are people in the House today who are far more knowledgeable on this than I. However, I want to pose a question to the member because it is a challenge we have.

As time passes and as populations increase, we have a number of opportunities and options in terms of fuel resources and protecting the environment. We know we have the obvious which is oil and gas. There is coal of various qualities. There are also tidal opportunities and wind opportunities.

As a government, we are trying very hard through investments in the public transportation system, which is part of the bill, to assist Canadians in refitting their homes to ensure that they are insulated in a better way. If I may add, it is interesting that in trying to meet our Kyoto requirements, if we are able to insulate the homes in which we live and use existing technologies, we will not only meet our Kyoto requirements but go beyond them. This particular initiative on the part of the finance minister and the Government of Canada will do just that.

My question for the hon. member is this. While we are seized with looking at alternative fuel energy sources, is he aware of the energy costs that are involved in wind power in particular? Is he aware of the efficiencies of wind power and the costs that go into putting wind power up and making it functional?

**Mr. Brian Masse:** Madam Speaker, absolutely there are costs to move us off this habit and this dependency. That is why as New Democrats, we have put forth the Kyoto plan and costed it out. We have encouraged not only in terms of the front ending that we have to do but how it is integrated into our economy, so that we are actually going to be doing the production, manufacturing and the assembly of all of those new technologies that we seem to be losing out to other jurisdictions and countries that are being more progressive.

If it is a question of resources. The parliamentary secretary should understand that I do not think his constituents or mine believe that this industry deserves another corporate tax cut because that is what it is going to get under this administration. The industry has record profits. The total tally is \$51.9 billion in corporate profits as reported by StatsCan and 75% of the increase in profits in the first quarter came because of the soaring oil prices. Therefore, it is getting a benefit right now. It is doing quite well frankly. On top of that, the

industry is getting grants of \$1.4 billion in corporate tax cuts and that is not acceptable.

That money and resources need to be transferred to those types of systems of energy production that are cleaner and more sustainable. It will reduce our pollution, reduce our health care costs, and put Canadians into factories across the country who will pay taxes to the government because they have a good job. That is what we need to do.

• (1710)

[Translation]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, my question will be short. Could the hon. member tell us if he believes that an oil price information bureau could keep Canadians, Quebecers and people from his own province informed of the oil price variations? If so, why? And if not, which is more important, why?

[English]

**Mr. Brian Masse:** No, Madam Speaker, I do not think it will. What we got was a website, not a watchdog. This body lacks any type of real authority. That is what is critical. There has to be some type of mechanism to put in place prevention and accountability. This was done in the past under the previous Conservative administration. In the Bill Davis years in Ontario, he actually froze the price of gasoline at that time. The country created Petro-Canada to put some teeth in against the industry. Now we do not even have any competition.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Madam Speaker, obviously a debate around energy in this country at any point raises quite a bit of energy within this House and that is as it should be.

I am pleased to speak to this bill at such an early stage. It is at the early stages that we must set the foundations of this debate. We must find out why it is so important for this House to consider this issue. We must alter the fundamental direction of this country when it comes to dealing with our energy and resources and I use those expressions very purposefully because they are ours.

The endowment that we have received from the benefit of being within this country is an incredible supply of both traditional carbon based forms of energy and the energy that we need to be investing in for the future. The expression that has been used over and over again is in a post-carbon world.

I will hit briefly upon four points in the time allotted to me. First, we have the concept of investment and intelligent investments. The government needs to switch course and start to make those industries and those cycles profitable.

Second, I would like to bring this issue home to the people that I represent in Skeena—Bulkley Valley and to Canadians that live in the rural sectors of our country. They are often left out of this type of debate and often left out of the legislation such as this, especially when it is poorly drafted legislated that has been drafted on the fly. It does not address the people living in those smaller and more remote communities.



*Government Orders*

Third, I would like to talk about the Liberal record on this file and the lack of action; and fourth, there needs to be some sort of future strategy that we need to go ahead with.

With respect to investments, this country often at times cites its key competition with the United States. I would suggest we need to further expand our horizon to consider where the world is moving when it comes to energy security.

So often we fixate upon millions of barrels of oil produced, cubic metres of natural gas produced, yet we see time and again, both in the developing world, in China and India in particular, and much of the advanced world that the question has moved beyond how many millions of barrels can be produced. The question has moved to a place where the diversification of the energy supply is going to dictate the efficiency and effectiveness of the economy and the effectiveness and strength of the society as a whole. Simply relying upon traditional forms of energy will no longer suffice and continue into the next millennia. Among the major industries in our world, many of the most successful are those that are looking for the greatest efficiency.

My colleague from Windsor West pointed out quite succinctly that at the time when we had an oil and gas sector achieving reasonable profits, some would say “exceptional profits”, well and good. Is this a time that Canadians are demanding upon their government, in the same year that a company is turning a record profit, that we should also be subsidizing that company? There is a strange ideology within this government, which is supported by members in the Conservative Party, to continue to subsidize a sector in the midst of record profits.

We all understand that we need to encourage investment in those areas we wish to pursue further, particularly in those sectors that are hurting on the west coast. This past season we witnessed one of the worst fishing seasons that we have seen in decades. The cry for support and the cry for help for some small investment to keep the fleet on the water for next year goes awry. Whereas, when a sector such as the oil and gas sector is doing quite well and calls upon the government for further tax subsidies, it is well adhered to.

There is something in this bill completely lacking and that is the vehicle with which the disbursements will be allocated. It is completely ignoring the community groups and the activist groups that are on the ground dealing with low income Canadians close to the marginal edge trying to assist those Canadians to become more efficient. This bill completely ignores them.

It goes directly through CMHC. It goes through another bureaucratic mechanism and ignores the not for profit sector who are often times cited as one of the most efficient ways to deliver direct programming, particularly to those groups who they most know best, those Canadians who are closest to the edge, closest to the margin, seniors on fixed income, low income families, and those that need the support that this bill is purported to support.

I will move to Kyoto for a moment. When the government signed on to this protocol in 1997, there was so little recognition of the investments required to actually achieve a more efficient economy. There was much rhetoric, there was much spin, and there was much re-announcement of money, but the key investments that should

have been made, such as having Canadian families understand how to invest in their child's education and having the business community understand how to make themselves more profitable, were not made by this government. As it scrambles and stumbles toward the Kyoto deadlines, we are meant to believe that somehow we will meet our targets.

• (1715)

There is very little that the environment committee heard from any of the experts we talked to on any side of the issue that held that up to be anything other than a fabrication. The Liberal record with respect to the environment and efficiency on energy is mixed at the very best. Signals are sent to both industry and consumers, and then a different signal is sent the next day.

This legislation was made in a moment of crisis, I would suggest, rather than a strategic plan. When we ask the government to paint for us a picture of what the country may look like in 10 years, in terms of our energy mix and where we are deriving the energy from to enhance our security to enhance our economy, the answer is empty.

The answer is another spending announcement, which the Auditor General herself has pointed out time and time again is money that is re-announced. It is money that is rarely dispensed, and the results that the money is meant to achieve, in this case, greater energy efficiency for Canadians, is suspect because the record is so poor on the environment.

The reason I can say this with confidence and outside out of general political rhetoric is that the numbers do not lie. Our pollution continues to go up. Our economy remains inefficient. Our economy remains behind in productivity of most of our OECD competitors. This simply cannot continue to go on.

Legislation is made in some sort of political storm and in an intellectual vacuum. I suggest many pieces of this are back-loaded legislation, coming into force four or five years down the road. There are no specifics in this bill that we can find whatsoever as to when this money will actually be given to Canadians who, this winter, will be facing incredibly high energy costs, 30% or 40%, depending on the energy that they rely upon.

What does this mean for a senior on a fixed income or for a low income family just now making it who are having to make these impossible decisions, which members in this House, I would suggest, do not fully appreciate?

I do not believe that there are any members in this House who do not fully understand what it is to have to make those tough choices, between the kids' soccer lessons and the heating bill or between prescription drugs that one needs to survive and the heating and electricity bill. Those are profound questions that Canadians, we are meant to represent, deal with day in and day out.

There is no accounting for a piece of legislation that provides some small band-aid, and that is administered in a way that we are unsure of the results. We still do not know, over a five year program, when this money is meant to come forward. It is not as if this crisis came about all of a sudden. It is not as if hurricane Katrina and the spike in energy prices was unexpected.

*Government Orders*

There was a sound and profound knowledge that energy would continue, in its traditional forms, to get more expensive, that our supply, while being exposed, in the tar sands would begin to dry up, and that the energy demands of the world would continue to increase.

Therefore, the security of this country, the efficiency and productivity of our economy, and the security of Canadians who are just struggling to get by, depends upon us as members of Parliament making sound decisions. This represents intelligent investments in our energy and developing a strategy whereby we can describe this future to Canadians. This will allow us to describe how the mix of energy would be both sustainable with respect to Kyoto and beyond that, and climate change in general. It would also lead to a greater efficiency in economy, providing the types of jobs that we want people in this country to have, and people's children in this country to have. I would suggest that this bill does not address that in any respect.

The last point I would like to make before wrapping up is that there must be a profound understanding of who these resources belong to. In this debate, when we talk about energy, energy security and supply, we often times move to a laissez-faire market-driven mentality, which works in some instances. However, it ignores any concept of sovereignty and any concept of what it is to be Canadian. It also ignores what it means to be blessed with the land that we have been endowed with, and the incredible resources that we have, both traditional carbon and the new energy resources.

• (1720)

This endowment is both a responsibility and it is something to be cherished. The Canadian government, if no other body, needs to be making decisions through legislation and through investment that protects that endowment, that ensures it will continue to serve Canadians for generations to come, and this, beyond all else, should be the focus of all our decisions in this place.

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, my friend's comments are a bit divorced from reality. One of the things that was proposed to the government in terms of reducing the cost to individuals was to reduce the taxes at the pump. As I said before, we had a choice of whether to do that. We chose not to do it because it would have given a direct financial tax benefit to the gas companies and that was not fair.

What have we done? We have centred the benefits to the individual, to the Canadian public and to the user, which is what our objective was, to help the public by putting money in their pockets.

On the productivity issue, the member may not be aware that our government has reduced taxes to individuals by \$100 billion. Is that the end? No, it is not the end because we are going to continue to approach the issue of productivity to ensure Canada, Canadians and Canadian companies can compete internationally.

The second point I want to make is on the issue of corporate tax cuts. Does the member balk at corporate tax cuts? Yes he does because the NDP is against it. Are we against corporate tax cuts? No, we want to ensure Canadian companies are on a competitive tax basis with other companies. If we did anything less, if we penalized Canadian companies by elevating the taxes to corporations, as the

NDP would, what would we be doing? We would be hammering the Canadian economy, reducing employment, increasing unemployment and reducing money in the pockets of Canadians, and that is not acceptable.

We reduced corporate taxes so far from 28% to 21%. The individual tax cuts and the corporate tax cuts to keep our businesses competitive are just the start. Are we doing more? Yes, we are.

Does the member not approve of Canada, Canadians and the government making sure Canadian companies are on a level playing field and on a competitive tax basis based on a competitive tax base with their competitors internationally?

**Mr. Nathan Cullen:** Madam Speaker, the parliamentary secretary asks if I balk, which I believe is a baseball metaphor. I suggest he just threw all of us a wild pitch.

The question about the corporate tax cuts in general, if he would like to address that and perhaps even listen to the response to his question, I am recalling back to the last federal campaign. The Conservative Party, to its credit, actually spoke about its plan for corporate tax cuts in some measures. The Liberal Party, what I remember from the debates that I engaged in with the candidates in my riding and the national debates and the literature that went about, mentioned nothing about this. When they arrived in Parliament, lo and behold, the tax cuts were there. The Leader of the Opposition felt that he did not need to hear the whole budget speech before getting out in the middle and applauding the government on the budget and the surprising corporate tax cuts.

We put a halt to that and asked for sound investments to be made on some things that I think all members in the House agree with around the environment, for which our investment is used in this bill, ironies of ironies.

The member is proposing apples and oranges when he talks about one of the most profitable sectors of our economy. We do not begrudge them this. We congratulate them on making lots of money. However I fail to see how the \$1.3 billion to \$4 billion given right now in subsidies to the industry, such as the Shells, Petro-Canadas and other companies making huge profits, helps Canadians.

Why subsidize this and why ask a question when he is not willing to listen to the answer?

• (1725)

[*Translation*]

**Hon. David Anderson (Victoria, Lib.):** Madam Speaker, the first objective of the bill is to give financial assistance to low income seniors and low income families with children. Its second objective is to help families to reduce their heating bills and accelerate the transfer of funds to municipalities. Its third objective is to increase transparency and accountability on the market.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS**

[English]

Those are the three basic objectives of the bill. As outlined in a number of news releases prepared by the committee that presented us with the legislation, the total bill for this would be \$2.438 billion and, of that, we find that new funding is marked down as \$1.333 billion. In other words, there is a substantial amount from existing systems that would go into this particular legislation.

With respect to the issue of who should receive the energy cost benefit of almost \$600 million, that is being discussed at length. Obviously some people feel that it should be a wider net. Some people feel that this is the most appropriate one given the difficulty of getting out such cheques in a short time before the winter. That debate can go on forever depending on the number of constituents one would like to add into the mix, but it is clearly designed for low income Canadians, particularly those with families, and seniors who happen to be on the government assistance program.

Putting aside that large chunk of money, which is a successful approach, I should simply point out that this is in anticipation of future costs in the coming year and is essentially an increase in their disposable income of that \$250 and is something they can spend as they wish. It is essentially an increase in the payment by the Government of Canada to these individuals. It is not linked to them producing receipts, for example, for energy payments. I think it is important and it is a good thing that we allow them that freedom of choice.

When we get into some of the other elements of the program, low income retrofit and public transit, we get into areas where money has been promised before. What we are really doing in these areas is advancing that larger context that was discussed in the budget and also by the Minister of the Environment in the months gone by. This is essentially putting forward a little more in the area of giving energy efficiency for public buildings, private homes, public transit, et cetera.

It is quite important to have a look at this. If we look at the numbers we realize that we are still dealing with very small numbers of, let us say, the public buildings in Canada, the buildings of municipalities, universities, schools, hospitals and things of that nature. I doubt whether 5% of those buildings will be aided by this program.

Similarly, if we look at the commercial buildings that are in the program, I think we will find a similar figure. It may be greater than 5% but it would not be a great deal more.

The number of homes expected to benefit is still substantially below 10% of the 11.5 million apartments or detached dwellings that we have in Canada. The issue that I put—

● (1730)

**The Acting Speaker (Hon. Jean Augustine):** I am sorry to interrupt the member at this point in his debate but you will have 16 minutes left at the continuation of the debate.

[English]

**FIREFIGHTERS**

The House resumed from October 20 consideration of the motion, and of the amendment.

**The Acting Speaker (Hon. Jean Augustine):** It being 5:30 p.m., the House will now proceed to the taking of the deferred recorded division on the amendment to Motion No. 153.

Call in the members.

● (1805)

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

*(Division No. 175)***YEAS**

## Members

Abbott	Ablonczy
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Angus
Augustine	Bagnell
Bains	Batters
Beaumier	Bell
Benoit	Blaikie
Boshcoff	Breitkreuz
Broadbent	Brown (Oakville)
Brown (Leeds—Grenville)	Byrne
Canniss	Carr
Carrie	Casey
Casson	Chamberlain
Chong	Christopherson
Comartin	Crowder
Cullen (Skeena—Bulkley Valley)	D'Amours
Davies	Day
Desjarlais	Devolin
Doyle	Duncan
Easter	Epp
Fitzpatrick	Fletcher
Folco	Forseth
Gallant	Galloway
Godbout	Godin
Goldring	Goodyear
Gouk	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guergis
Hanger	Harper
Harrison	Hearn
Hiebert	Hill
Holland	Jaffer
Jean	Jennings
Johnston	Julian
Kadis	Kamp (Pitt Meadows—Maple Ridge—Mission)
Karetak-Lindell	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Komarnicki
Kramp (Prince Edward—Hastings)	Lastewka
Lauzon	Layton
LeBlanc	Longfield
Lukiwski	Lunn
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Maloney	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Matthews	McDonough
McTeague	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Murphy
Myers	Nicholson
O'Connor	Obhrai
Oda	Pallister
Parrish	Penson
Poillievre	Powers
Prentice	Preston
Proulx	Rajotte

*Private Members' Business*

Reid	Rodriguez
Rota	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Siksay	Silva
Simms	Skelton
Smith (Kildonan—St. Paul)	Solberg
Sorenson	Steckle
Stoffer	Telegdi
Thibault (West Nova)	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Tonks	Trost
Tweed	Ur
Valley	Van Loan
Vellacott	Warawa
Wasylucia-Leis	Watson
Williams	Wrzesnewskyj
Yelich	Zed- — 146

Thibault (Rimouski-Neigette—Témiscouata—Les Basques)  
Torsney  
Valeri Vincent  
Volpe Wappel  
Wilfert- — 129

PAIRED

Nil

**The Deputy Speaker:** I declare the amendment carried.

The next question is on the main motion, as amended.

● (1815)

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

(Division No. 176)

**NAYS**

Members

Alcock	Anderson (Victoria)
André	Asselin
Bachand	Bakopanos
Bélangier	Bellavance
Bennett	Bergeron
Bevilacqua	Bigras
Blais	Blondin-Andrew
Boire	Boivin
Bonin	Bonsant
Bouchard	Boudria
Boulianne	Bourgeois
Bradshaw	Brison
Brunelle	Bulte
Cardin	Carrier
Carroll	Catterall
Chan	Clavet
Cleary	Coderre
Comuzzi	Côté
Cotler	Crête
Cullen (Etobicoke North)	Cuzner
Demers	Deschamps
Desrochers	DeVillers
Dhalla	Dion
Dosanjh	Drouin
Dryden	Duceppe
Emerson	Eyking
Faille	Fontana
Frulla	Fry
Gagnon (Québec)	Gagnon (Saint-Maurice—Champlain)
Gagnon (Jonquière—Alma)	Gaudet
Gauthier	Godfrey
Goodale	Graham
Guimond	Hubbard
Ianno	Khan
Kotto	Laframboise
Lalonde	Lapierre (Outremont)
Lapierre (Lévis—Bellechasse)	Lavallée
Lee	Lemay
Lessard	Lévesque
Loubier	Macklin
Malhi	Marceau
Marleau	Martin (Esquimalt—Juan de Fuca)
McCallum	McGuinty
McGuire	McLellan
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Minna	Mitchell
Owen	Pacetti
Paquette	Paradis
Patry	Perron
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Chatham-Kent—Essex)	Plamondon
Poirier-Rivard	Redman
Regan	Robillard
Roy	Saada
Sauvageau	Savoy
Scarpaleggia	Sgro
Simard (Beauport—Limoilou)	Simard (Saint Boniface)
Smith (Pontiac)	St-Hilaire
St. Denis	Stronach
Szabo	Temelkovski

**YEAS**

Members

Abbott	Ablonczy
Adams	Ambrose
Anders	Anderson (Cypress Hills—Grasslands)
Angus	Augustine
Bagnell	Bains
Batters	Beaumier
Bell	Benoit
Blaikie	Boshcoff
Breitkreuz	Broadbent
Brown (Leeds—Grenville)	Byrne
Cannis	Carr
Carrie	Casey
Casson	Chamberlain
Chong	Christopherson
Coderre	Comartin
Crowder	Cullen (Skeena—Bulkley Valley)
D'Amours	Davies
Day	Desjarlais
Devolin	Doyle
Drouin	Duncan
Easter	Epp
Eyking	Fitzpatrick
Fletcher	Folco
Forseth	Gallant
Galloway	Godbout
Godin	Goldring
Goodyear	Gouk
Grewal (Newton—North Delta)	Grewal (Fleetwood—Port Kells)
Guergis	Hanger
Harper	Harrison
Hearn	Hiebert
Hill	Holland
Jaffer	Jean
Jennings	Johnston
Julian	Kadis
Kamp (Pitt Meadows—Maple Ridge—Mission)	Karetak-Lindell
Karygiannis	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Komarnicki
Kramp (Prince Edward—Hastings)	Lastewka
Lauzon	Layton
LeBlanc	Longfield
Lukowski	Lunn
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Maloney	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Matthews	McDonough
McKay (Scarborough—Guildwood)	McTeague
Menzies	Merrifield
Miller	Mills
Minna	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Murphy
Myers	Nicholson
O'Connor	Obhrai
Oda	Pallister
Paradis	Parrish
Penson	Poilievre
Powers	Prentice

*Private Members' Business*

PAIRED

Nil

**The Deputy Speaker:** I declare the motion, as amended, carried.

\* \* \*

**QUEENSWAY CARLETON HOSPITAL**

The House resumed from October 21 consideration of the motion, and of the amendment.

**The Deputy Speaker:** The House will now proceed to the taking of the deferred recorded division on the amendment to Motion No. 135 under private members' business.

● (1825)

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

*(Division No. 177)*

**NAYS**

Members

Preston	Proulx
Rajotte	Reid
Rodriguez	Rota
Savage	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Siksay	Silva
Simms	Skelton
Smith (Pontiac)	Smith (Kildonan—St. Paul)
Solberg	Sorenson
St. Amand	Steckle
Stoffer	Szabo
Telegdi	Thibault (West Nova)
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Tonks
Torsney	Trost
Tweed	Ur
Valley	Van Loan
Vellacott	Warawa
Wasylycia-Leis	Watson
Wilfert	Williams
Wrzesnewskyj	Yelich
Zed — 161	

Members

Alcock	Anderson (Victoria)
André	Asselin
Bachand	Bakopanos
Barnes	Bélanger
Bellavance	Bennett
Bergeron	Bigras
Blais	Blondin-Andrew
Boire	Boivin
Bonin	Bonsant
Bouchard	Boudria
Boulianne	Bourgeois
Bradshaw	Brisson
Brunelle	Bulte
Cardin	Carrier
Carroll	Chan
Clavet	Cleary
Comuzzi	Côté
Cotler	Crête
Demers	Deschamps
Desrochers	DeVillers
Dhalla	Dion
Dosanjh	Dryden
Duceppe	Emerson
Faille	Fontana
Frulla	Gagnon (Québec)
Gagnon (Saint-Maurice—Champlain)	Gagnon (Jonquière—Alma)
Gaudet	Gauthier
Godfrey	Goodale
Graham	Guimond
Hubbard	Ianno
Khan	Kotto
Laframboise	Lalonde
Lapierre (Outremont)	Lapierre (Lévis—Bellechasse)
Lavallée	Lee
Lemay	Lessard
Lévesque	Loubier
Malhi	Marceau
McCallum	McGuinty
McGuire	McLellan
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Mitchell	Owen
Paquette	Patry
Perron	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham-Kent—Essex)
Plamondon	Poirier-Rivard
Redman	Regan
Robillard	Roy
Saada	Sauvageau
Savoy	Scarpaleggia
Sgro	Simard (Beauport—Limoilou)
Simard (Saint Boniface)	St-Hilaire
St. Denis	Stronach
Temelkovski	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Valeri	Thibault
Volpe	Wappel — 112

**YEAS**

Members

Abbott	Ablonczy
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Bachand
Batters	Benoit
Blaikie	Breitkreuz
Broadbent	Brown (Leeds—Grenville)
Carrie	Carrier
Casey	Casson
Chong	Christopherson
Comartin	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Davies	Day
Demers	Desrochers
Devolin	Doyle
Duncan	Epp
Fitzpatrick	Fletcher
Forseth	Gagnon (Saint-Maurice—Champlain)
Gallant	Godin
Goldring	Goodyear
Gouk	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guergis
Hanger	Harper
Harrison	Hearn
Hiebert	Hill
Jaffer	Jean
Johnston	Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Komarnicki
Kotto	Kramp (Prince Edward—Hastings)
Lauzon	Layton
Lukiwski	Lunn
Lunney	MacKay (Central Nova)
MacKenzie	Marceau
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	McDonough
Ménard (Hochelaga)	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Obhrai
Oda	Pallister
Penson	Poilievre
Prentice	Preston
Rajotte	Reid
Sauvageau	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Siksay	Simard (Beauport—Limoilou)
Skelton	Smith (Kildonan—St. Paul)
Solberg	Sorenson
Stoffer	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Trost	Tweed
Van Loan	Vellacott
Warawa	Wasylycia-Leis

*Private Members' Business*

Watson  
Yelich — 111

Williams

**NAYS**

Members

Adams  
Anderson (Victoria)  
Asselin  
Bagnell  
Bakopanos  
Beaumier  
Bell  
Bennett  
Bevilacqua  
Blais  
Boire  
Bonin  
Boshcoff  
Boudria  
Bourgeois  
Brisson  
Brunelle  
Byrne  
Cardin  
Carroll  
Chamberlain  
Clavet  
Coderre  
Côté  
Cullen (Etobicoke North)  
D'Amours  
DeVillers  
Dion  
Drouin  
Duceppe  
Emerson  
Faille  
Fontana  
Fry  
Gagnon (Jonquière—Alma)  
Gaudet  
Godbout  
Goodale  
Guimond  
Hubbard  
Jennings  
Karetak-Lindell  
Khan  
Lalonde  
Lapierre (Lévis—Bellechasse)  
Lavallée  
Lee  
Lessard  
Longfield  
MacAulay  
Malhi  
Marleau  
Matthews  
McGuinty  
McKay (Scarborough—Guildwood)  
McTeague  
Minna  
Murphy  
Owen  
Paquette  
Parrish  
Perron  
Pettigrew  
Picard (Drummond)  
Plamondon  
Powers  
Redman  
Robillard  
Rota  
Saada  
Savoy  
Sgro  
Simard (Saint Boniface)  
Smith (Pontiac)  
St. Amant  
Steckle  
Szabo

Alcock  
André  
Augustine  
Bains  
Barnes  
Bélanger  
Bellavance  
Bergeron  
Bigras  
Blondin-Andrew  
Boivin  
Bonsant  
Bouchard  
Boulianne  
Bradshaw  
Brown (Oakville)  
Bulte  
Cannis  
Carr  
Catterall  
Chan  
Cleary  
Comuzzi  
Cotler  
Cuzner  
Deschamps  
Dhalla  
Dosanjh  
Dryden  
Easter  
Eyking  
Folco  
Frulla  
Gagnon (Québec)  
Galloway  
Gauthier  
Godfrey  
Graham  
Holland  
Ianno  
Kadis  
Karygiannis  
Laframboise  
Lapierre (Outremont)  
Lastewka  
LeBlanc  
Lemay  
Lévesque  
Loubier  
Macklin  
Maloney  
Martin (Esquimalt—Juan de Fuca)  
McCallum  
McGuire  
McLellan  
Ménard (Marc-Aurèle-Fortin)  
Mitchell  
Myers  
Pacetti  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham-Kent—Essex)  
Poirier-Rivard  
Proulx  
Regan  
Rodriguez  
Roy  
Savage  
Scarpaleggia  
Silva  
Simms  
St-Hilaire  
St. Denis  
Stronach  
Telegdi

Temelkovski  
Basques)  
Thibault (West Nova)  
Ur  
Valley  
Volpe  
Wilfert  
Zed- — 167

Thibault (Rimouski-Neigette—Témiscouata—Les  
Torsney  
Valeri  
Vincent  
Wappel  
Wrzesnewskij

**PAIRED**

**The Deputy Speaker:** I declare the amendment lost.

The next question is on the main motion.

• (1835)

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

*(Division No. 178)*

**YEAS**

Members

Abbott  
Ambrose  
Anderson (Cypress Hills—Grasslands)  
Batters  
Blaikie  
Broadbent  
Carrie  
Casson  
Christopherson  
Crête  
Cullen (Skeena—Bulkley Valley)  
Day  
Desrochers  
Doyle  
Epp  
Fletcher  
Gagnon (Saint-Maurice—Champlain)  
Godin  
Goodyear  
Grewal (Newton—North Delta)  
Guergis  
Harper  
Hearn  
Hill  
Jean  
Julian  
Keddy (South Shore—St. Margaret's)  
Komarnicki  
Kramp (Prince Edward—Hastings)  
Layton  
Lunn  
MacKay (Central Nova)  
Marceau  
Martin (Sault Ste. Marie)  
McDonough  
Menzies  
Miller  
Moore (Port Moody—Westwood—Port Coquitlam)  
Moore (Fundy Royal)  
Nicholson  
Obhrai  
Pallister  
Poilievre  
Preston  
Reid  
Scheer  
Schmidt (Kelowna—Lake Country)  
Simard (Beauport—Limoulu)  
Smith (Kildonan—St. Paul)  
Sorenson  
Thompson (New Brunswick Southwest)  
Tilson  
Tweed  
Vellacott  
Wasylcia-Leis  
Williams

Ablonczy  
Anders  
Bachand  
Benoit  
Breitkreuz  
Brown (Leeds—Grenville)  
Carrier  
Chong  
Comartin  
Crowder  
Davies  
Demers  
Devolin  
Duncan  
Fitzpatrick  
Forsyth  
Gallant  
Goldring  
Gouk  
Grewal (Fleetwood—Port Kells)  
Hanger  
Harrison  
Hiebert  
Jaffer  
Johnston  
Kamp (Pitt Meadows—Maple Ridge—Mission)  
Kenney (Calgary Southeast)  
Kotto  
Lauzon  
Lukiwski  
Lunney  
MacKenzie  
Martin (Winnipeg Centre)  
Masse  
Ménard (Hochelaga)  
Merrifield  
Mills  
O'Connor  
Oda  
Penson  
Prentice  
Rajotte  
Sauvageau  
Schellenberger  
Siksay  
Skelton  
Solberg  
Stoffer  
Thompson (Wild Rose)  
Trost  
Van Loan  
Warawa  
Watson  
Yelich — 110

*Private Members' Business*

## NAYS

## Members

Adams  
Anderson (Victoria)  
Asselin  
Bagnell  
Bakopanos  
Beaumier  
Bell  
Bennett  
Bevilacqua  
Blais  
Boire  
Bonin  
Boshcoff  
Boudria  
Bourgeois  
Brison  
Brunelle  
Byrne  
Cardin  
Carroll  
Chamberlain  
Clavet  
Coderre  
Côté  
Cullen (Etobicoke North)  
D'Amours  
DeVillers  
Dion  
Drouin  
Duceppe  
Emerson  
Faille  
Fontana  
Fry  
Gagnon (Jonquière—Alma)  
Gaudet  
Godbout  
Goodale  
Guimond  
Hubbard  
Jennings  
Karetak-Lindell  
Khan  
Lalonde  
Lapierre (Lévis—Bellechasse)  
Lavallée  
Lee  
Lessard  
Longfield  
Macklin  
Maloney  
Martin (Esquimalt—Juan de Fuca)  
McCallum  
McGuire  
McLellan  
Minna  
Murphy  
Owen  
Paquette  
Parrish  
Perron  
Pettigrew  
Picard (Drummond)  
Plamondon  
Powers  
Redman  
Robillard  
Rota  
Saada  
Savoy  
Sgro  
Simard (Saint Boniface)  
Smith (Pontiac)  
St. Amand  
Steckle  
Szabo  
Temelkovski  
Basques)  
Thibault (West Nova)  
Ur

Alcock  
André  
Augustine  
Bains  
Barnes  
Bélangier  
Bellavance  
Bergeron  
Bigras  
Blondin-Andrew  
Boivin  
Bonsant  
Bouchard  
Boulianne  
Bradshaw  
Brown (Oakville)  
Bulte  
Cannis  
Carr  
Catterall  
Chan  
Cleary  
Comuzzi  
Cotler  
Cuzner  
Deschamps  
Dhalla  
Dosanjh  
Dryden  
Easter  
Eyking  
Folco  
Frulla  
Gagnon (Québec)  
Galloway  
Gauthier  
Godfrey  
Graham  
Holland  
Ianno  
Kadis  
Karygiannis  
Laframboise  
Lapierre (Outremont)  
Lastewka  
LeBlanc  
Lemay  
Lévesque  
MacAulay  
Malhi  
Marleau  
Matthews  
McGuinty  
McKay (Scarborough—Guildwood)  
McTeague  
Mitchell  
Myers  
Pacetti  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham-Kent—Essex)  
Poirier-Rivard  
Proulx  
Regan  
Rodriguez  
Roy  
Savage  
Scarpaleggia  
Silva  
Simms  
St-Hilaire  
St. Denis  
Stronach  
Telegdi  
Thibault (Rimouski-Neigette—Témiscouata—Les  
Torsney  
Valeri

Valley  
Volpe  
Wilfert  
Zed— 165

Vincent  
Wappel  
Wrzesnewskyj

## PAIRED

Nil

**The Deputy Speaker:** I declare the motion lost.

It being 6:40 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

\* \* \*

## UNEMPLOYMENT INSURANCE ACT

The House proceeded to the consideration of, Bill C-280, An Act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another Act in consequence, as reported (with amendments) from the committee.

● (1840)

[*Translation*]

## SPEAKER'S RULING

**The Deputy Speaker:** There is one motion in amendment standing on the notice paper for the report stage of Bill C-280.

Before I propose Motion No. 1 to the House, the Chair has to make a statement about Bill C-280, An Act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another Act in consequence, which was reported from the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities on June 17, 2005.

I wish to remind the House that the Chair has previously addressed the need for a royal recommendation in this bill on two occasions: on February 8, 2005 and again on June 13, 2005. Members will remember that in his ruling on Bill C-280, given on Monday June 13, 2005, the Speaker stated:

—in its present form, Bill C-280 infringes on the financial initiative of the Crown for three reasons: first, clause 2 effects an appropriation of public funds by its transfer of these funds from the consolidated revenue fund to an independent employment insurance account established outside the consolidated revenue fund.

Second, clause 2 significantly alters the duties of the EI Commission to enable new or different spending of public funds by the commission for a new purpose namely, the investment of public funds.

Third, as indicated in my ruling of February 8, clause 5 increases the number of commissioners from four to seventeen.

The human resources committee adopted a number of amendments to the bill following the ruling. Notably, the committee has reduced the number of commissioners from seventeen to four. While the amendments have altered the nature of the expenditures called for in the bill, neither the amendments adopted in committee nor the amendment standing on the notice paper for the report stage, assuming it were to be adopted, would remove the requirement for a royal recommendation.

As it has been indicated in the previous rulings, it is my duty to inform the House that in conformity with Standing Order 79(2), I must still decline to put the question on third reading of this bill unless a royal recommendation is received.

*Private Members' Business*

Today, consideration at report stage and debate on the motion for third reading will continue as scheduled.

I shall now propose Motion No. 1 to the House.

## MOTION IN AMENDMENT

**Mr. Gérard Asselin (Manicouagan, BQ)** moved:

That Bill C-280, in Clause 1, be amended by replacing lines 4 to 26 on page 1 and lines 1 to 38 on page 2 with the following:

"1. Section 65.3 of the Employment Insurance Act is repealed.

1.1 Sections 66 to 67 of the Act are replaced by the following:

66. (1) Not later than November 30 in each year, the Commission shall set the premium rate that the Commission considers will, to the extent possible, over a business cycle,

(a) serve the best interests of the contributors and beneficiaries under the employment insurance system;

(b) ensure that there is enough revenue to pay the expenses authorized to be charged to the Employment Insurance Account;

(c) maintain stable rate levels; and

(d) ensure that the difference between the assets of the Employment Insurance Account and its liabilities does not exceed fifteen billion dollars.

(2) On the first day of October in each year, the Commission shall cause a report to be sent to the Minister containing

(a) the reasons for setting the premium rate for the year;

(b) any change to the amount of benefits that the Commission considers will, to the extent possible, over a business cycle,

(i) ensure that there is enough revenue to pay the expenses authorized to be charged to the Employment Insurance Account, and

(ii) maintain stable rate levels;

(c) a detailed description of the assets of the Commission on the first day of September in each year;

(d) a detailed description of the amounts that have been paid into or paid out of the Employment Insurance Account since the previous report;

(e) an estimate of the amounts to be paid into the Employment Insurance Account under this Act for the following year, calculated on the basis of the premium rate set by the Commission in the report;

(f) an estimate of the amounts to be paid out of the Employment Insurance Account under this Act for the following year, calculated on the basis of the amount of benefits to be paid set by the Commission in the report;

(g) any recommendations that the Commission considers necessary for the improvement of the employment insurance system, including amendments to Acts, regulations and policies with respect to employment insurance; and

(h) any other information that the Commission considers necessary.

(3) The Minister shall cause a copy of the report to be laid before each House of Parliament on any of the first five days on which that House is sitting after the Minister receives it.

66.1 Notwithstanding section 66, the premium rate for the year 2004 is 1.98%.

66.2 Notwithstanding section 66, the premium rate for the year 2005 is the rate set for the year by the Governor in Council on the recommendation of the Minister and the Minister of Finance.

67. Subject to section 70, a person employed in insurable employment shall pay, by deduction as provided in subsection 82(1), a premium equal to their insurable earnings multiplied by the premium rate set under section 66, 66.1 or 66.2, as the case may be."

•(1845)

He said: Mr. Speaker, I am pleased to take the floor as sponsor of Bill C-280, which is concerned with the creation of an autonomous fund.

To begin, I would like to say to all those listening to us that employment insurance is primarily insurance that is paid for by workers while they are working, in case they lose their jobs or stop working. The problem is that workers pay premiums thinking that they are insured, yet they are not. Since the 1994 Axworthy reform, under the Liberal government, insured persons who have paid premiums in order to be insured in case of job loss or separation have not in fact been insured.

The objective of the Liberal Party is to generate surpluses and deposit them in the Consolidated Revenue Fund. The former finance minister, now the Prime Minister, used to crow that he was realizing annual surpluses of \$9 billion, \$10 billion or \$12 billion. Again this year, revenues surplus to premiums and benefits have been generated in the order of \$4 billion to \$6 billion.

This motivated the Bloc Québécois, immediately upon its arrival in the House of Commons, to work on behalf of workers, the unemployed and the groups such as the Sans-chemise, and to defend their interests. This is not the first bill on the subject we are discussing in this House. The Bloc Québécois has felt itself obliged to make certain commitments to workers, the unemployed and the Sans-chemise. In the last federal election campaign, the Bloc Québécois promised to table in this House the bill we are debating today at the report stage, namely Bill C-280, which would create an independent fund.

In my riding of Manicouagan, I also have workers, unemployed people and students who pay EI premiums, yet unfortunately are not insured under the present employment insurance system.

I had the opportunity to speak at first reading, that is, when the bill was tabled, at second reading, as well as in committee, when this bill was studied. I was able to intervene, as did the hon. member for Chambly-Borduas and the hon. member for Québec, at the amendment stage. We agreed to huge reductions so that this measure would not be expensive for the government.

For example, we reduced the number of administrators. We would have liked to have seven representatives on the union side, as many on the management side, and three on the government side. As long as this fund is not administered by those who contribute to it, we will be faced with the problem we have today. The government takes the money in the fund and uses it for purposes other than those for which people contributed. It then becomes a disguised tax that is collected on the backs of seasonal workers and the unemployed.

I am now pleased to speak at the report stage. As I was saying, we have tabled some amendments. Our amendment that permits concordance with the budget has been accepted tonight. At the time we intervened in committee, the budget had not yet been passed and we were not able to make the necessary amendments. This evening, at the report stage, the Chair has deemed admissible an amendment we had tabled. This is simply an amendment to align Bill C-280 with Bill C-43, the Budget Implementation Act.



We do hope that cabinet, which has the authority to give royal assent, will give workers and the unemployed the money that belongs to them. For far too long, the government has been using that money for its own purposes and spending it on various programs. One might even wonder if this money from the EI fund—we are talking about \$5 billion or \$6 billion a year—was not involved in instances of waste of public funds. Put simply, I am referring to the sponsorship scandal. It would be disastrous if the government had taken money that belongs to workers and the unemployed to fund the sponsorship program in an attempt to pad the coffers of the Liberal Party. We are asking cabinet to give a royal recommendation with respect to this bill.

In addition, I hope that the House will get to vote on this bill at third reading stage, so as to show the true face of the Liberals. They keep promising to improve the employment insurance program, but no sooner do they get elected than they do the exact opposite.

• (1850)

The Bloc Québécois promised to introduce legislation. That is what we are doing today. That is what we have been doing ever since coming to Ottawa. If it is not passed and a majority of parliamentarians vote against it, the Liberals will pay the price.

Why is legislation necessary? It is necessary to stop the government from tapping into the surplus, these billions of dollars that belong to the workers, those who have contributed to an insurance fund they do not get to use because the government decided to undertake a much too stringent reform, which is increasingly preventing people from qualifying for EI benefits.

The independent employment insurance account management committee had the power to set premium rates and to pay out benefits, to administer and report to the House. It was also to recommend improvements to the employment insurance program. That is very important. It has the power to recommend improvements to the EI program.

Six women out of ten contribute to the EI fund, but are not eligible for benefits. That is disastrous. We are talking about 60% of women on the labour market, women and young people who are contributing to the fund. Six people out of ten do not qualify.

Why? Because the reforms are too strict. We are talking about new people on employment insurance. They need 910 hours of work. That is 910 hours in seasonal jobs. These are different kinds of jobs, and I find that everywhere in Quebec and Canada.

There are different kinds of jobs in which, as I was saying, six women out of ten did not qualify for employment insurance. These are women and young people. It is all the people who are on call, casual employees, replacements for workers on holidays, contract workers and even students.

I will be told that the act requires all workers to pay employment insurance premiums. However, the government knows very well that although everyone is obliged to pay premiums when they work because that is the law, the government is not obliged to pay out benefits to everyone.

We in the Bloc Québécois are proposing an independent fund, with administrators who would manage the premium and benefit

### *Private Members' Business*

rates. They would make recommendations and submit reports to the House. We also say that the 910 hours required to qualify for employment insurance should be reduced to 360.

We demand as well that the benefits be increased from 50% to 60%. We want to increase the number of insurable weeks to 50 in order to eliminate the gap.

Between the period when people receive employment insurance and the period when they return to work, there are workers in seasonal jobs in some regions who go as long as two months, two and a half months, often ten weeks, without any income.

There is also the abolition of the two-week waiting period. With a total surplus of \$48 billion and annual surpluses of \$4 billion to \$6 billion, it is impossible to understand why the famous two-week waiting period cannot be eliminated. It really does take two weeks of waiting, two to three weeks if there is no investigation and all goes well. It takes about five or six weeks before people get their first employment insurance cheque.

In some families, when the employment insurance cheque arrives, it is certainly due. The banks do not wait, and neither do mortgages or grocery stores. Everybody needs it.

We also need a POWA program and a program for independent workers. I will let my hon. friend from Chambly—Borduas speak about that.

This bill is supported by unions and employers. Why employers? Because they are having difficulty recruiting employees. There is also the high cost of training employees.

On behalf of working people, on behalf of the unemployed, and on behalf of the Comité des Sans-Chemise, we ask the House to vote in favour of Bill C-280.

• (1855)

[English]

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, I am pleased to join in the debate on Bill C-280 concerning the Employment Insurance Act. I genuinely thank the member for Manicouagan for raising these important issues. It is important that we debate such things publicly from time to time.

I also thank the standing committee for its fine work on its ninth report in consideration of this bill. While the Government of Canada cannot agree with the key directions of the bill, we greatly appreciate the work of the committee. I personally thank the member for Madawaska—Restigouche for his passionate support of the unemployed and for unemployment programs, and for the advice which he has given me and other members of the committee during this process.

Bill C-280 proposes fundamental amendments to the EI Act. It is important to revisit the reasons for the present structure of that act. This historical context will, I believe, illustrate the importance, complexity and challenges presented by the proposals contained in Bill C-280.

Let me begin with the employment insurance account.

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Both Bill C-280 and the committee's ninth report suggest alternative methods of accounting but I believe it is important to appreciate why the EI account is reported within the consolidated revenue fund and not, as the bill proposes, separate from the accounts of Canada.

In the 1980s the auditor general of that time expressed concerns about fragmented reporting of government activities. To rectify this situation, the auditor general was of the opinion that EI premiums paid by employers and employees were federal revenues and that given the government's control over EI policy and programs, they should be included in reported Government of Canada revenues, not in a separate account. On the advice of the auditor general, in 1986 the EI account was fully integrated into the government's general finances. This practice follows appropriate accounting methods consistent with the standards of the Canadian Institute of Chartered Accountants. This reasoning still holds true.

It is important to note, however, that because the EI account has been consolidated with the other accounts of Canada, in reality it is not an actual account containing cash but rather an accounting method that keeps track of both premiums and benefits.

Bill C-280 would have significant financial and policy implications for the way in which the federal government finances and governs the EI program. A cash-based account, outside of the control of the government, would represent a significant fiscal liability to the government and the taxpayers of Canada, and potentially the first step in loss of policy control.

The government realizes the importance of keeping EI in tune with Canadians. That is precisely why in budget 2003 we committed to undertake a review of the premium setting process and launched public consultations. We promised that the new process would be based on the following principles: first, that premium rates should be set transparently; second, premium rates should be set on the basis of independent advice; third, expected premium revenues should correspond to expected program costs; fourth, premium rate setting should mitigate the impact on business cycles; and lastly, that premium rates should be relatively stable over time.

Consultations were held with a variety of stakeholders. We heard from business, labour, economists, technical experts, the EI commissioners for workers and employers, and individual members of the public. In budget 2005, the Government of Canada introduced a new permanent rate setting mechanism that meets all the five principles that I have outlined and takes into consideration the views of stakeholders and the views of the standing committee which studied this. By the way, this new regime already exists.

● (1900)

Beginning with the 2006 rate, the EI Commission has the legislative authority to set the rate itself. It will be able to obtain, as needed, the services of those with specialized knowledge in rate setting matters. In other words, it can go outside a government. And it will hold consultations on the premium rate prior to setting it. Gone will be the requirement for the Government of Canada to approve this rate.

This new approach to rate setting is based on the principle that the premium rate for a year should generate just enough revenue to cover expected payments during that year.

I think it is important to raise this here and speak to the motion proposed by the member for Manicouagan. The motion outlines a premium rate setting process that is identical to the one originally proposed. The only difference is that it removes the role of the Chief Actuary from the rate setting process. The motion in no way has a substantive effect on the problematic aspects of the bill ruled upon, Mr. Speaker, by you, and your ruling on the fact that the a royal recommendation was needed for the original bill as it was phrased.

Perhaps, given the ramifications suggested in the motion, it is important at this time to clearly articulate the key function played by the Chief Actuary in the new rate setting mechanism this government introduced in the budget 2005.

Under the new mechanism, the EI Chief Actuary annually calculates on a forward looking basis the estimated break-even rate for the coming year based on economic variables supplied by the Minister of Finance. The Chief Actuary then provides a report of this break-even rate calculation to the EI Commission by October 14 each year.

Clearly, the role of the Chief Actuary is a critical component of the new rate setting process, as he provides independent expert advice to the commission concerning the break-even premium rate. The Chief Actuary's report is a key factor the commission must consider in its decision on the rate. It is the only mechanism that factors in important economic variables. Further, the Chief Actuary's report provides the basis to ensure that the premium rate will generate just enough revenue to cover expected payments during the year.

It is important to recognize the important function the Chief Actuary adds to the transparency of the rate setting process. It is his report, providing details of the calculation of the break-even rate, that is made public and provides the basis for the commission's consultations with all stakeholders.

I appreciate the House taking the time to listen to this description of the role of the Chief Actuary. It is important because it explains why this government would not support a rate setting process that does not provide for sound actuarial advice as a fundamental component of the EI rate setting.

These new measures that I have outlined address issues both in Bill C-280 and the standing committee's reports by increasing the independence of the EI Commission in the EI rate setting and strengthening, and this is most important, the transparency of the entire process.

*Private Members' Business*

It is important to add that over the past 11 years premium rates have steadily gone down while benefits to Canadians have been enriched. With the 2005 rate for employees at \$1.95 and \$2.73 for employers per \$100 of insurable earnings, consecutive rate reductions mean that employers and employees will pay \$10 billion less in premiums than they did under the 1994 regime.

I appreciate the contributions of the hon. members and of the standing committee to the debates on the EI Act. I also welcome this opportunity to share ideas but for the reasons that I have outlined, the government cannot support Bill C-280.

● (1905)

**Mr. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, this is a very important proposal to fix the serious problems we have seen for years in the employment insurance system. Employers and workers who have paid EI premiums have seen \$48 billion of their hard-earned wages taken by the government and diverted to other spending purposes.

The Liberal government has been doing that for 10 years. It has consistently generated a significant surplus out of the employment insurance system by taxing workers and employers who create those jobs, and taking the money and using it under the pretense of collecting it for employment insurance while using it for other purposes.

We do not believe that is acceptable. In fact, it verges on being less than truthful in the budgeting processes of the government. If it were not for that diversion of surplus funds, members can rest assured that the government would not have balanced the budget as it claims to have done. It is through the pilfering of funds collected from workers and employers that the government has been able to do that.

The present employment insurance system continues to create a situation where employment insurance is not working for workers or employers. It is creating a drag on job creation. It is also creating a situation of overtaxation on workers earning a modest to middle income. EI premiums are capped at a certain level. A form of regressive taxation has taken place here through the theft of those funds from the surplus.

We hear from all kinds of people that it is a problem. The Canadian Federation of Independent Business is concerned about this and has pointed out the impact on job creation. Garth Whyte, executive vice-president of the Canadian Federation of Independent Business, said:

You had a \$48-billion surplus in the EI fund. It's disappeared into general revenue. There's no reason EI premiums should be used to build up a new surplus. We would be extremely upset if you do that.

Although we heard from the Parliamentary Secretary to the Minister of Human Resources that we would see a situation now where surpluses will not be collected but, guess what, that was the very situation under the previous legislation.

The premium rate setting mechanism was designed so the government would set a rate that would not exceed the amount necessary to maintain the EI program. Notwithstanding that provision in the law, we continue to see a surplus collected every year; an average of \$4.6 billion a year. This overtaxation has gone on

for a decade, none of which was contemplated in the legislation. That practice has hurt the economy and job creation, to say nothing of being unfair to ordinary workers.

Another group talked about the impact of this on the economy and on competitiveness, the Institute for Competitiveness and Prosperity, the research arm of Ontario's task force on competitiveness, productivity and economic progress, which is an arm of the provincial Liberal government in Ontario. The study was funded by that government through the Ministry of Economic Development and Trade.

Let me tell the House what those experts said about the problems with the EI system as it is working now.

Our view is that EI is not an insurance program. Rather it is becoming a transfer that places a dysfunctional tax on productive labour and successful businesses. In addition, the excessive surpluses accumulated are a high cost to have provinces and to overall prosperity growth.

They are saying that the way the government runs employment insurance right now is hurting economic prosperity and growth, and taking that surplus is one of the biggest factors. They go on to say:

Our research indicates that the federal surplus surpluses are leading to a loss of discipline in fiscal federalism, resulting in potentially unsustainable growth in federal transfers. This lack of discipline is also exacerbating the trend away from investing in future prosperity towards consumption of current prosperity. An important part of this lack of discipline is the growing surpluses in EI, a program that is less and less an insurance program and more and more a transfer program.

● (1910)

That study has some very interesting perspectives on how the transfer has actually discouraged job creation by employers, discouraged people from working and creates the reverse incentives. It creates incentives for people not to keep people employed. It creates incentives for businesses to lay off people, to cause them to lose their jobs. The entire structure has the wrong incentives. That is another discussion for another day.

The focus here has to be on the surpluses and the negative impact of those surpluses and the money that is being taken.

This bill sought to address that. An amendment that I was pleased to propose on behalf of the Conservative Party proposed to return the \$46 billion that had been taken from those taxpayers, from the workers and the employers, those job creators. The amendment proposed to restore that money to the fund over a period of 10 years. This would create a genuine balance, money that could be there for a rainy day. It would allow for lower premiums and would encourage more job creation. Workers would have more money to take home at the end of the day. The money that was taken from them over 10 years would be returned to them over a period of 10 years.

We heard from the parliamentary secretary that in view of the Speaker's ruling on the need for a royal prerogative, the government has no intention of providing that royal recommendation. It does not wish to provide that royal recommendation. It is fully at the discretion of the government to do that.

The government could make the decision to be fair, to be equitable and return to workers the hard-earned dollars that they paid into the insurance program but which were taken from the insurance program to be used for other purposes. The government has the ability to do that.

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I will make the same case today that we made at committee about why the government should provide that royal recommendation. The notion that the money is in general revenues and that it would be transferred to a separate fund is really a matter of bookkeeping. It has always been recorded as a figure in Canada's books. The money has been a surplus. It has been a recorded amount. That is how we know it is \$46 billion. The government is required to record it.

In that sense it is not really new money. It is money that is there. It is money that has been identified. It is money that was collected for a specific purpose. It is money that should be spent for that specific purpose.

Until and unless the government is prepared to do that, then we know that the government is not taking to heart the interests of workers and employers and the government does not really mean what it says when it talks about running the employment insurance system as an insurance system in the future. Only if the government is prepared to do that will it do so.

We are concerned, as I said, that the changes by the government do not do what the government says they will do. Our amendments in the bill that is before the House would have the effect of ensuring that in the future any surpluses that were collected from employment insurance would go into a fund. There would be a fund that would be maintained. The money could never be taken away and spent for other purposes.

That will not be the case here. Much is made of the notion that by restoring the commission all of a sudden there will cease to be surpluses. The fact is there may be some conservativeness built in to the rate premium assumptions every year in the premium setting process which may cause a bit of a surplus. Any time it is a good year there will be a surplus and there is nothing in the government's reforms that will prevent it from once again, as it has for the past decade, raiding that surplus and continuing to divert moneys for other spending purposes.

The government will continue that unfair, unjust and inequitable form of taxation. It is the taxation that hurts the working families in my riding and typical families in our communities all across the country. They are hard-working people. They are honest. They play by the rules. They pay their taxes. They are trying to pay their mortgages. They are trying to get ahead and build a brighter future. They cannot afford to have additional taxes that are set differently every year, specifically for providing them the security of employment insurance and then face the loss of those premiums.

If a private insurance company were to do that sort of thing, it would probably be prosecuted by the government. However, because the government does it and the government sets the rules, it can get away with it. That is what is wrong with employment insurance today. That is what this bill should fix.

• (1915)

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I am pleased to speak on Bill C-280, introduced by a Bloc Québécois colleague, the member for Manicouagan.

This is a very important bill for the simple reason that it deprives the Liberals of the possibility of stealing the workers' money to pay

their debts and reduce the deficit to zero at the expense of people who have lost their jobs. It is as simple as that. This minority government then wants to hide behind royal assent. This is regrettable.

I have listened to the parliamentary secretary's praise of the member for Madawaska—Restigouche and the great work he did on the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities. It must be kept in mind that the member had recommended that the EI fund become independent and out of the Liberals' hands.

Another thing that is regrettable is that the member for Madawaska—Restigouche was not the only one in committee calling for an independent EI fund. The Liberal member for Beauséjour did as well. Those same two made a recommendation to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities that the 12 best earning weeks should be used for calculations

It is, however, no surprise that these same people are contradicting themselves in the House of Commons. In early June, I moved to consider the 12 best weeks, and they voted against it. Now they are contradicting themselves, which is regrettable.

It is a fact, the Conservatives want to have an independent EI fund. I agree. That is not all, however. They also want that independent fund to reduce EI premiums and do nothing else for workers, whom they consider to be a gang of abusers of the system. That is regrettable. It is to be hoped that those watching us this evening will remember that. That is exactly what the Conservatives are saying.

What is more, the Liberals support them in this, which is even more of a pity. They started with EI premiums of \$3.04. This dropped to \$1.98, then \$1.93, and they want to reduce them another 8¢. They claim that is what workers and employers want, which is absolutely false.

I have often said in the House of Commons that no worker has ever contacted me to complain that he was paying too much in EI premiums. What I have heard from workers is that they were even prepared to pay more if they had to, provided they could qualify for EI.

Employment insurance is a misnomer. It should be called unemployment insurance. It is the Liberals, in 1996, who changed the name to be able to steal the EI fund to pay for the national debt and reach the zero deficit. They did this on the backs of people who lost their job as well as on the backs of women in fish plants who have difficulty working for 12 weeks.

The Liberals then come bragging. The member for Madawaska—Restigouche rose in the House yesterday to congratulate the minister for the best 14 weeks changes. Yet, this same member, in committee, with the member for Beauséjour, recommended the best 12 weeks. I do not understand how they can be so uncaring. They cause suffering to families and children. Some people do not even receive \$150 a week in employment insurance during winter periods. They have seasonal jobs.

Earlier, my Conservative colleague said that some employers were laying off workers on purpose because they could then receive EI benefits. He does not understand that, in the winter, Chaleur Bay, in the Atlantic, is frozen and that we cannot fish. He does not understand that lobster cannot be caught on the ice, as opposed to Lake Ontario, where people fish for fun. This is not how the industry works.

It is the same for the forest industry. When there are five feet of snow in New Brunswick, loggers cannot go and cut trees.

In Toronto, when there are two inches of snow, the army is called in to clear it up. This is not the same in my region. I can guarantee that these people cannot go to work.

The bill before us today would have prevented the Liberals from trying to take the money from workers.

● (1920)

I am certain that in 1986, when the Auditor General proposed that the money be put into the consolidated revenue fund it was not to allow the government to use workers' money as it saw fit.

It is ironic to see that the Minister of Human Resources and Skills Development voted for the bill at first reading, when she was Conservative, but votes against it now that she is Liberal. It is as if you caught a sickness simply by crossing the floor.

It is disgraceful. The minister who voted for the bill and believed in its objective changed her mind. She now believes that royal recommendations cannot be given, that we cannot help workers.

It is sad to see how the Liberals operate. When there were problems in the eastern part of New Brunswick, the hon. member for Beauséjour—Petitcodiac asked me personally to come to the assistance of people in the southeast of the province who were having problems. Everybody agreed that they should be helped.

However, when comes the time to vote in the House, they do not respect their own name and they are not courageous enough to vote for what they believe in. They even lied to us. Shame.

Back home, the unemployment rate tops 20%, because people have never received any help from the Liberals, who were elected for 100 years. If people in our ridings threw the Liberals out, there must be a reason. There has to be a reason, also, why the Conservatives would stand no chance of getting elected in our ridings, given their mindset. They are unable to acknowledge the fact that work is seasonal in some regions.

When I was in Forestville, in Quebec, on the North Shore, 2,500 people took to the streets and they were not just workers. There were also store owners. There were even priests, and I thought it was great when they said that it was no longer a political story, but a human story, and that it was about time that people rallied in the streets and marched to protest decisions by the federal government.

Today, in my opinion, the Liberals should be ashamed to grab \$48 billion—that belongs to folks who have lost their job—when today in Canada, there are 800,000 people who do not qualify for employment insurance benefits, but pay the premiums.

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Only 32% of the women who contribute to employment insurance qualify for benefits. They are the ones who were most affected. How can the government not recognize that?

Yes, this is insurance for when a person loses his job. This is insurance that lets people in today's labour force take parental leave, for example. Forty or fifty years ago, only five percent of Canadian women were working. That is no longer the case. We have to recognize the reality of today's labour market, and we have to adjust to this market, not do what the Liberals did.

In 1986, when the Auditor General, under Brian Mulroney's Conservative government, suggested that the employment insurance account be part of general revenues, the Liberals were in the opposition and they opposed the idea.

In 1989, my predecessor himself told New Brunswickers to fight against any change to employment insurance, because it would spell disaster for New Brunswick.

Jean Chrétien himself wrote a letter to the people of Rivière-du-Loup, to a group of people receiving employment insurance, and told them, "It is the Conservatives' fault, because they do not look after economic development, they are targeting the wrong people, they are targeting workers".

When this same government boasted about using the money in the employment insurance account to pay down the debt and achieve zero deficits, it showed that did not care about those who no longer had access to employment insurance.

The Liberals did the same thing as the Conservatives and that is shameful. But I think people will remember. However the idea is not just to remember. The Liberals should know that there are 1.4 million children in Canada who are hungry. It is their fault, because when they cut employment insurance benefits for working men and women who lose their jobs, they worsened poverty in this country. They had better not boast about being a good government because of today's surpluses.

I am asking in all sincerity that changes be made to the employment insurance program for the well-being of workers, families and children in this country.

● (1925)

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, I want to begin by congratulating the hon. member for Manicouagan for the bill he introduced and for his speech, which sums up the situation quite well. Today, we can debate it while receiving the amendment for concordance with the legislation that was passed in June.

I also want to add that I share the opinion of the hon. member who just spoke with great ardour. He made it quite clear that workers are outraged at the injustice against them. It is totally unacceptable to leave these people in misery when they paid for insurance to avoid being in such a situation, if ever they had the misfortune of losing their job.

*Private Members' Business*

The basic reason for Bill C-280 is indeed to take away a fund that does not belong to the government and hand over its administration and management to its rightful owners. That way, we will be sure that its original purpose is being met.

This is not unlike what is happening with investment management companies. Over the past two years, we have seen scandals at Norbourg and Enron in the United States. Now that we know that collective assets belonging to the average citizen, to the workers, are mismanaged and misappropriated, we make sure that a regulatory body is in place to protect this fund. What do we do with people who were responsible for administering the fund, but misappropriated the money? First, we take the fund away from them. If it turns out that they misused it, they can end up in prison.

That is what is happening here with the employment insurance fund. We certainly cannot put the government in prison for its management as such, but we can at least question the legitimacy and honesty of what the government does. That is what we are doing now.

This has been going on since 1994, when the current Prime Minister took his post as finance minister. Is that a coincidence? Since 1994, in good years and bad, the fund has been generating surpluses of over \$3 billion, which have been used for other purposes.

In her annual report last year, the Auditor General indicated that, in the past eight years, the government had accumulated a \$46 billion surplus, by misappropriating funds. That was the amount as of March 31 of last year. By now, this figure is several billion dollars higher. We now estimate it to be \$48 billion in funds that belong to the workers and employers who contributed to the EI fund.

How have these surpluses been generated and misappropriated? By slashing EI benefits to the unemployed and tightening up the eligibility rules so that people no longer have access to employment insurance. In 1994-95, 88% of those contributing to EI were entitled to receive benefits. Today, the Canadian Labour Congress estimates that only 38% of contributors qualify. The fund's chief actuary sets that number at 46%. Even if it was 46%, that would mean that 54% of all workers contributing to EI are excluded, due to unacceptable rules.

● (1930)

This money is being used to generate these surpluses and is the reason why the government is patting itself on the back and saying that it is dedicated to sound fiscal management and able to pay down the debt.

Last year, of the \$9.1 billion surplus in the general fund, the Consolidated Revenue Fund, \$3.3 billion came from the EI fund. That is more than one-third.

In the meantime, the unemployed no longer have any income. My colleague said it perfectly earlier, it is making families poor. It is causing family crises. Some people are even committing suicide.

Today, we heard from five groups representing workers who were laid off when their plant closed in the past two years. They had been working in the textile, softwood lumber and electric stove manufacturing industries. There were five different groups.

These people said that the older workers have been unable to find other employment. In 1997, to save money, the government passed a motion eliminating POWA, the Program for Older Worker Adjustment. It did this to save money. As a result, once these people reach the age of 55, they can no longer receive EI, but have no income until they are eligible for the Quebec pension plan. In 1986, a program serving that purpose was created, but the current government abolished it in 1997.

What happened to all the workers who have been unable to find other employment since? The government did not bother finding out.

Today, we have heard testimonies. In one plant, there has been five suicides over the past year. In the last 30 months, 15 suicides were reported in another plant. That kind of information is not publicized. There is a sense of decency among people. Workers are embarrassed to find themselves without an income after working in a plant for 30, 35 or 40 years and contributing to the EI fund during all those years. They bought insurance for themselves, figuring that it would at least enable them to have a decent income to support their families with, should they be so unlucky as to lose their jobs. Let me qualify this notion of decent income. At present, it represents 55% of insurable earnings. That is not much. That is what was taken away from them.

Workers who are laid off find themselves with nothing. They have no choice but to eventually go on welfare, but they first have to use up whatever they had saved. When you have worked all your life and end up in such a predicament, you are not only insecure, you are also embarrassed, afraid of what tomorrow may bring, and you feel excluded from the labour market and cheated from recognition for a lifetime of work. This is all very serious, and that is what drives people to commit desperate acts like the ones I mentioned earlier.

On the other side of this House, they are insensitive to such a situation. Remarks like the ones we heard earlier are unacceptable. All they care about is lowering premiums. As my hon. colleague pointed out, that is not what the people who pay the premiums are asking for. The government has not invested a cent in that fund since 1990.

The word theft was used. I know that the word is unparliamentary, but there are ways around it. In the private sector or anywhere outside this House, that is how the actions of anyone with a similar behaviour would be described.

That is why Bill C-280 has to be passed. We must put an end to this injustice.

● (1935)

[*English*]

**Hon. Jim Karygiannis:** Mr. Speaker, I rise on a point of order. I would ask you to check the blues tonight because the language that has been used by my colleague across the way, plus previous speakers, certainly has been borderline. I would ask my colleague to refrain from using unparliamentary language.

**The Deputy Speaker:** I thank the hon. parliamentary secretary. I caught some of it on the translation and I think the hon. member caught himself in the middle of the debate. For the concluding remarks, the hon. member for Chambly—Borduas has 30 seconds remaining.

*Private Members' Business*

[Translation]

**Mr. Yves Lessard:** Mr. Speaker, I will conclude by saying that the problem is not about premiums, but about the way they are being used.

Let us give justice to workers. Let us restore the EI program by implementing eligibility requirements that are reasonable and adequate, as well as benefits commensurate with the labour invested, in case of job loss. In doing so, we will start recognizing those who have contributed so much to society. Only then will we be able to think that the government is starting to show some sensitivity.

This government must start concerning itself about all the unemployed who did not receive any help until now. Otherwise, we will have something that is quite dreadful and the Liberal government will be responsible.

[English]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, the employment insurance program is one of Canada's largest and most visible programs. It matters to Canadians. Everyone wants to ensure that this program is one that Canadians can continue to count on.

Bill C-280 proposes amendments to the Employment Insurance Act and recommends key actions by Parliament.

It calls for the Employment Insurance Commission to explain the rationale for the premium rate and to present that rationale on an annual basis in a report that the Minister of Human Resources and Skills Development would table in Parliament.

It recommends that the employment insurance account be reconstituted as an independent account under the control of a new tripartite commission.

It also proposes that a new independent EI account begin with a balance equal to the current accumulated surplus that has been credited to the EI account over a period of 10 years through contributions from the consolidated revenue fund.

Having read and considered Bill C-280, I must say that I have strong reservations about the proposed legislation. This bill raises some very important issues.

Budget 2005 responded to many of the points raised in Bill C-280. My concern is whether the proposed amendments will help to improve this program. Canadians expect their government to run programs as efficiently as possible. EI is no exception. The bill would be costly to taxpayers, employees and employers.

The proposed legislation would require the government to contribute a cash amount equivalent to the current accumulated surplus credited to the EI account, in equal amounts, over 10 years, as soon as the bill becomes law. This change would present itself on the Government of Canada's ledger as a new and very substantial fiscal liability.

The existing federal fiscal framework would be affected and would require new money to fund it. An immediate consequence of Bill C-280 would be that the Government of Canada could lose a

significant measure of control over the way employment insurance is managed and EI programs are maintained. Many aspects of EI would become the purview of an independent commission, as proposed in the bill, which would raise questions about accountability.

Changes in these areas ultimately limit the government's ability to deliver important benefits to Canadians. This would limit the significant progress that Canada has been making over the past decade.

Let us consider what EI has been able to achieve over the last 10 years.

Canadians called for a better balance of work and family responsibilities. Our government responded through EI by extending maternity and parental benefits for one full year.

We also introduced a new six week compassionate care benefit so that eligible workers can take a temporary leave of absence from work to provide care or support to a gravely ill or dying close relative.

Canadians wanted more support for acquiring skills and experience. We have eliminated multiple waiting periods for apprenticeship training programs.

In addition, the Speech from the Throne contained a commitment to review the EI program and ensure that it remains well suited to the needs of Canada's workforce. To this end, on February 23 of this year the government announced enhancements to the EI program that take into account the many recommendations put forward concerning changes to EI.

To give some examples of the action we are taking, I would like to describe the three new pilot projects announced for areas of high unemployment.

Through these projects, we are testing the labour market impact of: enabling access to EI benefits after 840 hours of work rather than the present 910 when linked with EI employment programs for new or returning entrants to the labour markets; calculating EI benefits based on the best 14 weeks of earnings over the 52 weeks preceding a claim for benefits; and increasing the working while on claim threshold to allow individuals to earn the greater of \$75 or 40% of benefits to encourage individuals to take work without a reduction in their benefits.

The enhancements we are putting in place are possible thanks in part to the Government of Canada's ability to ensure that EI's policy and program framework remains responsive to the labour market needs of Canadians.

I am further concerned that Bill C-280 may not be effective in achieving positive changes in the way EI operates.

● (1940)

The legislation calls for the creation of a separate EI account that is not consolidated with the government's budgetary revenues and expenditures.

*Adjournment Proceedings*

To do this, careful consideration would be required to change the elements of appropriate comptrollership and financial responsibility that exist, in particular, how they would correlate with measures put in place to respond to concerns expressed by the Auditor General of Canada. Since 1986 the EI account has been consolidated with the accounts of government.

Under our current system, EI program revenues and costs are tracked in the EI account and paid out of the consolidated revenue fund. The accumulated EI surplus is notional and not supported by any other assets—

● (1945)

**The Deputy Speaker:** Unfortunately, the time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

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## ADJOURNMENT PROCEEDINGS

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

[*English*]

### VETERANS AFFAIRS

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, as the member of Parliament for Renfrew—Nipissing—Pembroke, home to CFB Petawawa, and in recognition of the fact that this is the Year of the Veteran, I am pleased to request this debate regarding veterans and their families who have been exposed to the so-called rainbow herbicides, agents orange, purple and white, and a variety of other toxic substances.

There is a need for the government to be honest, open and transparent with individuals who suspect they have been exposed to these substances.

In many ways, the government reaction to these individuals parallels the treatment of Canadian soldiers who were subjects of chemical warfare experiments during World War II.

The first response was years of denial. Then, even when the testing was admitted to, efforts to remedy this were met with an all too common inertia or an all too common inadequacy, and there was no admission that all of this was simply wrong.

Much information remained buried because of the threat of five years' imprisonment made to veterans under the Official Secrets Act.

As time passed, some veterans were accused of fabricating their stories and their ailments, even being called delusional.

It was 60 years before those individuals finally received justice. Unfortunately, for many of those victims, justice came too late. This must not be allowed to happen again.

I am pleased to inform the Minister of National Defence that today's victims of chemical spraying, unlike many of the World War II veterans who were threatened into silence, have no intention of

letting this government off the hook when it comes to finding out the truth.

Individuals who have been affected by the spraying of chemical defoliants have come together to form a group: the Agent Orange Association of Canada. They assure me that their members will be in the government's face at every opportunity. Rest assured that there will be tough questions for government candidates in the next federal election, which could be called as soon as next week once the general public has an opportunity to fully digest the waste and corruption of the Liberal Party that the Gomery inquiry is about to expose.

The new association asked me to put this question to the Minister of National Defence, which I am pleased to do:

The recently formed Agent Orange Association of Canada has received many enquiries from people across Canada wishing to provide documented information to help in determining the truth regarding the spraying of deadly toxin-laced defoliants at Canadian Forces Base Gagetown. These people are frightened to step forward with information without the protection that a public inquiry would offer.

When will the federal government start a public inquiry that will allow these people to do the right thing and provide information under oath that will reveal the truth to the people of Canada about the spraying of deadly defoliants at CFB Gagetown?

If the government really is intent on arriving at the truth about the spraying of chemical defoliants on or near Canadian military bases, there has to be some sort of protection for those who do come forward to provide information. There is no lack of people who wish to testify. Many have documentation and are prepared to make several revelations.

They fear to come forward at this time. Some are silenced by the Official Secrets Act, others by confidentiality agreements, and still others are bound by a non-disclosure clause in compensation packages that they have already accepted. Individuals are afraid of losing their pensions and compensation packages and are even afraid of doing jail time. These are the same threats that were made to mustard gas veterans.

If the government is sincere in all of its public statements regarding the issue of exposure to agent orange and its other forms, a blanket of immunity must be announced today in order for all the facts to be made public. Failure to do so brings with it the suggestion that the government does not want the truth to be made known. The public is left with the conclusion that a government cover-up is going on.

Many individuals who have contacted me have come to the conclusion that only a change in government will bring justice. One individual went so far as to say that the current government is saddled with so many scandals that this scandal is too far down the list for the government to concern itself with.

There is another issue that I would like to bring forth for the Minister of National Defence to answer. Why have the local civilians who live in and around CFB Gagetown, in places like Oromocto, Burton, Hoyt, Enniskillen, Petersville and Welsford, not been recognized for health problems and deaths as a consequence of exposure to chemical herbicides?



*Adjournment Proceedings*

**Hon. Gurbax Malhi (Parliamentary Secretary to the Minister of National Revenue, Lib.):** Mr. Speaker, understanding the use of herbicides at CFB Gagetown is an ongoing priority for the government. The Department of National Defence has come up with a strong, comprehensive plan to find answers to the questions of many Canadians. I welcome this opportunity to share the information we have and actions national defence has already taken and intends to take in the near future.

As the Minister of National Defence has repeated in the House, the government is determined to identify and report on as many of the facts as possible regarding the use of herbicides at CFB Gagetown from 1952 to the present day.

To this end, the Department of National Defence developed a comprehensive fact finding plan. The fact finding strategy is well-known since it has been made widely available to the public and the media. In fact, the Minister of National Defence has spoken about it in the House several times.

Let me briefly review the action plan for the benefit of hon. members. The government will identify Canadian forces members and civilian employees who were present when herbicides were sprayed at CFB Gagetown from 1952 to the present date. It will collect data regarding the use, disposal and management of all herbicides used at CFB Gagetown since 1952. Finally, it wants to understand the relationship between the use of herbicides at CFB Gagetown and its effect on human health.

Thorough fact finding, rigorous science and a transparent process are essential in order for the government to develop an appropriate response.

Moreover, as a longer term project, National Defence will initiate research to review the use of herbicides at military bases across Canada.

While we have no record of any unregistered products being tested at other CF bases, this longer term project will also determine whether any unregistered products are used at our CF bases.

I am pleased to report that we have made progress and are going forward with the fact finding tasks. As we speak, soil testing is under way at CFB Gagetown and the results will be available and made public in the coming months.

We have all heard about the resignation of Mr. Blaney as the fact finding and outreach coordinator due to health reasons. The government is working to identify a new coordinator and should be able to announce a replacement soon.

The Department of National Defence has set up a 1-800 number for the public to report information that might be of use as part of the fact finding and outreach process. Anybody who has information on this issue should call 1-866-558-2945.

Current and former employees of National Defence and other federal government employees who feel they may suffer from an occupational illness as a result of exposure to herbicides used during the course of their employment may submit the details of their claim to the DND civilian human resources office in Gagetown and the regional injury compensation unit in Moncton, respectively.

● (1950)

**Mrs. Cheryl Gallant:** Mr. Speaker, a solution to the poisoning, be it intentional or accidental, must provide for all victims, not just the military and civilian DND employees.

There is an understandable sense of urgency among the potential victims of the chemical spraying. Individuals are frustrated by years of silence and intransigence by the government on this issue.

Failure to respond to this issue leaves current members of DND wondering what kind of ill treatment they might endure, and then be met with years of inaction and secrecy.

The question has to be asked. Does anyone actually believe that Brigadier General Gordon Sellar would have been compensated for exposure to agent orange had he been a private soldier or a non-commissioned officer?

The time has come for the government to do the right thing and do it now. Matters have dragged on long enough. It must take responsibility.

● (1955)

**Hon. Gurbax Malhi:** Mr. Speaker, due to health reasons, Mr. Blaney has announced he is withdrawing as the fact finding and outreach coordinator. We are sorry to hear that he is not well and we hope he recovers quickly. I would like to thank him for his contribution and for setting the foundation of a successful outreach process.

The deputy coordinator will ensure the continuity of the work of the fact finding and outreach office. In the meantime, the government will quickly work to identify a new coordinator. The government will continue, without delay, to work on its other fact finding tasks. Rushing to unsubstantiated conclusions would compromise the whole process and the government's commitment to do things the right way.

We are trying to report on what happened over a period of 50 years, starting in 1952. It will take some time to obtain a clear picture. This task will require time and patience to gather all the information needed to identify and report on the facts—

**The Deputy Speaker:** The hon. member for Québec.

[*Translation*]

CANADA POST CORPORATION

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the subject of this adjournment debate is of great interest to me. The closing of Canada Post's Quebec City sorting centre and its transfer to Montreal is a cause for concern in my riding.

This week, we tabled a petition signed by 130,000 individuals against the closing of the Quebec City sorting centre and its transfer to Montreal. There has been a large movement to oppose the closing of the centre, all over the Quebec City area. It should be noted that all political and socio-economic stakeholders in the area have mobilized and have supported the union's position opposing the closing of Quebec City sorting centre.

*Adjournment Proceedings*

In spite of that large mobilization, in spite of all our question in the House and of our petitions, the Minister of National Revenue who is in charge of the issue continues to say that he will close the sorting centre, that he will not change his position and that his decision is final. He does not intend to show the slightest openness to solutions and does not want to hear any arguments for the continued operation of the Quebec City sorting centre that people from the union or from the support coalition might put forward.

When I asked questions in the House, the minister answered that there would be no job loss.

Now is a good opportunity to clarify this point with the minister. This region is definitely going to lose jobs. Currently some 300 people work directly in mail processing in Quebec City, but there are other employees who worked at the sorting centre who will probably lose their jobs as well, including forty or so security guards, housekeeping staff, administrative staff and managerial staff.

The minister says nothing about the 160 temporary employees hired on call to sort mail. They will also lose their jobs and get nothing.

When the minister says there will not be any job losses, he is referring to the 300 people who process mail in Quebec City. They will leave when they retire in a few years. However, their jobs will not be renewed.

We are saying there will be job losses for the Quebec City area. The entire payroll represents \$15 million for the greater Quebec City area. That is not insignificant. This is money that will not come back to the regional economy.

So, we oppose this closure. We know that there is an overall downsizing plan. There are six sorting centres in Ontario, two in Alberta, two in British Columbia and one in Quebec City. This means that there will no longer be a mail sorting centre in Quebec City since it will have relocated to Montreal.

So we have asked for a restructuring plan. We have asked if the downsizing was just and equally distributed among the Canadian provinces. Under these circumstances, why does the minister not announce a moratorium on this decision so that we can see his plan and overall strategy?

We know that 300 Saint-Paul is an outdated building, but there would have been other solutions, in the future, so that we could keep a sorting centre. Under the circumstances, we would have appreciated a sign that the minister was keeping an open mind.

Despite everything that was put forward to change the minister's mind, the major protest that was held—

● (2000)

**The Deputy Speaker:** The hon. Parliamentary Secretary to the Minister of National Revenue.

[*English*]

**Hon. Gurbax Malhi (Parliamentary Secretary to the Minister of National Revenue, Lib.):** Mr. Speaker, I have listened very carefully to the member's remarks. Before proceeding with a detailed explanation of the changes that will occur in Quebec City, I would like to talk briefly about Canada Post, a company in which we, as

Canadians, take pride, a company recognized around the world for its efficiency and postal expertise.

Canada Post makes a significant contribution to the national economy. Each year, the corporation spends \$2.8 billion on the purchase of goods and services, thereby, creating 30,000 additional jobs. However, it does this responsibly. While the former post office department often posted deficits of about \$500 million a year, Canada Post is now earning profits for its shareholders: all Canadians.

The creation of Canada Post Corporation in 1981, approved by all political parties in the House of Commons and by the postal unions, has paid off very well. What an outstanding turnaround in a fairly short period.

Canada Post's financial success has not been achieved on the backs of Canadians. Quite the contrary, letters are now delivered at some of the most competitive rates in the world, despite a harsh climate and a vast country.

However, without wishing to appear alarmist, the corporation is facing major challenges, similar to all postal administrations around the world. Communications methods are changing fast and Canada Post must adapt to market changes in response to declining mail volumes noted in recent years, a decline that will be proportional to the rise in electronic communications.

At the same time, improvements to processes, productivity and equipment in recent years have developed greater processing capacity in some postal plants across Canada.

In this very real context, Canada Post is continually assessing its network of mail processing plants throughout Canada to optimize its operations and improve service to Canadians.

Given the current context, the recent announcement that processing of letter mail and ad mail will be transferred from Quebec City to Montreal over the next two years was necessary. The transfer will be carried out without putting a single permanent employee out of a job.

Canada Post must review its operations at the national level. It must also consider that no fewer than 10,000 employees will retire over the next four years of their own free will and in full compliance with the collective agreements.

In Quebec City, Canada Post will continue to invest in the community and will remain a large employer by maintaining 1,100 jobs and economic benefits of \$90 million.

Planned investments for the Quebec region by Canada Post include \$750,000 to renovate one of its facility for use as a parcel processing hub. It also will have to build a new letter carrier station to replace the one now at 300 Saint-Paul Street, and that means another investment of \$2 million to \$4 million. The same is true for the need to move administrative employees to another location, which will cost some \$1.2 million.

*Adjournment Proceedings*

• (2005)

[*Translation*]

**Ms. Christiane Gagnon:** Mr. Speaker, it is obvious that the parliamentary secretary who is there to answer on behalf of the minister has learned his lines well. He is feeding us all the same arguments that the Minister of National Revenue raised.

I would like to remind hon. members that, two weeks ago, representatives of the coalition sent the minister a letter, requesting a meeting. They have received no answer.

I would also like to say this to the parliamentary secretary who spoke. We can understand that management has to be downsized in the sorting centre to match the decline in mail volumes since the advent of electronic mail. But closing the centre outright or transferring it to Montreal is another story. Canada Post's mission is to provide quality service. The parliamentary secretary will not have me believe that, should the Quebec City sorting centre be transferred to Montreal, it would take less time for mail from Lévis to be sent to Montreal for sorting, and then delivered in Quebec City.

We have received most unsatisfactory answers so far.

[*English*]

**Hon. Gurbax Malhi:** Mr. Speaker, as I already pointed out in my initial words, no permanent employees will lose their job. This

commitment is possible because Canada Post will easily be able to reassign its employees affected by the transfer to other locations in Quebec, since some 300 of its 1,400 permanent employees will take a well deserved retirement of their own free will.

The vast majority of retiring employees are postal clerks and letter carriers and Canada Post is providing them with a good retirement, consistent with their collective agreement. In fact, if we consider that a clerk earns \$45,000 a year on average, not including overtime and premiums, and that a pension represents 70% of this salary, the retiree will be at home with a good pension of \$32,000 a year, also fully indexed.

In Quebec, Canada Post will continue to invest in the community and will remain a large employer as it maintains 1,100 jobs and economic benefits of \$90 million.

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

(The House adjourned at 8:07 p.m.)

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