



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, June 7, 2001**

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, June 7, 2001

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

### INTERPARLIAMENTARY DELEGATIONS

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, pursuant to Standing Order 34, I have the honour to table in the House, in both official languages, the report of the Canadian section of the Parliamentary Assembly of the Francophonie, as well as the related financial report.

The report concerns the meeting of political committee held at Port-Louis, Republic of Mauritius, from May 10 to 12, 2001.

\* \* \*

[*English*]

### COMMITTEES OF THE HOUSE

#### SCRUTINY OF REGULATIONS

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Mr. Speaker, it is my pleasure to present to the House pursuant to Standing Order 123(1), in both official languages, the second report of the Standing Joint Committee on Scrutiny of Regulations concerning the revocation of section 58 of the Fresh Fruit and Vegetable Regulations, C.R.C. 1978, c.285. The text of the relevant section of the regulations is contained in this report.

#### NATIONAL DEFENCE AND VETERANS AFFAIRS

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I move that the first report of the Standing Committee on National Defence and

Veterans Affairs presented to the House on Tuesday, March 20, be concurred in.

It is with mixed emotions that I rise today to speak to this motion as it concerns an issue very much in the minds of all Canadians.

The procurement process to replace the Sea King helicopters is one that we have followed for some time but that has only recently seized the attention of the House of Commons.

It was last May 18 that my colleague, the hon. member for Compton—Stanstead, raised the prospect of this government using the contract for political means. At that time, and then an opposition member, my colleague, suggested that the government had a secret agenda, an agenda that involved a specific company. The government said that my colleague's claims were laughable. The government said that there was no plan to place one competitor above another.

Only three months ago the government introduced a procurement process that was biased in favour of one company only. The process introduced called for the lowest price compliant bid to win the day, not taking into account whatsoever fleet commonality or, more important, better value. This was when the treasury board's own guidelines specifically urged all government departments to abide by a best value criteria when launching a procurement process.

• (1010)

I have been told that in the strict legal interpretation of Treasury Board guidelines 9.1.1 and 9.1.2, no laws have been broken. However I must ask a question. Why did the government choose to avoid the generally accepted practices that have guided our military purchases in the past?

No matter whether it was a Liberal or Conservative government in the past, it never followed those types of guidelines. We have been told that it was to expand the number of Canadian bidders. Yet in retrospect it is clear that only one wholly owned Canadian company is in serious competition for any of the related contracts.

That takes me to the second problem I have with this contract, which is the fact that the government chose to split the contract into two parts, one for the basic vehicle and another for the critical

*Routine Proceedings*

mission systems. If I wanted to play politics with this one, like some of my colleagues are, I would vote for that because it would create some jobs in the province of New Brunswick.

When I was taken out to dinner by the company I said that I would only have a bowl of soup because no one buys me with dinner. No one buys me with anything. To this date, no one does. I guarantee that.

I want to also say right here and now that when it comes to the men and women who wear uniforms, we should take the politics out of it. We should give them the tools to do their jobs.

I am not an engineer. I do not have a full appreciation of the technical difficulties that might come to pass as a result of buying two independent products. However we all know the reason this is being done. It is for political reasons because in 1993 the government of the day cancelled the EH-101 and wasted \$800 million.

From what we have been told, this is the first such split contract of its kind since the House of Commons has been in place. The assistant deputy minister responsible said that this was the first of its kind, which seems to me to be a very risky proposition. We must give our Canadian Armed Forces the best equipment to do their jobs, not only because it is the right thing to do but because we give them complicated tasks that always put them in harm's way.

I am unsure of the ethical or moral reasons that we would put in place a procurement process that would buy the cheapest helicopter but not necessarily the best. I have for some time asked the government to reconsider the procurement process. One potential bidder, E.H. Industries Ltd., has gone to the length of filing a complaint with both the Canadian International Trade Tribunal and the Federal Court of Appeal on this matter. The company believes that by facing this competition on the lowest price alone, it is at a significant disadvantage.

The House will recall that it was E.H. Industries that manufactured the EH-101 purchased by the previous government. I am sure the House will recall that in the election of 1993, as I have stated, the issue of EH-101 featured prominently in all debates. The House will certainly recall that the Prime Minister held his pen up high and said that he would purchase no new helicopters. Zero helicopters is what was said.

It seems very strange that the only red book promise that has been kept by this government was the one promise that related to these helicopters. The GST, free trade and a range of other promises were quickly forgotten.

I hope the government is not choosing to instigate a procurement process that would prejudice E.H. Industries' helicopter, the Cormorant, solely on the basis that it was the successful bidder 10 years ago.

• (1015)

What makes this issue so important to us all is that the helicopters currently in use are so dangerous. Some of the pilots have already lost their lives, just outside my city. Some of the parents of the pilots came to see me. They asked me to take up their cause and force the government's hand in this regard.

The Sea Kings have given yeoman service to this country for almost 40 years, and they have earned their retirement. I have great compassion for the men and women in uniform who must use the Sea Kings on a daily basis.

The Minister of National Defence has repeatedly said that unsafe helicopters will not fly, but cannot explain why our choppers go down in places like Hawaii, East Timor, and even on the coast of Nova Scotia. If we cannot predict when a Sea King is safe, how then do we know which ones to fly? How can the minister make this guarantee?

At the end of the day, I believe the Minister of National Defence and the Minister of Public Works and Government Services will have a lot to answer for in this process. I believe the Canadian people are sick and tired of the government playing politics when it should be watching the backs of our Canadian forces personnel and doing what is right for them.

When I was mayor of Saint John I did a number of major capital purchases, so I can speak with some experience when I say that this contract process is wrong. It is unfair and places bidders at a significant disadvantage. Whenever we have the public challenges to a procurement process, as we have seen with the maritime helicopter program, we know that something is amiss.

I am pleased, therefore, that in the next sitting of our parliament the other place will undertake a committee of the whole to review this entire process. I applaud our colleagues in the other place for their diligence to duty and their courage. It is my hope that in the consideration of the Sea King and the challenges we face in replacing them, we look in the mirror and recognize we have a duty larger than just helping out some of our friends.

Page 30 of the procurement study also refers to the fact that the Government of Canada should convene a national round table on shipbuilding in Canada with a view to establishing a national shipbuilding policy. We brought that report in asking for a national shipbuilding policy in June 2000. We said there should be a naval shipyard in Canada where we would build all our navy ships. We should not be buying used submarines in London, England, only to find out they cannot float, then pay \$800 million to try to get them to float. That is an insult to our men and women in uniform.

Having sat on the defence committee since 1993, I am really worried when I see what the government has done and the politics

it has played with our military. The duty of government is clear. The recommendations of this all party procurement study by the Standing Committee on National Defence and Veterans Affairs are clear, and our job is very clear. There was unanimous all party support for the procurement study of June 2000, yet here it is June 2001, a year later, and the government did not even listen to its own people who chaired the committee.

I say let us do what is right. The government has not done anything that is right when it comes to the military. Men who flew home from Kosovo were asked to take their boots off so they could be given to those men who were getting on the planes to fly to Kosovo. If we cannot afford a pair of boots for our men and women in the military, that is a shame.

• (1020)

I am ashamed of what we are doing with the helicopter procurement process which is being used. I ask the government today to please take the politics out of it, put out a tender, allow everyone to bid, and then bring in its recommendations.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, the part of this equation that the Canadian public does not understand is the \$497 million it cost the taxpayer to buy out the lawsuit. When the present government cancelled the original helicopter deal after the 1993 election, it did so at a huge cost to the taxpayers. It cost taxpayers a half a billion dollars to cancel a deal which the Liberals raged against in the election, for no other reason than pure politics.

I want to ask the member for Saint John for her impression of whether or not that is the number, and how many lives the cancellation of this deal has cost? When can we expect helicopters, given the present set of circumstances under which we are operating and given the government's position?

**Mrs. Elsie Wayne:** Mr. Speaker, defence has been determined that over \$800 million has been spent because of the cancellation of the EH-101 contract. Now not all the Sea Kings can be replaced. There will be fewer helicopters than what we had when all Sea Kings were flying.

I have major concerns. When we put the amount of money which has been spent trying to keep these old helicopters flying on top of what it cost to cancel out, it will cost taxpayers more in the end to get a helicopter that cannot fly the distance a Sea King can. I have major concerns about what is taking place here today.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, it seems to me that what the hon. member for Saint John and her colleagues are saying is quite true, that this was the object of some politics in 1993. I remember it very well.

There were good reasons to be against the EH-101 contract, but the fact remains that the Liberals having cancelled that contract and

having paid a very hefty price for doing so, then did not do what should have followed from that, and that was to act expeditiously to get some other helicopters. That is the main point here, not trying to relive 1993.

The biggest fault of the Liberals is not that they kept that one election promise. They kept it not because they are promise keepers but because they wanted a few high profile promises to keep so they could then break a whole bunch of other promises with impunity. However that is neither here nor there. The real tragedy of this is that they have taken eight years to replace the EH-101s and we are still a long way off from replacing those helicopters.

That is the real tragedy, the real crime which has been committed by the Liberal government. The people who depend upon those helicopters in the armed services and people who might depend upon them in various situations will still be waiting years from now thanks to the fact that the Liberals did not complete the process. When having cancelled the EH-101 contract, they should have then proceeded expeditiously to replace them with other helicopters.

• (1025)

**Mrs. Elsie Wayne:** Mr. Speaker, from the information we have been receiving through national defence, it could be the year 2007. Some have said 2005. Think about that. That is unbelievable. We are not going to have any helicopters flying at all. I cannot believe that anyone—

**An hon. member:** He said we do not need them.

**Mrs. Elsie Wayne:** Who said they do not need them? That is sad. I cannot imagine how the members on the government side can sit there with smiles on their faces and not be worried about jeopardizing lives of people in the military. I cannot believe that I see that happening in the House this morning.

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, this is a wonderful place for bombast to be continued. I recognize that a lot of members engage in it so that the practice will not go into disuse. However, in the course of generating the necessary requirements for engaging in bombast, we sometimes overstep the bounds, as I said the other day, of reason.

We have on the table an order that will be delivered for 15 search and rescue Cormorants which will replace some of the equipment that the members opposite are saying is obsolete, even though it is still functional.

For the member to suggest that there will not be a delivery of equipment that is world class, necessary and appropriate for Canada's needs is to engage in bombast of the worst variety. Maybe she should reflect on the negatives that she is putting forward by perpetuating this perception and a wrong-headed view of what is going on.

*Routine Proceedings*

**Mrs. Elsie Wayne:** Mr. Speaker, I am glad I have this opportunity to respond. It shows that those on the government side do not understand what has been happening. What he is talking about now is the replacement of the Labradors, not the Sea Kings, which are still flying, and they are going to have less numbers than before.

Do members want to know what happened to the fishing problem in Newfoundland, for heaven's sake? The government did not have Sea Kings that could look after the 200 mile limit. Foreign ships were coming in and dragging the bottom of the ocean. All these things have had a negative impact, and they sat there. This has been strictly politics, nothing more than that.

The only reason the government and those who were elected in 1993 said they would cancel the EH-101 was because they thought it was a popular thing to do, not the right thing to do, to get votes.

The government should go and talk to those men and women in the military like the rest of us do and see how they feel. They are not allowed to come in here and say anything. They are not allowed to open their mouths, so I am here to tell the government what they are telling us.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, it is encouraging to hear the hon. member for Saint John try to clarify some of the misperceptions and the misnomers about what happened.

This contract was cancelled in 1993 for blatant political reasons, and it has been perpetuated. The real crime in all of this, to use the hon. member for Winnipeg—Transcona's words, is the further delay, the further politics which are going on with deliberate attempts to not buy the same helicopters, and having to display some hubris or eat their own words. We have an attempt to split the contract to somehow try to avoid buying the same helicopters.

The hon. member opposite spoke of the Cormorant. That was the stripped down version of the EH-101. The Prime Minister can talk with great distinction about the costs that are being saved. What about the cost in human lives? What about the cost of those airmen and airwomen who are flying them? What about the costs of those who are at jeopardy at sea or in some emergency situation and these current helicopters are unable to aid them the way they are supposed to?

• (1030)

**Mrs. Elsie Wayne:** Mr. Speaker, what my hon. colleague has stated is the exact the position we are in.

I am going to speak from the heart. The hon. member referred to the fact that we are talking about lives. I want all members in the House today to think about their own child or grandchild who may be a pilot on one of the Sea Kings. We would not want a family member to be a pilot on one of the Sea Kings today.

If we want to continue to do peacekeeping, we must equip our armed forces with the best tools available so they can do what they need to do.

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we have begun today in routine proceedings with a motion to adopt a defence committee report that was tabled not long ago in connection with helicopter acquisitions by the military.

It is clear from the debate so far, although we have really only had the one speaker from the Progressive Conservative Party, that the PC Party still appears to be apologizing for the EH-101 helicopter deal that was in place in 1993. It has been indicated that the contract was cancelled for political reasons. My recollection was that the contract was cancelled for what we regarded as blatant profligacy.

At the time the contract was in play, Canada had a \$43 billion deficit, not to mention the accruing debt. Financially it simply was not sound. The equipment that was intended to be purchased, was a helicopter that many regarded as very capable and multi-tasked in terms of its role, but really a Cadillac capable of filling many different roles and perhaps more roles than we needed. Therefore, the decision was made by the Liberal government, which was elected in the fall of 1993, to cancel the contract.

**Mr. Peter MacKay:** Cancel the pay raise.

**Mr. Derek Lee:** We have obviously touched a cord here with the Progressive Conservatives.

The other issue I want to bring up at this time has to do with this envelope of equipment acquisition by the Department of National Defence, specifically helicopters. We all know that the military has been acquiring new helicopters for about five to ten years. It was necessary to replace virtually all its equipment but we were not going to do it in one day.

The first helicopter equipment to be replaced was the HU series, sometimes known as the Huey helicopter. These were 1950s and 1960s vintage helicopters and they were replaced with the Griffon helicopter. Those deliveries were commenced and completed over a period two to four years ago. The Griffon helicopter is successfully fulfilling its new role in the Canadian armed forces.

We then got to the search and rescue helicopter, which is a land based dedicated search and rescue piece of equipment. We have been flying a Labrador twin rotor helicopter on both coasts for many years. It is manufactured by Boeing and is a good piece of equipment. It has stood the test of time but it has outlived its

lifespan. After the cancellation of the EH-101 in 1993-94, the government commenced the acquisition process for a replacement of the Labradors. That particular replacement is known as the Cormorant.

• (1035)

As everyone will realize, a period of time is required to commission a replacement, design it and get it constructed. These are custom designed pieces of military equipment for particular countries. Canada wants a certain helicopter that will do a certain job. The frame of the helicopter is essentially off the shelf but the components and the equipment necessary to allow that equipment to do its specific role has to be customized and prepared carefully. The process of replacing the Labradors is underway.

We are just a few weeks away from the delivery of the first search and rescue Cormorant. I am hopeful that Canadians will get a chance to see the first one on the front page of one of the newspapers. This process has been in play for approximately five years. I remember, as other colleagues will, when that contract was being dealt with by the government. We had a number of incessant repeated questions from the opposition in question period, scrutinizing, questioning and criticizing the process of acquiring that particular replacement helicopter. That process is virtually completed now. Deliveries are imminent and I am looking forward to the first delivery, as are the armed forces.

The member opposite put her hand on her heart. As people, do we care about the men and women who fly this equipment? Of course we do. We have replaced the Hueys, we are about to replace the Labradors and now we are embarking on the replacement of the Sea Kings, which are old inventions as well.

I would like to point out that Canada is not the only country flying Sea Kings. A lot of countries, including NATO countries are flying Sea Kings. All of us know they are outrageously expensive to maintain, which is one of the reasons why we are replacing them, but they have served their role well.

None of our armed forces personnel will fly in an unsafe Sea King, nor will any member of any armed forces of any country. They are all safe to fly. It is one of the reasons it costs so much to maintain them. To maintain them properly so that they are safe and effective in their role takes a lot of bucks and a lot of downtime, but when they fly, they are safe.

Once in a while we have a Sea King that gets a flat tire. My own automobile gets a flat tire from time to time. I do my best to maintain it. I drive it safely and our military flies its Sea Kings safely.

Now we are in a process of replacing the Sea Kings. The government has made a decision to enhance the prospects for competition, in part to ensure that we get the best price available. As I said earlier, the frame for the new helicopter will probably come off the shelf from a multinational aviation company that

### *Routine Proceedings*

produces helicopters and it could be one in Canada. The components and equipment that go into the helicopter for its maritime purpose and to primarily fly off the back end of a naval ship, among other roles, has to be carefully designed and sourced among competitive sources for price. Therefore, the contract has been split in two. Rather than being stuck with a situation where we might have had one, two or three sole source suppliers for one contract, we now have approximately 13 potential suppliers for various components of the replacement helicopter.

As we go forward, I fully expect the opposition to ask many questions and allege many things about the process here. I would just like all of us to get a grip and to understand the perspective. We are irrevocably embarked on an acquisition process to replace the Sea King helicopter. We will get one as soon as we can for the best price that we can, and we will get the best possible equipment that we can.

• (1040)

If the only window the public gets on the acquisition process is questions in question period with 30 second answers, maybe we should have a debate sometime in the House on the whole process and on the military equipment, but that would be up to colleagues in the House on both sides and House leaders. However, right now today we have other business. Therefore, I move:

That the House do now proceed to orders of the day.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

*Government Orders*

● (1120)

*[Translation]*

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

*(Division No. 127)*

## YEAS

## Members

Adams	Allard
Anderson (Victoria)	Assad
Assadourian	Augustine
Bagnell	Baker
Barnes	Beaumier
Bélangier	Bennett
Bertrand	Bevilacqua
Binet	Blondin-Andrew
Bonin	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Coderre
Collenette	Comuzzi
Copps	Cotler
Cullen	Cuzner
DeVillers	Dhaliwal
Dion	Dromisky
Drouin	Duhamel
Duplain	Easter
Eyking	Farrar
Finlay	Folco
Fontana	Fry
Galloway	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harvard	Harvey
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laliberte	Lastewka
Lavigne	LeBlanc
Lee	Leung
Lincoln	Longfield
MacAulay	Macklin
Mahoney	Malhi
Manley	Marcil
Marleau	Martin (LaSalle—Émard)
Matthews	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan
McTeague	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	O'Reilly
Owen	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Price	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Richardson	Robillard

Rock  
Scherrer  
Sgro  
Speller  
St-Jacques  
Steckle  
Szabo  
Thibault (West Nova)  
Tobin  
Torsney  
Valeri  
Volpe  
Whelan  
Wood—153

Saada  
Scott  
Shepherd  
St. Denis  
St-Julien  
Stewart  
Telegdi  
Tirabassi  
Tonks  
Ur  
Vanclief  
Wappel  
Wilfert

## NAYS

## Members

Bachand (Richmond—Arthabaska)	Bellehumeur
Benoit	Bergeron
Bigras	Blaikie
Bourgeois	Breitkreuz
Brien	Brison
Cadman	Cardin
Casey	Chatters
Clark	Comartin
Crête	Cummins
Dalphond-Guiral	Davies
Day	Desjarlais
Desrochers	Doyle
Dubé	Duncan
Epp	Fitzpatrick
Forseth	Gagnon (Champlain)
Gagnon (Québec)	Gallant
Girard-Bujold	Godin
Grewal	Guay
Guimond	Harris
Hearn	Hill (MacLeod)
Johnston	Keddy (South Shore)
Laframboise	Lalonde
Lancôt	Lebel
Lill	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Mark	Martin (Esquimalt—Juan de Fuca)
Mayfield	Ménard
Meredith	Merrifield
Mills (Red Deer)	Moore
Nystrom	Obhrai
Pankiw	Paquette
Penson	Picard (Drummond)
Proctor	Rajotte
Reynolds	Ritz
Robinson	Rocheleau
Skelton	Solberg
Sorenson	Spencer
St-Hilaire	Stinson
Stoffer	Thompson (New Brunswick Southwest)
Tremblay (Rimouski-Neigette-et-la Mitis)	Wasylcia-Leis
Wayne	White (Langley—Abbotsford)
White (North Vancouver)—83	

## PAIRED MEMBERS

\*Nil/aucun

**The Acting Speaker (Mr. Bélair):** I declare the motion carried.

**GOVERNMENT ORDERS**

● (1125)

*[English]***PATENT ACT**

The House resumed from June 5 consideration of the motion that Bill S-17, an act to amend the Patent Act, be read the third time and passed.



*Government Orders*

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, for the sake of the House and those interested in the process and in patent law, I will go through some of the technical reasons the bill is before the House. It is a bill that our party is supporting, much to the surprise I suppose of many across the way. It is not often that we stand in this place and support a bill brought in by the government.

Following a recent World Trade Organization ruling, the bill was introduced to bring Canada's patent laws into conformity with our trade obligations. Under the bill, all patents would last 20 years beyond the date applications are filed. Currently patents filed prior to October 1, 1989, under the old act, expire 17 years after the date they were granted. We are talking about a three year extension of the Patent Act.

Bill S-17 would not apply to patents that have already lapsed so the arguments we have heard in the House regarding that do not apply. As well, in cases where the old rule provides a longer period of protection than the new rule, the old rule would still apply. This would happen in cases where more than three years have passed between the time a patent application was filed and the time it was granted.

Bill S-17 would repeal subsection 55.2(2) of the Patent Act which has allowed for stockpiling of a product prior to the expiry of the patent.

When we talk about patent protection, what are we talking about? We are talking about copyright laws that would apply, for example, to writers, other artists, inventors and so on. Patents give their holders time to benefit from their research and ideas and from the money they have spent in developing them. In other words, they give them time to profit from their work, in many cases good work.

In this case we are talking about patent drug laws. We are talking about sometimes hundreds of millions of dollars being invested by drug companies to develop new drugs to help combat disease and prevent death. They do that at great expense. By refusing to invest here until we modernized our patent laws, these companies were sending a signal to Canada that they would not build factories and research facilities here unless they had patent protection to prevent others from copying what they do.

• (1130)

Research communities in Montreal, Toronto, Vancouver and other parts of Canada, not just in big cities but in smaller areas, were being denied the benefits of that type of research and the jobs and prosperity it brings.

The opposition parties in 1987, the major opposition party at the time being of course the Liberal Party, raged against the legislation

we brought in, Bill C-22, the first act we brought in to protect patents.

In 1992 we did the same thing again and made further changes to improve the intellectual property protection given to pharmaceutical companies while strengthening the powers of the Patented Medicine Prices Review Board Canada. The argument that the Liberal Party and the NDP waged at the time was that it would increase drug prices.

In a very basic sense, the Liberals asked us why we would provide drug companies with patent protection which would not allow generic companies to copy their products and which would outlaw copycat drugs for 20 years. They said that it would not help or enhance the health care system but that it would hurt and harm it. They said that it was the wrong thing to do.

The Liberals at the time, including the present Minister of Industry, who is now spearheading the bill through the House, argued that it would be wrong and railed against it. We have had many quotes in the House over the last number of days. Some of the quotes come from famous statements the present minister then made in committee and on the floor of the House railing against the very bill he now supports.

The truth is that what we did then, although some might disagree, and I know that even some government members disagree with the present bill, was the right thing. We created thousands of jobs in the pharmaceutical research industry in Canada. The evidence is there. Members opposite will tell us that the goal of the bill was exceeded in terms of jobs and investment in Canada.

We often talk about the brain drain, and there are a number of reasons for it. Obviously one of them is our tax regime. Unless we bring our tax regime in line with our partner to the south we will always have people leaving Canada to go where they will be rewarded for their work and not taxed to death. To a degree that argument is true, although there are other things that hold people in Canada simply because of our style of life. Considering the health care and other benefits we have in Canada, not everyone is attracted by high wages and low taxes.

We are losing a lot of top notch people to the south who go to work for pharmaceutical and research companies in the United States. The bill we introduced in 1987, Bill C-22 at the time, followed by Bill C-91 in 1992, completely stopped the transfer of talent from Canada to the United States. They worked.

The strengthening of the Patented Medicines Prices Review Board Canada also worked. As evidence of that, in the United States today there is a raging debate about drug prices and the high cost of patent medicines. Why are they so much higher in the United States than in Canada?

*Government Orders*

**Mr. Dan McTeague:** There is a 40% exchange rate.

**Mr. Greg Thompson:** Considering the exchange rate, and I know the member for—

**Mr. Dan McTeague:** Pickering—Ajax—Uxbridge. There is a 40% difference between Canada and the United States.

**Mr. Greg Thompson:** Mr. Speaker, please take note of the member on the other side of the House who is speaking and allow him to get up during questions and comments. I will deal with that when the debate is over.

● (1135)

The truth is that, excluding exchange rates, drug prices in Canada are cheaper and for a number of reasons. One is the strengthening of the Patented Medicine Prices Review Board Canada. The other, which I think even the legal minds on the government side of the House would recognize, is that in Canada litigation does not play as big a part in the overall cost of a drug as in the United States.

Our legislation worked in the past and it is working today. The result is that we have lower drug prices than many industrialized countries.

I will go through Tuesday's debate to point out what my NDP colleague next to me, the member for Winnipeg North Centre, had to say. On page 4651 of June 5, 2001 *Hansard* she said:

Mr. Speaker, the question about the profitability of brand name drug companies is a very important one because members of the four parties who support Bill S-17 feel that the excessive profits of these drug companies should be allowed to become even more exorbitant. Profits for brand name drug companies are already triple the industrial average and this industry is probably the second, if not the first, fastest growing industry in Canada.

The member went on to talk about high drug prices in Canada. However facts point to something different. We do not have the highest drug prices in the world in Canada. If we compare drug prices in Canada to drug prices in other industrial nations, we are at the lower end of the scale and not the higher end.

The bill we passed is working and the current bill will work because we must provide intellectual protection for this type of research to happen.

For example, a new drug called Gleevec was just approved in the United States. I am not sure how long it will be before it is approved in Canada. It is a new cancer fighting drug that was brought to market at a huge cost. It cost hundreds of million of dollars in research to bring the drug on line. It is being used to cure some forms of leukemia.

In strictly layman's terms, Gleevec attaches itself only to cancer cells. It does not destroy good cells as does a lot of chemotherapy, hence the significant side effects of being treated for cancer. Not only are patients cured but they do not have the extreme nausea and

sickness that comes with normal chemotherapy treatment. That is a huge advancement and it saves lives. The question is, would the drug be on the market today if the company, Norvartis, had not been given patent protection? The simple answer is no. We would not have the drug.

Another drug, Retuxin, was brought in by another huge international drug company. The company spent hundreds of millions of dollars to develop the drug, which helps those who suffer from non-Hodgkins lymphoma and other cancers. That is a huge cost.

● (1140)

Hoffmann-La Roche brought that drug online and waited for months for it to be approved in Canada. Again, it saves countless lives and frees up our health care system because it means that we can take a drug at home and be cured outside of the hospital. That is a net saving to the system. The truth is that we will either use that drug or something else that has been around for a few years but has not proven to be as effective. Obviously this is like anything else, supply and demand, but the truth is that this type of research will dry up unless these companies have the protection they deserve. That is what the bill would do.

That is why the industry minister has had to swallow his own words on the bill. I want to quote the industry minister. This is the quote that usually sets the members on the government side ballistic. This is what they call an about turn, an about face, a complete reversal of position.

Why did it occur? One of the reasons was of course that the Liberal Party went from opposition to government. It is sort of like a lynching in the morning: it kind of focuses the mind. Once in government the Liberals then say there are certain realities they have to deal with when they are in government. One is that they just simply cannot hide from the truth. When something is working they have to embrace it even if they have to do a complete flip-flop on it. Obviously the GST was one of those realities. Of course they are trying to do a complete about face on the helicopter deal and so on and so forth. We could rage on forever on this one.

The fact is that the minister changed his mind. Why? Because he was wrong. This is what the Minister of Industry, the former premier of Newfoundland, often referred to as Mini-Me, had to say about the bill a few years ago. If only I were a good mimic. I can see the hands waving now. He said:

It is inconceivable to me that Parliament finds it necessary yet again to deal with yet another measure proposed by the Government because it is bound and chained to some ideological dictate which says this kind of Patent Act is necessary.

He went on to say that we would be taking money out of the pockets of old age pensioners and so on and so forth, that we were basically robbing the people blind by giving the patent protection act some thought here in the House of Commons. The idea was that

it would pass at a huge cost to the Canadian public. He has eaten those words because we have the pharmaceutical jobs in Montreal, Toronto and other parts of Canada to prove that we were right and he was wrong.

I will give the minister some credit. He did stand up in Geneva not too long ago at a World Trade Organization meeting and say that Prime Minister Mulroney was right in terms of the free trade agreement at the time. He basically said that he railed as a member of the Liberal Party but time has proven that Mulroney was right, the Conservative Party was right, that free trade does work.

We have to give him credit for that. That is much more than just about every member sitting on the government side today would do. They railed against it. The fact is that the Canadian economy has expanded dramatically because of that free trade agreement, not to mention the North American Free Trade Agreement.

Now we have a bill that would do the same thing, which the government of course now embraces, with the exception of some of the members now in the House.

This is Liberal logic at its worst. I have taken the time to identify some of those members who have actually stood up in their places in the House and railed against this bill. They have actually railed against the very bill that the minister has now on the floor of the House, Bill S-17.

• (1145)

The member for Pickering—Ajax—Uxbridge railed against the bill the other day in the House, as did the members for Toronto—Danforth and Eglinton—Lawrence, but guess what? When push comes to shove and it comes down to the final vote, every one of those members will be standing like lame ducks, voting in support of the very bill they railed against in the House. It almost reminds me of the free trade debate.

The member the other day said that we Conservatives air our dirty laundry in public. That is true. We do air our dirty laundry. The difference is that those people wear their dirty laundry year after year.

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, I realize there is a lot of interest in asking questions of the hon. member on the other side of the floor. We are all very interested in this issue and the bottom line is the high cost to our taxpayers and our consumers out there. That is what is of interest to all of us.

When the issue was before the Senate, the Conservative members of the House were also very concerned about the issues of compliance and the regulations. Can I gather from the comments the hon. member made that in the fall when the minister comes forth to the industry committee and to parliament, as he has indicated he will do, the member would support a complete and thorough review of those regulations?

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**Mr. Greg Thompson:** Mr. Speaker, we would support a complete airing of any issue, unlike the party opposite.

It is a good and very thoughtful question. It allows me in response to talk about a private member's bill I introduced in the House entitled Bill C-338. The NDP House leader has been quoted—it will show up in *Hansard*—as saying that it is exciting. It is indeed exciting. I thank the leader of the NDP. It is an act to amend the Food and Drugs Act regarding the process of approval for new drugs. That is one of the things the government has to look at in addition to this bill.

The member for Eglinton—Lawrence, I think it is—I can never get these Toronto ridings right, there are just too many Liberals in Toronto—is right in some of what he says. I do not want to discount that. On a very serious note, some of what he is saying is absolutely right. One of the problems, which I think the government will recognize, is the fact that the drug approval process in Canada is excruciatingly slow and very cumbersome.

The truth is that the delay in the approval of drugs in Canada costs consumers a lot of money. In fact it most likely costs us lives. For example, it will be months before the new cancer fighting drug Gleevec, which I mentioned earlier, will be approved in Canada, at a big cost to the health care system and individual lives. That is what Bill C-338 would do. It outlines a process under which we could move the approval process along a little faster. The bill does not suggest something that has not been proven. It would be modelled after the European Union example. That is very important, because used in conjunction with this drug it would actually accomplish much more than would be possible with this present piece of legislation.

• (1150)

In private conversations with the health minister he agrees with me. The health minister says “Listen, Mr. Thompson”—or Greg or whatever he calls me on that particular day and sometimes he is not quite that polite—“the truth is I think it is a good bill”. However, the money to get this new process going within Health Canada means he would have to take money from one part of the department and put it into another.

The truth is that it is something we have to examine. In this whole process the trick is to move these drugs onto the market as safely and as quickly as we can, but following experiences of other nations. If we are part of that bigger community in terms of trading partners, we should be able to share some of that basic scientific evidence which allows those countries to use these very drugs that are being delayed in Canada under the approval process.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, it has been interesting to listen to the member for New

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Brunswick Southwest struggling to defend an untenable position. I have a great deal of respect for my colleague as a person. It is his policies that we have a great deal of difficulty with.

I am sure hon. members would find it interesting to observe this debate and note that it is the Conservatives in the Chamber who are promoting the position of subsidies for the wealthy and public assistance for the corporate sector, while we New Democrats in the House are pushing hard for competition in the drug sector to ensure that prices remain reasonable and our health care system is sustained and supported.

My question for the member is as follows. He will recall that prior to his former leader, Brian Mulroney, we had a reasonable system in place which included compulsory licensing and reasonable limitations on patent protection. Since the Mulroney era and the beginning of the end of proper and decent public policy in this regard, we have seen drug prices increase in the last decade alone by almost 100%.

Surely the member realizes what that does to people's access to necessary medications. Surely he understands that the return for that kind of public investment in brand name drug companies is not at all commensurate with the development of innovative drugs and breakthroughs for health care in Canada.

**Mr. Greg Thompson:** Mr. Speaker, that shows members how much civility there is in the Chamber from time to time. Here we are side by side and we can agree to disagree.

However members know they are in trouble when a member stands up and says that it was an interesting speech or that it was interesting to listen to, because that is basically the end of the good news.

The member used the term reasonable. She was talking about a reasonable solution to the problem, saying that we had a reasonable law prior to 1987 and prior to the patent law. We did not. It did not work. It was not reasonable.

**Ms. Judy Wasylycia-Leis:** Oh balderdash.

**Mr. Greg Thompson:** The evidence is the fact that companies were leaving Canada and refused to invest in Canada. The truth is that the research community in Canada was suffering. The truth is that there has been a completely turnaround in regard to that.

The other fact, as true as I am standing here, is that drug prices in Canada are lower than they are in the United States, lower than they are in most European countries, and they are saving lives. There is a cost to research and there is a cost to not doing something. We can sit down and go on forever with what we have, but if there is a way to improve it a government takes a risk and does it. That is what we did. That is what the present government is doing and I applaud it for that. We need the research. We need those new drugs and we need those lives saved. It is as simple as that.

• (1155)

**Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I know time is of the essence, so I will be very brief. I listened to the comments of the member for New Brunswick Southwest. The bill would bring the Patent Act into compliance with the World Trade Organization. I think most people would accept that.

I think the 20 year patent protection is very appropriate, but there are generic companies in my riding that talk about the notice of compliance regulations which, they say, provide these companies with another three years of patent protection. I know that regulatory issues are not really tied to the legislation, but I am sure the member for New Brunswick Southwest has made a holistic study of the issue.

Does he support the notice of compliance regulations which appear to add more time to the 20 year patent protection? This is a provision that was brought in by his own government in 1993, so I assume that he may support it on that basis alone. I wonder if he has any policy rationale for that.

**Mr. Greg Thompson:** Mr. Speaker, basically a lot of what could happen could actually happen within the bureaucracy, if we talk to people who know the issue within the government.

These timely reviews of drug submissions are very important, but the fact is that we are lagging behind the rest of the industrialized world, notably the United States and European countries. I am suggesting that we follow the same model that is followed in the European Union. It is not new and it is not innovative. It is basically the bill that I have written. We took a hard look at the process in Europe versus the process here in Canada. We are suggesting that without too much money and without a lot of time we can actually change and improve it. When we do that I think it will be good not only for consumers but for the companies involved as well, and certainly for our health care system.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I think the debate on Bill S-17 is very helpful for those Canadians who may be listening by helping people to see more clearly the kind of ideological and policy monoculture that we have here in the House of Commons.

The member for New Brunswick Southwest remarked on the fact that he as a Conservative was supporting the bill brought in by the Liberal government. The implication was that this was somehow exceptional or aberrant or not something that he would normally be inclined to do, but I beg to differ.

When it comes to Bill S-17, to the extent that Bill S-17 is part of a larger way of looking at the world, looking at the economy,

looking at the relationship between property and health, I think that in fact there is a great deal of agreement between not just the Conservatives and the Liberals on this, but among the Conservatives, the Liberals, the Alliance and the Bloc, with really only the NDP standing out as a party prepared to defend human health and the Canadian public interest over and against the property rights, as they are delineated in patent law, of multinational pharmaceutical companies.

Some people would criticize us for this. They would say that we are not accepting enough of various economic realities. When they say that what they are really saying is that we have not accepted that the power of the multinational pharmaceutical companies should be a power that is acceded to in the way that all our other political colleagues have.

The member for New Brunswick Southwest cited the fact that in 1987 a Conservative government, long before the WTO and even the NAFTA and the FTA, had moved to change the compulsory licensing system we had in this country by which generic drugs were able to be produced after only two years.

• (1200)

My memory of that system is that it worked very well. My memory of that system is that it coincided with a time in which health care costs in Canada were not soaring in the way they are soaring now. One of the reasons health care costs are soaring now is the soaring price of drugs.

The Conservative member might want to argue that there is some kind of differential between the price of drugs in Canada and the price of drugs in the United States. If that is true, that can hardly be blamed or credited to the fact that we got rid of our generic drug licensing system because the United States has exactly the same system. It is an argument that does not make much sense to me.

The point I want to make is that at least with the Conservatives we kind of know what we are getting. In 1987 they did not hide behind a free trade agreement, a North American free trade agreement or the World Trade Organization. They said this was what they believed. I think it was done largely in the interests of big multinational pharmaceutical companies located in Quebec at the time.

Nevertheless it was also consistent with their philosophy, with their ideology, having to do with property rights, patent rights and the right of people to exploit each other in the marketplace, which is one of their fundamental beliefs. They did not hide behind any agreement although there was some suspicion at the time that they were setting the stage for the Canada-U.S. free trade agreement, that in effect it was some form of laying the groundwork for that agreement.

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Leaving that aside, at least they were acting on the up and up, so to speak. In 1987 when they did this, and of course during the free trade agreement in 1988 and even leading up to and including the debate on NAFTA, we had many crocodile tears from Liberals, crocodile tears of opposition to what the Conservatives were doing.

Yet the Liberals went on to sign the NAFTA. They went on to join the WTO and to be part of a system which now enforces the very thing they said they were against in 1987 when the Tories first moved to get rid of our generic drug laws.

We have a kind of political monoculture in which the power of property and the power of corporations are ultimate. Whatever they want they seem to get. It has been particularly tragic for our health care system. As the member for Winnipeg North Centre has pointed out time and time again, the price of drugs has gone up some 100% in the last decade or so. This what is breaking our health care system.

There are other stresses on our health care system: the demographic situation, the development of new technologies and the development of higher expectations. All kinds of things are putting pressure on our health care system, but it is very clear that the price of drugs is one of the main stresses on our system, so much so that it not only stresses the system but it changes the system.

One of the reasons people are being sent home earlier from hospital is that the hospitals do not want to pick up the cost of drugs. As soon as they go home they are on their own. They may have some kind of provincial or private plan or they may not, or it may not be a very good plan. Both the system itself is being stressed by the high price of drugs and people themselves are being stressed economically and psychologically by the high price of drugs.

We are talking about hundreds of millions of dollars. We are really not talking about virtue when we think that the same drug companies the member for New Brunswick Southwest rose to defend were trying to hold out for their right to make hundreds of millions of dollars on drugs that treat AIDS. They wanted to be paid in Africa exactly what they were paid in a clinic in downtown Toronto for those drugs.

• (1205)

They have finally backed off, but did they back off out of the goodness of their hearts or did they back off because it was a public relations disaster? I guess in the end, at one level anyway, it does not really matter. The fact is they backed off and perhaps we will be able to get some of those life saving drugs to the people in Africa who need them.

On a much smaller scale that reality plays itself out across the world, even in the industrialized world and with respect to diseases

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other than AIDS. We have a system which puts the profits of these companies foremost in the minds of public policy makers.

The argument is that this leads to more research, which leads to newer drugs, et cetera, but I am not convinced that in order to get the kind of research we want in the development of newer more effective drugs, something of which we are all in favour, we need the kind of regime that is now in place through the WTO and to which the bill is responding.

We are very much opposed to the regime that has been set up at the WTO through what is called the TRIPS agreement. That is one of the acronyms we find in WTO negotiations and discussions about the WTO. TRIPS means trade related intellectual property and is one of the tables at the WTO.

There will be further attempts to exploit the kind of knowledge that people arrive at through research to patent things that in our judgment should not be patented. The unfortunate part of the debate is that there has not been enough opportunity to go into the ways in which that will happen. The drug patenting system is a foreshadowing of what the multinational corporations would like to do in a whole lot of other areas, particularly with respect to biotechnology, gene therapy, et cetera. What we have in the patenting of drugs is a paradigm or a model for what they would like to see happen with respect to a whole lot of other treatments.

I met not so long ago with some people in the medical community in Winnipeg who were very concerned, and they have written to the Minister of Health about it, that once various gene therapies have become patented they will not only be bad in principle, to the extent that I do not think these kinds of things should be patented, but may also again drive up the cost of health care in Canada. To the extent these therapies become more and more accepted as ways of treating certain conditions, if it is the case that every time it is used in a Canadian hospital some kind of royalty has to be paid to a multinational corporation, that in itself will drive up the cost of health care.

There are some related issues which we have not had a chance to debate as much as we would have liked. The government is intent on getting the legislation through. We understand that; there is a deadline it has to meet. Is it not interesting that we as a parliament, a sovereign parliament, are having to do certain things that are required of us by the WTO?

That is really what many people are concerned about. They are concerned about the fact that what once would have been a matter of national public policy making, what once would have been a matter of domestic decision making, what once would have been a matter for the Canadian parliament to decide, is now a matter for the WTO to decide. It is now a matter for unelected trade bureaucrats and trade lawyers to decide. It is now a matter for them to decide on the basis of rules designed by and for the multinational corporations to protect their investments and to protect their profit strategies. We cannot figure out what is democratic about that.

• (1210)

I listened to my colleagues on the right, both in the Conservative Party and in the Alliance. They sometimes talk about the way they do not like the power of parliament being usurped by the courts. They are very concerned about the power of parliament being eroded. Yet they do not seem concerned at all with the power of parliament being usurped and eroded by international global and regional trade agreements.

Why is that? Why is there a double standard when it comes to the loss of parliament's power? I would like that to be explained to me some day by my colleagues on the right. Why are they so eager to support the Liberals in their abdication of their power through their complicity in the WTO, NAFTA, the MAI had it passed, and the GATS discussions coming at the WTO?

Why are governments around the world, some unwillingly but apparently willing when it comes to Liberal, Conservative and Alliance members in Canada, so willing to give up their power? What kind of sickness is this that makes governments and political parties that ostensibly want to be able to act in the public interest or on behalf of the common good so eager to embrace self-inflicted powerlessness?

This will be one of the things that many theses will be written about in years to come. What caused this? What kind of intellectual virus inhabited the brains of many politicians in the late 1980s and 1990s of the 20th century and in the early part of the 21st century and caused them to willingly give up the role and the trust that had been granted them by their electors and turn them over to unelected people who were making decisions based not on what is in the interests of health, the public or the environment but on what constitutes a barrier to trade, a barrier to investment or a barrier profit, as if it were the ultimate measure of all things?

We in the NDP do not think trade is the measure of all things. We believe the measure of all things is what contributes to the health and well-being of Canadians and people all around the world. We find ourselves very much at odds with all four parties in the House. We look forward to the final vote on the legislation so that it will be very clear where we stand and where others stand on this issue.

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I have been listening to the debate. I think members on both sides have taken the opportunity to express their views with respect to how this piece of legislation does work, will work and ought to work.

I was a little disappointed that I did not get a chance to intervene when my colleague from the Conservative Party spoke a few moments ago. Again, as in the discussions the other day, he made allegations that were personal in nature but steered away from the

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importance of discussing the issue itself. The member who just spoke is from Edmonton Transcona.

**An hon. member:** Winnipeg.

**Mr. Joseph Volpe:** Winnipeg, the hotbed of reform. I think it is just outside Toronto. The member raised a couple of very important questions which I think deserve our attention. First, from a philosophical point of view there is some disagreement. Second, I am not sure it is very productive or useful to discuss the issue of battles that have been fought and lost, as we cannot redo those.

The issue I wanted the member to raise and wondered whether he would address himself to it was his perception of the material impact of the maintenance of the regulations under Bill S-17 with which he appears to disagree so wholeheartedly.

• (1215)

In the interest of maintaining a discussion that is factual and has something to do with the health care system and the health of Canadians, would he be substantive enough to give us an indication of the specifics about how that would work or would not work. Otherwise, we are left to assume that there is nothing wrong with this.

**Mr. Bill Blaikie:** Mr. Speaker, the member has spoken with his usual precision and has left me wondering exactly what he might have been asking me.

I can certainly understand why he does not want to talk about battles fought and lost. I thought the Liberals won the election in 1993. They won it on the basis presumably that Canadians liked some of the positions they had taken prior to 1993. This is another case of self-inflicted powerlessness. Even when the Liberals won the election, they thought they had lost, unless of course the member is referring to the fact that we lost. We all lost. Everyone who thought the Liberals were telling the truth prior to 1993 lost. In that sense we did not lose because we never believed them in the first place. We knew that there was a convergence behind closed doors on Bay Street and other places between the Liberal and Conservative Parties.

If I were the member from Eglinton-Toronto or Toronto-Eglinton, at least I got the words right, it would not take much for the rest of us in Canada to know more about Toronto than the member from Toronto knows about the rest of us. He cannot even get Edmonton and Winnipeg straight for heaven's sake. It is all just west of the Ontario border as far as he is concerned.

**Mr. Joseph Volpe:** West of the 427.

**Mr. Bill Blaikie:** West of the 427, Mr. Speaker. That is what the people in Thunder Bay say too. People living in Thunder Bay, Kenora, Rainy River or Fort Francis all feel like they might as well be in Winnipeg. A long time ago, if we had drawn the boundaries of

this country properly, they would have had the benefit of being part of the great province of Manitoba instead of being a neglected hinterland of metropolitan Toronto.

**The Acting Speaker (Mr. Bélair):** We are straying away somewhat from the subject.

**Mr. Bill Blaikie:** Mr. Speaker, I will go back to what I said about self-inflicted powerlessness or this deep political pathology that so affects the Liberal collective mind. They signed agreements which make them do things that they used to be against. Months and years hence they say they have to respect their international obligations. How did they come to have these obligations? They came to have the obligations because they signed agreements in the first place.

The member might want to seek out therapy or something as to why he finds this to be an acceptable form of political consciousness.

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, this is an important debate and I would like to make a comment, because I believe that much has been said that actually gives the wrong impression.

I am not questioning the motivation. However, I question the ideology of the member of the NDP who denies the reality that Canada is a trading nation and that we benefit from fair, good and clear rules. Trade creates an enormous number of jobs in Canada. Without jobs and prosperity overall we do not have good health. We know that unless people have the opportunity to work and no matter how many pills they take, their health status will not be improved.

I have always been one who has supported fair trade rules and as open and free trade as possible. I have been critical of trade agreements in the past that I did not believe provided good and fair access to markets. However, if the member were being realistic, he would know that the World Trade Organization and the general agreement on tariffs and trade has benefited all Canadians. We have seen our economy grow and prosper as a result of those trade agreements.

I would urge the member to bring his thinking into the 21st century and realize how important trade is to all Canadians and to our prosperity.

• (1220)

**Mr. Bill Blaikie:** Mr. Speaker, this is part of the big lie, that because we do not like the WTO or the NAFTA we are somehow against trade. Of course we are not against trade. We realize that Canada is a trading nation, and we are in favour of multilateral trade rules that set up regimes that make fair trade possible.

The minister who spoke talked about fair trade. The fact is we do not have fair trade agreements. We have free trade agreements. She

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said she was critical of certain agreements in the past that did not provide for fair trade. I wish she would have named them because had she done that they probably would have been agreements still in force that her own government signed, like the NAFTA. I notice when she listed particular regimes she did not list the NAFTA.

Someone can be for global trade without having to be for these agreements. It is an intellectually dishonest argument to constantly paint people who do not like the multilateral rules that we have now, which are designed by and for the multinational corporations, as people who do not like or are against trade. We are not against trade. We are for fair trade and not free trade.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, there have been numerous comments certainly from the member from the Conservatives and from across the way with regard to the agreements. I have a couple of comments.

My colleague from Winnipeg—Transcona will remember back to this time. He may not remember the exact words and my guess is he may not remember from which party the comments came. As we are seeing today, it is not a matter of a different position from the Conservatives or the Liberals, it is a matter of the same position given at different points depending on whether they are in opposition.

The present Minister of Indian Affairs and Northern Development said in 1992 when he was in opposition:

We are asking Canadian consumers to pay roughly \$4 billion more in drug costs in the next 20 years in exchange for \$150 million in research and development. Can you imagine, what kind of negotiator I would have been in my previous life if I came back to the membership that I used to represent and gave them those numbers.

The present Minister of Industry made this comment about the government when in opposition. I would like the member's thoughts on this because I know he was in the House the time. He said:

I want to ask the member and all those members who at some time, when they screw up their backbones and the courage to do it, have to go back and face their constituents: Are they really serious when they say that they expect the sick, the poor, the elderly, and those who live on fixed incomes have to subsidize R and D in Canada?

Could the member comment on that?

**Mr. Bill Blaikie:** Mr. Speaker, such was the Liberal's charade prior to 1993. Shame on the Liberals for all the lies they told the Canadian people about their views on these subjects.

**Mr. Larry McCormick:** That is too far, Mr. Speaker. The first time it was a lie. Now it just a big lie.

**Mr. Bill Blaikie:** There is nothing unparliamentary about referring to lies that are told by collectivity. It is only when individual members are accused of doing so.

**Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.):** Mr. Speaker, I was remiss. I could not count the time yesterday, so I did not have an opportunity to finish what I had said in the House.

I was going to ask the indulgence of the House to at least consider modernizing our thoughts on what the bill really means. I think we all agree that the bill is about ensuring it would comply with the WTO, but there is an opportunity to make it more than that.

Since I had an opportunity to intervene on this yesterday, a significant landmark ruling occurred in the United States with respect to the automatic injunction provision for Canada and the United States. I point out to members, Conservative, Bloc, Alliance and of course Liberals and New Democrats, that the automatic injunction gives a de facto extension of patent protection beyond 20 years.

• (1225)

I see the hon. member from the Conservative Party shaking his head saying no. Let me summarize what his senators said in the Senate just two months ago as they looked at Bill S-17. It states as follows:

In general, it is the Committee's view that courts are fully capable of determining appropriate procedures, which should not differ substantially from one industry to another. Regulatory interference carries a risk that an unfair advantage may inadvertently be provided to one side or the other.

My concern therefore is well-founded, not only on the wisdom of the Senate of the other place, but also in the landmark ruling of the U.S. federal court yesterday on the question of patent infringement, bearing in mind there are only two countries that have it.

Patent infringement claims were made by AstraZeneca PLC, Europe's largest drug maker, with respect to a product known as Prilosac, the largest selling drug item in the United States of America and in Canada. In Canada the drug is known as Losec. The same issue occurred here where the same individuals tried to stall this very important product beyond the patent protection period. It is very clear, with sales of \$340 million a month, why the drug industry wants to maintain its stranglehold even beyond the agreed 20 years.

Members, especially in the Conservative Party, I think fail to understand that what they are giving licence to here in regulation is well beyond anything that was intended by this parliament. They can go back and talk about what happened 10 or 15 years ago, but I think the people are asking us to address the current problem for which there is no obligation for Canada to go beyond the 20th year. The effect of this is not only a means of destroying due process, but it is disrespectful of the courts of this country. It confers a privilege that is available nowhere else in this country.



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The reality is we have a situation that we must knock out. It is called the automatic injunction. My belief is, and I think the belief of those who have looked at this, that there was an opportunity to deal with this. Unfortunately, I would ask the hon. members to consider the millions of dollars that it is costing the provincial drug plans of their Conservative, Liberal and New Democratic governments across the country.

More importantly, there are a few issues that have come up as a result of the comments made by the member for New Brunswick Southwest. I will not answer all of them, but it is important for us to also consider the flawed and false methodologies of the Patented Medicine Prices Review Board of Canada. To suggest that \$900 million in research and development should justify these extended patents is simply wrong. More than half that money is nothing more than advertising. There is a push today to make sure that people get even more advertising from these drug companies to create the kind of chaos we see in the United States.

I was trying to intervene the member for New Brunswick Southwest on the fundamental question he raised with respect to the price difference between Canada and the United States. It is very clear to me that the only difference between Canadian new drugs and drugs being brought in from the United States is the 40% exchange rate. We do not even have a brand name manufacturer giving us the courtesy of establishing a head office here in Canada to give us the kind of benefits we normally see. Instead, we see ourselves in a situation where we are paying the highest prices in the world without the privilege of having anything more than a few warehouses on the island in Montreal and in Mississauga.

I would like to point out to the hon. members, certainly in the Conservative Party, but others who lost the opportunity and did not see it, there is a chance to change this.

Finally, let us deal with the issue of AIDS in South Africa. There is an opportunity here for us to return to compulsory licensing. I ask the indulgence of members of parliament to consider that. There is a pandemic occurring in the world and it is very clear that the brand name manufacturers have egg on their faces because they are more willing to be concerned about what goes in their pockets as opposed to helping the people who are dying and suffering and where an entire civilization is breaking down.

Hon. members wake up on this one. I urge and implore all members to get together and protect the health care system in the country. We have three months to get it together.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I do not question the Liberal member's sincerity on this matter, but I have to say we are having a heck of a lot of difficulty stomaching this kind of policy from the Liberals of the House. A couple of members have suggested that the Liberal position is otherwise. We are dealing with a Liberal government

decision to bypass its own promises made to the Canadian people. We are dealing with a government that has had ample opportunity to correct the situation and deal with such matters as the elimination of the automatic injunction that gives patent drug companies another two years of protection on top of the twenty years they now get. We are talking about a Liberal government that promised the Canadian people a national pharmacare plan and has done nothing since.

• (1230)

It is one thing for the member to stand up in the House and be a maverick but it is another to work steadfastly to try to convince his own colleagues to change the situation.

What did he do in 1998 to stop the Minister of Industry from bringing in notice of compliance regulations that actually made the situation with respect to the automatic injunction worse? What has the member done to convince his colleagues to implement their campaign promise of 1997 of a national drug plan, which would help today?

**Mr. Dan McTeague:** Mr. Speaker, if the hon. member turned the clock back four years, she would remember that it was only I who put forward a motion before the scrutiny of regulations committee to basically strip the Patent Act, or Bill C-91 as it was then known, of all of its offensive notice of compliance regulations.

This was not lost on some members on this side of the House. It was certainly not lost on the then leader of the opposition, the hon. Lucien Bouchard, who lambasted and insulted our government by saying that it was a humiliation to Quebec that the cost of drugs would be so high but that instead it would be able to get a few investments from various companies.

When it comes to the hon. member's concern about my acting like a maverick, I can tell her that rather than simply talking about things, I have acted. These are perhaps some of the reasons why I quite willingly talk about issues when I see that consumers are being badly hurt.

Canada is not required to do anything more than what its international obligations are under the WTO. The battle between generic manufacturers and brand name manufacturers has divided members of parliament depending on whether they have brand name or generic companies in their riding. However, that battle is over. Incidentally, I have two brand name manufacturers in my riding so I am not speaking from the perspective of those who might think that it is because I favour generic manufacturers. People within my own party thought the reason I was concerned about this issue was that I had a generic manufacturer in my riding. I can assure the hon. member that is not the case.

I put a motion before the House of Commons with regard to the issue of automatic injunctions and I thank my colleague from Churchill for supporting me. Unfortunately, I could not convince

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members of other parties to join with me but I am still fighting as hard as I can. I have been alone before but I know I have a lot of company with thousands of Canadians who today cannot afford the decent medical care they deserve because the cost of drugs is so high.

With regard to the question of pharmacare, I believe if we cannot resolve this issue and we are not prepared to stand up to the multinational drug manufacturers in Canada, the Government of Canada will need to come down and put its money where its mouth is.

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I know the member wanted to express a greater view on what the net effect of some of the regulations might be in other areas of the world. I took particular interest in his discussion of the sub-Saharan AIDS epidemic and the impact that some of the companies here might be able to have on that were they given the tools to do it. I wonder if the member could comment on that.

**Mr. Dan McTeague:** Mr. Speaker, there have been ways in which we can neuter the offensive section on automatic injunctions. We can repeal section 55.2(4) of the Patent Act to achieve that.

With regard to the member's question dealing with the AIDS epidemic in Africa, Canadian drug manufacturers, particularly generic drug manufacturers, could provide a solution in terms of the cocktail of drugs that might be made available. However there are very few of these manufacturers because they are dying, seemingly by the day. Some are doing very well but most are either being purchased or are not increasing their viability. I have met with Médecins Sans Frontières and Oxfam on this issue. They believe they can do it in concert with the minister responsible for CIDA as well as with the co-operation of the government. I believe we are heading in that direction.

• (1235)

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*And the bells having rung:*

**The Deputy Speaker:** Accordingly the vote is deferred until later this day after the end of government orders.

\* \* \*

**FARM CREDIT CORPORATION ACT**

The House proceeded to the consideration of Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other acts, as reported (without amendment) from the committee.

## SPEAKER'S RULING

**The Deputy Speaker:** Before we begin debate there is a ruling that I must render. There are three motions in amendment standing on the notice paper for the report stage of Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other acts.

Motions Nos. 1 to 3 will be grouped for debate and voted on separately.

Before putting the motions to the House I wonder if I might call upon the member for Crowfoot to seek consent to move the motions.

**Mr. Kevin Sorenson:** Mr. Speaker, I rise on a point of order. There have been consultations among all parties present and I think that you would find unanimous consent of the House to have the report stage motions in the name of the member for Cypress Hills-Grasslands transferred to the name of the hon. member for Crowfoot.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## MOTIONS IN AMENDMENT

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance)** moved:

Motion No. 1

That Bill C-25, in Clause 5, be amended by replacing lines 12 to 18 on page 2 with the following:

"services and products to farming operations and to those small and medium-sized businesses in rural Canada that are businesses related to farming. The primary focus of the activities of the Corporation shall be on farming operations."

## Motion No. 2

That Bill C-25, in Clause 5, be amended by replacing lines 32 and 33 on page 2 with the following:

“that complement but do not directly compete with those available from the private sector, or that complement but do not duplicate those provided by other publicly owned institutions;”

## Motion No. 3

That Bill C-25, in Clause 5, be amended by adding after line 44 on page 2 the following:

“(f4.1) dispose of farmland acquired by it, provided that the disposal is at fair market value and is done as quickly as possible, and in any case no longer than five years, after the acquisition.”

He said: Mr. Speaker, again it is a privilege to stand in the House to debate some amendments to Bill C-25, an act to amend the Farm Credit Corporation Act.

It was my privilege to attend committee meetings and to hear the witnesses. We were fairly apprehensive as we went into the exercise of looking at Bill C-25. After the committee meetings we were even more apprehensive and maybe more concerned about some of the legislation that was being brought forward in this change.

• (1240)

The first amendment is designed to address one of our party's most serious concerns about Bill C-25, that the corporation would lose its focus of providing service to farmers because of its involvement in off farm businesses.

One concern of the Canadian Alliance and other members is that the Farm Credit Corporation would move away from being directly involved to the extent it is now in the family farm into a new realm that is currently controlled or benefited by other corporations. Consequently we believe the legislation would allow the Farm Credit Corporation to fund, help and provide service to larger businesses.

According to the current wording of the bill, the FCC could loan money to any agricultural business no matter how large or lucrative. For example, if an application were made by the Saskatchewan Wheat Pool to the government, the government could conclude that the FCC could help with the financial requirements the Saskatchewan Wheat Pool would be after. The amendment would ensure that any services offered to non-farm operations would only be given to small and medium size businesses and not to large corporations.

In committee the FCC and government officials said they would have no reason to fund the Saskatchewan Wheat Pool. That would move beyond the FCC's mandate. However the legislation as it is would not limit or prevent that from happening. If that financing began to happen we would soon see that the family farm would be put on the back burner and would lose another opportunity for funding.

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The second amendment is designed to ensure that the federal government does not actively compete with private financial institutions, banks or credit unions. One of the interesting facts that came out of our committee meeting was from representatives of Canadian credit unions. They made very clear that in a number of instances the Farm Credit Corporation was directly competing for business the credit unions had already had.

In one instance the Farm Credit Corporation after hearing what interest rate percentages the credit union was offering competed by lowering its interest rate.

**Mr. Larry McCormick:** Competition is good.

**Mr. Kevin Sorenson:** Competition is good. I hear the Liberals questioning and heckling about competition. We love competition and a competitive economy, but businesses do not want to compete with the federal government. They do not want to compete with their own tax dollars. They do not want to compete directly with a federal corporation or institution in which they have put tax dollars.

We are also concerned that the expanding powers of the FCC would simply duplicate the existing authority of other public financial institutions such as the Business Development Bank. The Business Development Bank, which realistically does not have a great track record, would then perhaps move out of areas dealing with agriculture.

It would appear that Farm Credit Corporation would simply deal with agriculture and not the farm. Its name is to be changed to Farm Credit Canada. Maybe it should just be changed to agriculture because they have forgotten the family farm.

Our amendment would ensure that FCC's new powers do not duplicate the authority problem that is currently present in the Business Development Bank. We are also very concerned about one aspect which we brought to committee and which the hon. member for Cypress Hills—Grasslands raised in the House on a number of occasions.

• (1245)

We are concerned that Bill C-25 will allow Farm Credit Corporation or Farm Credit Canada to become a significant land holder. The amendment is designed to ensure that the federal government does not become a major holder of Canadian farmland. By so doing it would not influence the market price of land.

I think we would agree on all sides of the House that we have seen places and times in Saskatchewan when there was a great land bank. The government owned land that had been turned back to it. We want to see changes that would prohibit the owning of farmland by the government, thus influencing the market value of land.

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Our concerns on this subject were increased during the clause by clause debate in committee. The chairman of FCC indicated that it could consider taking possession of land in the government's yet to be announced plans to facilitate intergenerational transfer of farmland. FCC and the government should have no objections to this motion because the FCC has stated in testimony before the committee that it was not its intention to become land holders.

We have seen time and time again that intentions may be the best, but obviously sometimes legislation allows for loopholes or just the opposite. Farm Credit has also testified that it works to ensure that land is sold at prevailing market prices and that FCC does not influence land values. All members of the House, even those on the other side, believe that the longer a federal government corporation holds on to land it will not sell it for this price because it has money vested in it. As long as that happens it will influence the value of that land on the market.

Motion No. 3 is similar to an amendment we brought forward at committee. With the consideration and the wisdom of the House I believe that all three amendments and recommendations will be accepted.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski-Neigette-et-la Mitis, BQ):** Mr. Speaker, I am hugely pleased to speak today in the context of Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other Acts.

I am also pleased to announce to my colleague in the Canadian Alliance that the Bloc Québécois will support the three amendments he has proposed. Both the Bloc Québécois and the Canadian Alliance tried everything in their power, while the committee was studying the bill clause by clause, to propose amendments. In some instances, the Canadian Alliance presented an amendment similar to our own, and we withdrew ours in order to debate theirs.

Once again, we had the annoying experience of running headlong into an arrogant government, and an even more arrogant head of the corporation.

We noted that, basically, we were coming to parliament, but the die had already been cast. The members can take that as they will, that is their business.

We came here to legislate what the board of the Farm Credit Corporation had already decided. So much so that, at one point, the Bloc Québécois had proposed an amendment to limit loans to \$1 million. In discussions, we went as far as \$5 million; actually, FCC loans should not exceed \$5 million.

I know members will be very interested to learn that the head of the Farm Credit Corporation said "There is no point your introducing this amendment, my board of directors has already decided that

the maximum loan would be \$20 million". Of course, we looked completely silly wanting to limit loans to \$1 million or \$5 million, when they had already decided they could lend up to \$20 million.

That means that the Farm Credit Corporation wants to change its mission. Until now, the Farm Credit Corporation had been helping primary producers. It tried to help businesses which, very often, had not been able to get loans from traditional financial institutions. The FCC was there for the small farmer, the family farm that had problems making it.

• (1250)

Now, the Farm Credit Corporation will have a new name. It will be called Farm Credit Canada. It is intended that this new corporation will lend up to \$20 million. It remains to be seen to whom that money will be lent. This suggests that we could have unpleasant surprises, because the Farm Credit Corporation could end up funding businesses that are either upstream or downstream in relation to traditional farm production and to traditional small farms.

According to the figures that we were given, currently, 94% of the corporation's loans are made to primary types of farm productions. We wanted to put it in the act that we were giving them a chance. We said that at least 80% of the loans should be made to primary farm productions.

We are truly concerned that the Farm Credit Corporation will fund mega-industries. When we look at how this government is behaving, that concern is justified. Since the past is indicative of the future, we are justified in being concerned by the government's action.

Then the government told us "We held consultations in Quebec. Everyone in Quebec agrees with this". Everyone in Quebec was opposed to Bill C-7, but it did not stop the government, which is now telling us that "Everyone in Quebec agrees with us. They all agree with the Farm Credit Corporation".

We contacted the UPA, or Union des producteurs agricoles du Québec. In a press release—not written by the Bloc Québécois, but by the UPA—the union said:

We have reservations about the Farm Credit Corporation broadening its current mandate to include the funding of non-farming businesses that are not majority owned by farmers and to provide venture capital to businesses related to agriculture.

That is the UPA's position, not what we were told, which was that the UPA was in complete agreement with the government's bill.

I went further in my quest to check out what I was told. I always make a point of checking things out. The Fédération des caisses

populaires Desjardins du Québec also told us it had reservations about the Farm Credit Corporation broadening its mandate to include companies upstream and downstream of agricultural production. In the lower St. Lawrence region prior to 1998, the corporation was not very present and it existed alongside the Société de financement agricole du Québec and the financial institutions present in the lower St. Lawrence region.

In fact, the corporation's interest rates were higher, credit conditions were more stringent, and the Farm Credit Corporation was less aggressive on the regional market. In those days, the Farm Credit Corporation was an alternative for farmers when they were turned down for a loan by the financial institutions or the Société de financement agricole du Québec.

Since 1998, the situation has changed completely. It must be remembered that, when the Farm Credit Corporation lends money, it gets it out of the pockets of Canadian taxpayers; this is the public's money. The corporation takes this money and engages in unfair competition with caisses populaires and financial institutions.

What does the Farm Credit Corporation do? It sends its officials out to the 5th, 6th or 7th concession to visit farms. They knock on doors and ask "You wouldn't happen to need any money, would you?" No longer need a farmer go and visit the banking institution. Now the banking institution leaves Ottawa and heads for the best farms in Quebec. They are hard to miss.

They find the best, most productive farms, knock on the door and ask "Could we by any chance lend you some money? Do you happen to need any? We will give you a great deal. We will lend it to you at at least 0.5% less than any other financial institution".

● (1255)

In the City of Laval, they even went so far as to make a loan at 1.5% under the going rate; in Nicolet, for some loans the rate given was 1.1% under.

When we are told that people in the financial institutions are satisfied, it remains to see what the banks have to say. The banks submitted a brief to the Standing Committee on Agriculture and Agri-Food in which they stated:

Canada's banks are in favour of competition in the marketplace by institutions that are all subject to the same regulations.

We are, however, of the opinion that government agencies such as the Farm Credit Corporation, which operate thanks to government support and are not subject to the whole range of prudent regulatory requirements, ought not to be mandated to be in direct competition with private sector financial institutions.

Such a mandate falsifies market competition by enabling such suppliers of services to carry out activities under conditions that are not only different but less stringent than those applied to others in the same field.

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Here we have a bill that is extremely dangerous for the financial institutions of Quebec and Canada. This will be an institution, an agency, in unfair competition with the financial institutions, which are governed by very, very strict rules.

As a result, although we in the Bloc Québécois will support the Canadian Alliance amendments, we are unfortunately obliged to not support the government in the passage of Bill C-25.

[*English*]

**Mr. Greg Thompson:** Mr. Speaker, I rise on a point of order. I seek unanimous consent of the House to introduce a motion, seconded by the member for South Surrey—White Rock—Langley, that the House of Commons resolves that Nelson Mandela be declared an honorary citizen of Canada and that a message be sent to the Senate requesting that house concur in this resolution.

**The Deputy Speaker:** Does the hon. member have consent of the House?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, I am pleased to take part in the debate this afternoon to make amendments to the proposed changes to the Farm Credit Corporation Act.

Some Canadians will know that the Standing Committee on Agriculture and Agri-Food has been considering this legislation over the past short while. We have heard from some of the groups that would be affected by the legislation. In opposition to what we have heard in the last two speeches, the New Democratic Party caucus does not have major concerns with what has been proposed.

The Farm Credit Corporation was established in 1959. Although it was originally the lender of last resort to family farms, that role has changed over the years. Probably most of those changes were introduced after 1993 when it became a self-financing operation.

The industry has been changing dramatically since the act was amended. There are active farmers in the House of Commons today who can attest to that only too well. There is an ongoing revolution in Canadian agriculture and perhaps around the world. It is more complex. There is much greater interdependency among suppliers, producers and processors than ever before.

Producers are growing new crops. In the standing committee this morning we had a lengthy debate on organic crops that have been multiplying enormously over the past 15 years or 16 years. They are growing new crops. They are diversifying into livestock production. They are entering into long term contracts with suppliers and buyers. Farmers are forming alliances to increase their

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purchasing and selling power. These are called new generation co-ops among other things. Some producers are exploring new generation co-ops and others are expanding into value added manufacturing.

• (1300)

In this environment producers need a broader and more complex range of financial and business management services to help them achieve the long term success they are striving for. Farm related businesses need greater access to capital, including equity and venture capital in order to achieve that growth.

In the winter of 2000 the standing committee was told by the chief executive officer and other senior officials of Farm Credit that they had held a number of stakeholder consultations with more than 100 national and regional organizations to discuss the proposed changes to the legislation. Almost all those organizations, we were told, were supportive of the amendment. Their main concern was that Farm Credit Corporation should continue to maintain its focus on family farms and on primary production.

We were told that one farm organization which was strongly opposed was the National Farmers' Union. The NFU's main objection, as we heard it and understood it, was that the proposal before us would allow the Farm Credit Corporation to finance farm related businesses which were not farmer owned and controlled.

That is a significant piece of the proposed change to the legislation. Until now it has had to demonstrate amply that it is farmer owned and controlled. This change is one that the NFU believes would enable Farm Credit to act like a private lender with its only goal being that of maximizing its profits.

The NFU believes that Farm Credit should focus only on family farms. It is concerned that if Farm Credit is allowed to lend to agribusiness that is not farmer owned or controlled it will emphasize operations geared to the export market instead to domestic family farms.

We have considered that point. We listened carefully to people who made representations to the standing committee on agriculture. Notwithstanding the concern expressed by the National Farmers Union, notwithstanding what my colleagues from the Bloc and perhaps the Alliance said, we think on balance the changes are warranted and support them.

Before I get into the Alliance recommendations, there is a name change. The acronym FCC would be the same but it would now be called Farm Credit Canada. Farm Credit Canada would be allowed to provide financial services to farm related business on the input or output side of primary production. For the first time FCC would be able to lend money to non-farmers. That is a change as I mentioned a moment ago.

In addition, equity financing would be extended to producers and farm related businesses either directly or in partnership with others.

**Mr. Larry McCormick:** That is a good idea.

**Mr. Dick Proctor:** Yes, I think it is a good idea. This financing would be aimed mainly at new businesses on a venture basis. There would be a statutory limit on the percentage Farm Credit Canada would be able to take. There would also be a fixed date by which the FCC would be required to sell its share back to the majority owners of the business.

Farm Credit Canada would be able to offer a range of business management services to producers across the country either directly or in partnership. These consulting and support services would include business and financial planning, risk management, succession and estate planning.

The FCC's ability to offer lease financing directly or in partnership with agriculture producers would be clarified. Farm Credit Canada would be able to create subsidiaries to enter into partnerships with other organizations and offer expanded financial services.

Just on that point, we heard from the Credit Union of Canada. It was generally supportive of the legislation. We heard a different approach from the Bloc member about caisses populaires, and perhaps it was true, but the Credit Union of Canada represents caisses populaires, as I understand it, and was generally supportive of the provisions contained in the bill.

The corporation would also have access to additional financial management tools to secure its portfolio and fund additional services. Overall the changes are positive so long as Farm Credit Canada continues to focus on primary production.

• (1305)

I mentioned that those who came before the committee were largely supportive. Let me read into the record a couple of their comments. The Canadian Federation of Agriculture said it had no objections to the legislation. The Credit Union of Canada, to which I referred a minute ago, said it had formed a committee to study the legislation. During the consultation process it fully supported the proposals as long as credit unions could participate in some of the new services, equity financing and partnerships.

Although the NFU is concerned that Farm Credit Canada will soften its focus on family farms and primary production, the government and Farm Credit have made a commitment that farming and the primary producer would continue to be the main focus of the corporation's work.

We were told that 94% of Farm Credit Canada's lending is directed to primary producers. An amendment to the act requires that the primary focus of the activities of the corporation shall be on family operations including family farms.

I will move to the recommendations before us today. There are three from the Alliance. One is on family farms. The Alliance

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amendment, as we understand it, would remove the references to family farms. We believe it is important that a reference to family farms be maintained in the definition of the corporation's purpose and primary focus. Therefore we oppose Motion No. 1.

On Motion No. 2 the Alliance remains consistent in opposing any FCC financial services that it feels might compete with the private sector. We heard the member for Crowfoot on that point a few moments ago.

In my opinion this would be detrimental to the agricultural community. A number of private lending institutions in rural Canada have recently gone out of business. Some of them have been taken over by smaller credit unions, at least their work and their mandate. There is not a lot of competition out there. There is not a lot of choice for farmers to secure a loan. We oppose Motion No. 2.

We also oppose Motion No. 3. The Alliance was concerned that FCC could acquire large blocks of land through acquisition, which would be harmful for private enterprise. John Ryan, the very well respected president and CEO of Farm Credit Canada, responded directly to the concern at committee by stating that it was not the corporation's intention to acquire blocks of land or be in the land management or land banking business.

He also noted that young farmers in Canada suggested that as long as there was this kind of leasing arrangement there would be an opportunity for intergenerational transfer and for new farmers to get on the land. We support the bill and we oppose the three Alliance recommendations.

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, it is a pleasure to speak specifically to the three amendments to Bill C-25 proposed by the Canadian Alliance Party. I begin by saying that all three Alliance amendments before us today were discussed and debated at committee, as I understand it, and were changed slightly and brought back to the House. Although the member of parliament for Cypress Hills—Grasslands has modified them slightly, he has not modified them enough to suit the member for Brandon—Souris, our agriculture critic, and therefore the tenets of the Conservative Party.

Motion No. 1 would actually remove the words family farm from the bill, as was stated by my NDP colleague. Members of the House and people across Canada have different definitions of what a family farm actually constitutes, but our party believes it is important for family farms to be recognized specifically in the mandate of the Farm Credit Corporation.

I have said at other times in the House that I grew up on a very small family farm. The farm I actually own today is one piece of land. It is a piece of woodland and not an actual piece of agricultural land. It is a very small piece of only 20 acres, but it has been in my family for five generations. My sons, if they inherit that property, would have that piece of land for a six generation.

• (1310)

There are those of us in the House who are not far away from the family farm. I am quite shocked and surprised the Alliance that claims to represent large segments of rural Canada would allow itself to be divorced or separated from the notion of the family farm, which I think many of us hold very near and dear to our hearts.

The family farm and primary production should be the primary focus of the activities of the Farm Credit Corporation, not simply farming operations, agribusinesses or something that is divorced and removed from the word farm.

Is that the next to go? Will it be not just family farms but farming operations altogether? Suddenly those of us who were farmers in another life will be not farmers any longer but producers. I am very proud to say I was a farmer and expect to be a farmer again some day, not a producer which does not mean anything. I could produce cardboard boxes. A farmer is a definition that holds a totally different meaning from the word producer.

By eliminating family farms from the clause would definitely be a step backward. It would actually do a disservice to family farms across Canada by omitting them from the bill. Furthermore, as was mentioned already, John Ryan, president of the Farm Credit Corporation, stated in the standing committee that discussions were held with the Canadian Federation of Agriculture on the wording of the bill and ultimately it was satisfied. He also stated:

So we clearly do, very seriously, take the fact that it's primary production that's our focus.

Even with that being said, we will not be supporting the motion.

Motion No. 2 speaks to the issue of competition. I find it difficult to believe that the Alliance Party has actually introduced this amendment again. The amendment is not only restrictive and limiting to Farm Credit Corporation activities but it speaks against the idea of competition. Perhaps it is another policy shift for the Alliance Party and now it does not support open competition.

The Farm Credit Corporation should be allowed to compete with other financial institutions. Competition is healthy. The mandate of the FCC has been significantly expanded since its creation. It is no longer a lender of last resort. Nor should it be. It has tailored its operations to the agriculture and agribusiness community.

If commercial banks want to enter those areas, and I think we should encourage them to do so, they are welcome. It is pretty difficult as a farmer to get any kind of serious loan from a commercial bank based on the merits of a farming operation. The competition will only benefit farmers in the end. Again the PC Party will not be supporting the motion.

Motion No. 3 speaks to the issue of farmland ownership. Once again this matter was discussed during committee deliberations.

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The amendment could place limitations on Farm Credit Corporation activities. Let us take the example of young farmers and the opportunity for an intergenerational transfer of farms: for one to be able to acquire land directly from family members and lease it back to them over a long period of time so they can eventually acquire ownership. The amendment could prevent it from happening if a time limit were imposed.

The president of the Farm Credit Corporation stated in committee that he would be quite comfortable with a five year limit. That was consistent with remarks he made at a previous committee meeting. The average time for land disposal at the Farm Credit Corporation is actually about eight months, which allows for more than enough time set out in the amendment.

On the basis of what the president of the Farm Credit Corporation said, the PC Party will consider the passage of the amendment, but it is certainly one that we do not look at lightly. We have deliberated on it and put some serious thought into it.

In conclusion, I urge all members of the House to remember that many of us in the agriculture business are representatives of family farms or people who are first, second, third, fourth, fifth, sixth generation, or even more, on family farms. For goodness' sake, let us remember the family farm is an important institution and should be preserved.

• (1315)

**Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, thank you very much for the opportunity to speak to the bill. Farm Credit Corporation has been very successful across the country and it certainly looks forward to working even more for the benefit of the farmers and the primary producers.

I will take a moment to note that I was very glad to hear that at committee in the past week or two one of my colleagues from the Alliance Party put the fact on the table that the Standing Committee on Agriculture and Agri-Food still has the reputation of getting along better for all the right reasons than any other committee, in support of farmers across the country. I trust that we can work together in future in the same way.

I will speak to Motion No. 1. Farm Credit Corporation's proposed amendment in Bill C-25 is consistent with the current legislation, with the exception of the following add-on:

The primary focus of the activities of the Corporation shall be on farming operations including family farms.

Farm Credit Corporation held consultations on the future role of FCC with over 100 regional and national groups across the country, more than 100 farm and agribusiness organizations and all major financial organizations in each and every province, as well as

institutions and provincial governments. Over 400 individuals participated in the consultation meetings across Canada.

Yes, concerns were expressed that Farm Credit Corporation's focus could be diverted from the primary producer. However the Canadian Federation of Agriculture appeared before the House of Commons standing committee in regard to the bill. The CFA represents some 220,000 Canadian family farms, many in your riding, Mr. Speaker. The CFA asked that FCC maintain the focus on the primary producer. That is what the bill would do. The CFA's exact words were:

We believe that primary producers must always have the first priority in accessing FCC financing.

To ensure that the corporation continues to meet the needs of primary producers, FCC formulated the wording of the clause in collaboration with the CFA's board of directors. The wording of the bill expresses the concerns of the CFA word for word. Let me repeat that it is word for word. The wording is:

The primary focus of activities of the Corporation shall be on farming operations including family farms.

FCC recognizes the necessity of serving farm related businesses to benefit producers and rural communities. The corporation's number one focus will continue to be primary production. Currently more than 90% of FCC's financing is directed to farming operations.

According to Statistics Canada, 98% of farms are family owned and operated. This means that the great majority of FCC services is directed to family farms and to farm families. For this reason it is very important that the bill go forward with the wording as proposed by the FCC.

Because of the importance of the family farm for the social and economic fabric of rural Canada, the words family farm were specified in the legislation. The government supports the new legislation as an important contribution to sustainable growth in rural Canada and recommends that Bill C-25 not be changed to remove the words family farms from the legislation.

No one definition exists in common usage that clearly defines the levels of business enterprise. The continued growth of the value added industry means that the definition of small and medium sized enterprises will continue to evolve. FCC's role is to provide an environment for the growth of the agricultural industry to occur by continuing to meet the needs of the industry.

FCC's lending limit established by the board of directors is currently \$20 million and has been since 1995. Limits such as these clearly indicate that all FCC loans will be to small and medium



sized businesses related to agriculture. It should also be noted that FCC's average mortgage loan size is \$106,704 to primary producers and \$498,909 to agribusiness clients. The average non-mortgage loan size for personal property loans is \$31,000 to primary producers and \$42,000 to alliance clients. There are currently no plans to increase this lending limit. In fact our emphasis has shifted over the past few years from doing full proposals on our own to joint financing with other institutions. Therefore, the government supports the legislation.

• (1320)

With regard to Motion No. 2, as introduced by the Canadian Alliance, it is too limiting. I was glad to hear that my colleague from Palliser agreed. More than 100 organizations across Canada also agreed. We cannot agree to Motion No. 2 because farming operations are growing more complex and the marketplace is more competitive. In order to achieve long term success, producers and farm related businesses need access to a broader range of business management services.

Services can be significantly different by geography, making it difficult to serve those who need a particular service not available from other institutions in any given area. As a national organization, the FCC can dedicate its efforts to delivering services where services are required.

During the consultation process, it was identified that there was a gap in business services in rural Canada. Certainly we all agree with that. The Canadian Young Farmers Forum enthusiastically endorsed FCC complimentary services on a fee basis, while several groups noted that the FCC does not provide services already being offered in the private sector. As a result of this input, Bill C-25 states that the FCC's intent is to provide business services and products that complement those available from the public and the private sectors.

The business management services that the FCC proposes would complement existing services, not compete directly with other providers. The FCC would work in partnership with existing service providers to increase access to business services through its network of 100 offices.

One of the strengths of the FCC is that most of the people who work with the farmers and the producers have a farming or a farm related background and do a great job across the country. The FCC only intends to offer business management services where a clear need is identified.

The FCC would work in partnership with public and private sector organizations, wherever possible, to enhance the product and service offerings available to rural Canada. The FCC has a memorandum of understanding with BDC and has 27 partnership agreements with public and private sector organizations.

Over time, financing needs of producers and farm related businesses change quickly. Private institutions respond to provid-

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ing services based on the profitability of products which can change based on the number of clients in a particular area and the level of competition.

The government will not support Motion No. 2 because it is too limiting. The government and I appreciate the hard work of all our colleagues from all parties.

It is good to be able to say that we will support Motion No. 3 as moved by the Canadian Alliance.

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, it is indeed a pleasure to speak on the amendments put forward by the Canadian Alliance to Bill C-25, an act to amend the Farm Credit Corporation Act.

Motion No. 3 reads:

That Bill C-25, in Clause 5, be amended by adding after line 44 on page 2 the following:

“(f.4.1.) dispose of farmland acquired by it, provided that the disposal is at fair market value and is done as quickly as possible, and in any case no longer than five years, after the acquisition.”

The Canadian Alliance is concerned that Bill C-25 would allow the Farm Credit Corporation to become a significant landholder. We are seeing that especially in the province of Saskatchewan. The amendment is designed to ensure that the federal government does not become a major holder of Canadian farmland and does not unduly influence the market price of land.

I have spoken to many farmers who have told me that the Farm Credit Corporation has had an effect on farmland prices. The hon. parliamentary secretary can come to Saskatchewan and visit my riding to see the truth.

**Mr. Larry McCormick:** I have been there and it is a great riding.

**Ms. Carol Skelton:** You have not been there long enough because—

• (1325)

**The Deputy Speaker:** Order, please. It is on the record that this committee has wonderful working relations. We also tend to take pride in our own working relations in the House. The parliamentary secretary just had the floor and the House was very attentive. I hope the same courtesy will be given to the member for Saskatoon—Rosetown—Biggar. I would guide or a little bit by reminding her to make her interventions through the Chair.

**Ms. Carol Skelton:** Mr. Speaker, our concerns on this subject were increased during the clause by clause debate in committee. The chairman of the FCC indicated that FCC could consider taking possession of land in the government's yet to be announced plans to facilitate the intergenerational transfer of farmland. As a mother who has lost two sons from the farm, I am very concerned about this.

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The FCC and the government should have no objections to the motion because the FCC has stated, in testimony before the committee, that it is not FCC's intention to become a landholder. The FCC has also testified that it works to ensure that land is sold at prevailing market prices and that FCC does not influence land values. I know in my own riding that it does.

Motion No. 2 reads:

That Bill C-25, in Clause 5, be amended by replacing lines 32 and 33 on page 2 with the following:

"that complement but do not directly compete with those available from the private sector, or that complement but do not duplicate those provided by other publicly owned institutions;"

The motion is designed to ensure that the federal government does not actively compete with private financial institutions, such as credit unions and the banks.

During the committee review of Bill C-25, representatives of Canada's credit unions indicated that the Farm Credit Corporation currently actively competes for business. I know it does in my own riding. One witness testified that his credit union lost a customer because the FCC dropped its loan rate after learning of the rate offered by the credit union. The expansion of the FCC's powers would make this active competitive behaviour much more likely.

We are also concerned that the expanded powers of the FCC would simply duplicate the existing authority of other public financial institutions, such as the Business Development Bank which, as we all know, does not have a good track record. The motion would ensure that the FCC's new powers would not duplicate the authority and problems of the BDC.

Motion No. 1 reads:

That Bill C-25, in Clause 5, be amended by replacing lines 12 to 18 on page 2, with the following:

"services and products to farming operations and to those small and medium-sized businesses in rural Canada that are businesses related to farming. The primary focus of the activities of the Corporation shall be on farming operations."

This motion is designed to address one of our most serious concerns with Bill C-25; that the corporation could lose its focus on providing services to farmers because of its involvement in off-farm businesses.

According to the current wording of the bill, the FCC could loan money to agriculture businesses, no matter how large or lucrative. For example, the Farm Credit Corporation could give a loan to the Saskatchewan Wheat Pool if the government concluded that this was the direction in which they wanted to go. The motion would ensure that any services offered to non-farm operations would only be given to small and medium sized businesses and not large corporations.

The government and the FCC should not object to the motion because they have repeatedly stated that they have no interest in providing financial services to large corporations.

I ask members sitting opposite to look at our motions and, on behalf of the rural residents in my riding of Saskatoon—Rose-town—Biggar, to respect our opinion as farm people from western Canada.

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I would like to begin by saying that all the motions before us today were introduced by the Canadian Alliance. The member for Cypress Hills—Grasslands has modified them slightly but they are in essence the same motions that were presented during clause by clause study of the bill in committee.

● (1330)

Motion No. 1 would remove the words "family farm" which are already in the bill. I know members of the House and a lot of people across Canada have different definitions of what constitutes a family farm.

I did not grow up on a farm but my family and I have a lot of friends living on farms. I have to say that there are different definitions, as stated, of what constitutes a family farm. The PC Party believes that it is important for family farms to be recognized specifically in the mandate of the FCC.

It is the family farm and primary production that should be the primary focus of the FCC's activities, not simply farming operations in general terms. By eliminating family farms from the clause, we strongly feel that it is a step backward and actually does a disservice to family farms across Canada. Not one of us would be sitting here today, not the young pages nor anyone else, if we did not have our farmers who produce the carrots, potatoes, vegetables, milk and meat that we need to survive. These are produced by our farmers and their families from generation to generation. The farm is important.

The president of the FCC stated in committee that discussions were held with the Canadian Federation of Agriculture on the wording of the bill and that ultimately the CFA was satisfied. He also said that the FCC took very seriously the fact that primary production was its focus.

That being said, the PC Party will not be supporting the motion. It is very important that family farms be referred to in the bill. There is no question about that.

When I went out west in 1993, I met with the Canadian Federation of Agriculture. We had a discussion at that time that really shocked me. Where I come from, a large city in the province of New Brunswick and the greatest city in the east, the farmers and

the people are hurting. When we forget about the family farm by removing it from the bill, we create a major problem. That will only be the first change and, before we know it, the needs of the farmers will not be addressed.

Motion No. 2 speaks to the issue of competition. I find it rather difficult to believe that the Canadian Alliance has actually introduced this motion. It is not only restrictive and limiting to the FCC's activities but it speaks against the idea of competition. It is another Canadian Alliance policy shift. Now it seems it does not support open competition.

We have to have open competition because that is when we get the best prices. The FCC should be allowed to compete with all other financial institutions. Competition is healthy and no matter whether it is, farmers, car dealers or whatever is being sold, competition is good.

The mandate of the FCC has been expanded since its creation and it is no longer a lender of last resort, nor should it be. It has tailored its operations to the agriculture and agribusiness community.

• (1335)

If commercial banks want to enter those areas they are welcome to do so. The competition will only benefit farmers in the end. I have to say that the PC Party will therefore not be supporting this motion either.

Motion No. 3 speaks to the issue of farmland ownership. Once again this matter was discussed during the committee's deliberations. This amendment could place limitations on FCC activities.

I will use the example of young farmers and the opportunity for an intergenerational transfer of farms. It does not matter whether we live in rural areas or in cities, towns or villages. Parents who own their home, their car, a business or a lot want to leave them to their children.

In this case the farm is their home, their business. That is the way it is. They want to leave it to the family. It is the family farm that they want to pass from generation to generation. This was discussed during the committee's deliberations. This amendment would place limitations on that. People should be allowed to acquire land directly from family members. They would lease it over a long period of time and eventually acquire ownership. If this amendment's time limit were imposed it could prevent this from happening.

That being said, the president of the FCC stated in committee that he would be quite comfortable with a five year limit, which was consistent with the remarks he made at the previous committee meetings. The average time for land disposal at the FCC is actually about eight months, which allows for more than enough time set out in this amendment. The PC Party will support this amendment.

I have to say that if members take a look at FCC and how long it has been in place, they will see it has been there to work for the

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farmers, to make sure that the farmers are indeed viable and that their farms will be there for their children and for all of us. We must bring forth legislation that is good for the farmers. The farmers know what is good for them and when they say it is good for them, then it is good for us. That is why we have to work with the farmers.

During the first 34 years of FCC and the Farm Credit Act there were many evolutions and many changes had to take place. The farmers came forward and spoke about it. I have to say that I have major concerns about these motions, as do my colleagues and my colleague who sits on the committee.

On behalf of my colleagues in the PC Party I want to state that we are addressing these concerns. We hope the House will take our concerns under advisement. Perhaps there will be amendments so that we can support all the motions, but as it stands now we cannot do that.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, I have listened to the various members speak on the bill, some of them extremely familiar with the farming sector, and some not so much, but who do have a concern for the principle of providing funds to those who need funds in a way that will enable them to continue to work and make a living and to hold on, in a lot of cases, to the property they own.

In my own case I cannot claim to be familiar with the farming area to any great extent, although certainly in my district we do have farms, despite what people think about the province of Newfoundland. A lot of people think it is a rock because it is referred to as The Rock, but it is a very big island, as we all know, and there are many very fertile areas on that island where we have large farming operations.

However, what we are talking about here is not unlike an industry with which I am much more familiar, and that is the fishing industry.

• (1340)

When we talk about agencies, whether it be the Farm Credit Corporation or whether we call it Farm Credit Canada or whatever, what difference does it make as long they do the job that the farmers want it to do? If it will be costly to start implementing changes, although I cannot see why it really would be, then we certainly should look at why the name should be changed. Other than that, the bill itself basically is one that is supported by farmers. The amendments would not be, certainly not Amendments Nos. 1 and 2.

I mentioned the fishing industry. There are commonalities. Within the fishery we also have agencies that provide assistance directly to the people in the fishing industry. If they were not there, the people who participate in the fishing industry would have no one to turn to, especially the little fellow, as we say, the person who is operating on his own, who is not backed by a major company,

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who is not owned by a company or corporation, who is trying to operate his family fishing business the same way as a farmer would operate a family farm, quite often when the going is tough, whether it is a poor fishing season or a poor farming season.

If we did not have such agencies it would be the regular bank we would have to turn to. Banks are great. If we have money in the bank and are worth a few bucks we have absolutely no trouble getting money from a regular chartered bank. However if we have no money in the bank and times are tough, try getting money from the bank then. A lot of farmers and a lot of fisherpersons are really left in a bind.

Unless we have assistance groups such as credit corporations dealing with the various sectors, many of the people who are trying to operate within these sectors, in most cases successfully, find the going very tough in times of need.

In western Canada in particular, unless we have a change in the weather, this year could be an extremely tough year for farmers. Mother Nature is a very rough person to try to fight, and as many of us have learned, whether we are farmers or operate on the ocean, it is a battle we cannot win. As we debate legislation that is so important to them, they are undoubtedly wondering if the protective clauses will be there to protect them if they need assistance from such agencies during the fall.

As we proceed through this legislation, we should try to protect those who most need the protection. Those who need the protection most generally are the family farm owners, the small boat fishermen, the family enterprises. They do not have the support of the major corporations. They are not owned and manipulated by the big corporations.

When we hear the words family farm and we hear people talking about the difficulties some farmers and some families go through, we all think of the old westerns that we watched when we were growing up. They are almost gone from the screen. It is very difficult to see a good John Wayne movie or any other movie. It may be because of the violence. If those movies caused violence, we would all be pretty violent people, I would say, looking around here. We ran around with guns strapped to our hips when we were young and playing cowboys. However, many of these old shows talked about the family farm, with the bank holding the mortgage and calling in the mortgage, whereby the family would lose the farm except for the hero.

Perhaps in this scenario here the hero is actually the Farm Credit Corporation or Farm Credit Canada or whatever we want to call it. It is agencies such as this that the owner of the farm now has to depend on to make sure that he is not just swallowed up in the process, that when he is paying his bills there is not a problem, and that when he runs into difficult times, as we have seen in the last couple of years and as we may look at this year, he needs a crutch to lean on. It is up to government to ensure that the crutch is

there and that the family farm and farms generally will exist beyond the period of drought, beyond the period of fires and beyond the period of rough agricultural times. One of the things we have to remember is that it is the farmers and the fishermen of the country who provide the sustenance needed to keep the country going.

• (1345)

We hear people talk about subsidies. What is the alternative to farming and fishing in this country, the provision of the very food we need to keep the country going? We must make sure these people have every break they can get in order to carry on such worthwhile industries, because they are such worthwhile contributors to the country themselves.

We support the bill. We cannot support Amendments Nos. 1 and 2 at this stage because of the effects they might have on the smaller operations within the farming system.

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, thank you for the opportunity to join with my colleagues here in the Progressive Conservative Party to speak to this group of amendments with respect to the Farm Credit Corporation.

The crux of our difficulty is that although we as a party are indeed in support of the bill itself, as the member for St. John's West said a few moments ago we have grave concerns that the amendments before us in this group will indeed have a detrimental effect on smaller farm operations, the family farms. As the hon. member for Saint John said, they are indeed the cornerstone of rural Canada and small rural towns. Those family farms in fact essentially represent the main street of rural Canada. They are where people live. They are where they earn a living. They also provide for the infrastructure that we have in rural Canada.

My riding, the great riding of Fundy—Royal, is one of the dairy capitals of this great country. Over half the milk production for the province of New Brunswick is from Fundy—Royal. Some of the farm operations are small farms that make a valuable contribution to the rural community despite the fact that they may only be milking 35 or 40 cows. The average is more often than not in the neighbourhood of 80 cows. Whether we are talking Jerseys, Guernseys or Holsteins, the role that dairy farms play in my riding in particular and the role these small operations play are intrinsic to rural Canada and that way of life.

In point of fact we know that the government's record with respect to agriculture on a broad stroke of issues has been suspect at best. Members probably recall the federal government's inability and almost unwillingness at one point to actually fight on behalf of potato farmers and those small, vibrant businesses on Prince Edward Island. At that time the government needed to defend the

interests of P.E.I. potato farmers and point out that the potato blight that was detected was in one corner of one field and by no means had any kind of detrimental effect with respect to the potato crop on Prince Edward Island as a whole.

The Government of Canada really did not step up to the plate for this. The efforts were made by the Progressive Conservative Party, by our agriculture critic, the hon. member for Brandon—Souris, and in particular by the member from the neighbouring riding across the Northumberland Strait, the hon. member for Pictou—Antigonish—Guysborough, who brought up this particular issue on the floor of the House of Commons time and time again.

• (1350)

I would point out that it was the Liberal Party of Canada who gave us the credit. The Liberals thought they had made the first correction with the Americans and we were the first people they tried to attack, to point to, saying that they had solved the problem. They looked over toward us because they knew it was the Progressive Conservative Party that was defining the P.E.I. potato blight issue.

The Progressive Conservative Party of Canada is an ardent supporter of the supply management regime we have, particularly in dairy products. If we look at all the other commodities within agriculture that have difficulty because of international subsidies, we know that our supply management regime has been critical to our capacity to maintain a solid market.

However, we need to have proper protection for supply management. I know the NDP agriculture critic has been an advocate of this issue as well. We cannot have supply management unless we protect our borders. It was shameless of the Government of Canada to do what it did when we went to the WTO with respect to agriculture issues and protecting supply management. In place of article 11 we accepted the tariff rate quota regime.

Here is what happened when the Minister for International Trade provided ministerial permits so that, in this case, cheese sticks could come into Canada. That actually consumed the equivalent of the production of 70 Canadian dairy farms. We gave that away unilaterally. To show how disingenuous that actually was, it was done without even informing the agricultural or dairy community of the country. The government did it unilaterally. It was almost by accident that the Government of Canada was outed on this particular issue.

Now the dairy farmers of Canada are saying quite clearly that they are very suspicious about whether the Liberal Party is in fact a supporter of supply management to the degree that it should be. I do not think it supports the same position that I know the Bloc, the New Democrats and the Conservatives have with respect to supply management in dairy farming in this country.

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We will be here on this side of the House to ensure that the Liberal government does not squander livelihoods with respect to supply management and small farms.

There is another case where the Government of Canada did not defend the rights of the dairy community. It permitted, with hardly a fuss, the importing into Canada of butter oil and sugar blends. These butter oil and sugar blends are essentially a dairy replacement and replaced almost \$50 million worth of milk quota that actually rightfully belonged to Canadian dairy farmers.

Quite honestly I wish the Liberal Party of Canada would understand that in Canada we are supposed to milk the cows, not the dairy farmers. We should ensure that we actually protect what Canada now freely negotiates at the WTO. We should not give it away unilaterally. These butter oil and sugar blends actually displaced \$50 million worth of industrial milk and cream that we clearly could have been purchasing from our own dairy farmers. We want to take the initiative to defend our dairy farmers.

My colleague, the member for Pictou—Antigonish—Guysborough, is interested in saying a few words on this bill as well. Given that our time is running out, I want to make sure that all of us on this side of the House defend the rights and responsibilities that the Government of Canada should have in protecting the small farms, protecting supply management and particularly in protecting the dairy farmers in this great country of Canada.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I would like to commend my colleague from Fundy—Royal and other members of the Progressive Conservative Party who have spoken to this bill. Some might view this legislation as being of little consequence and a case of semantics because in essence what appears to be the major change is one of name only, whereby it creates the Farm Credit Canada logo, the FCC.

• (1355)

However it takes on much more than that. My colleagues have noted and highlighted some of the changes that would come about as a result of the legislation. The bill speaks in particular detail of expanding the financial services available to farm operations and businesses throughout Canada. The bill would allow authority to provide loans to businesses related to farming activities in Canada, in cases where the business is majority owned by farmers and in cases where it is not. It would touch upon farming in a critical way.

It goes without saying, but bears repeating, that farming in Canada is very much in jeopardy. We have seen crises, particularly in western Canada and the province of Manitoba, because of the elements and because of flooding. We have also seen drought in other parts of the country. The expansive size of Canada and the

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distances involved in bringing produce to market is one of the biggest challenges farmers face apart from the weather.

When it comes to the government's involvement in the farm industry, we have on many occasions seen farmers throughout Canada left with a feeling of abandonment when it comes to their ability to be competitive not only in Canada or North America but globally. A great deal more could be done.

Members of the Progressive Conservative Party and other members in the House have spoken at length and quite passionately about the need for government assistance in times of need, when market change or legislation has hindered the ability of farmers to get their produce to market.

That is perhaps one of the highlights of the bill and hopefully one that can be brought through quickly. It would help farmers get on with the business of produce and participate fully in the economy.

The Conservative Party is very supportive of the legislation as we have been in the past with efforts to assist farmers. My colleague spoke of the situation in Prince Edward Island with respect to potatoes. There have been other situations throughout the country where farmers have been left destitute and literally high and dry when it came to the government coming to their assistance when they were most in need.

My friend also spoke of the dairy industry. In my constituency of Pictou—Antigonish—Guysborough there are numerous examples. Scotsburn Dairy Cooperative has a storied and very proud history of participation in the dairy industry in Canada. It is continuing to expand and make great contributions on behalf of its industry, and it is very much a part of the vibrant and growing economy of Atlantic Canada.

We support the legislation. We are pleased that there is an opportunity to see the bill pass through the Parliament of Canada and hopefully come into being in the other place.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

**Some hon. members:** On division.

(Motion No. 1 negatived)

• (1400)

**The Deputy Speaker:** The next question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

**Some hon. members:** On division.

(Motion No. 2 negatived)

**The Deputy Speaker:** The next question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

(Motion agreed to)

**Hon. Denis Coderre (for the Minister of Agriculture and Agri-Food)** moved that the bill, as amended, be concurred in.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

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**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Speaker:** Call in the members.

*And the bells having rung:*

**The Speaker:** The division stands deferred until the conclusion of government orders later this day.

bers in praising Mr. Mandela. However, I think the bestowing of honorary citizenship requires a procedure that all hon. members and all Canadians can support.

Motions put forward without debate robs us all of the opportunity to participate when such a high honour is contemplated. That is why I propose that the government set up an all party committee to lay the ground rules for such a high honour. The committee would continue to accept and ponder recommendations and debate the merits of each nominee.

I believe this way honorary Canadian citizenship would be widely supported by all Canadians and be seen as an honour coming from all corners of the nation.

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## STATEMENTS BY MEMBERS

[Translation]

### TOURISM INDUSTRY

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, in 1999, tourism generated \$54 billion in Canada. This is a 7.9% increase over the previous year.

Allow me to point out the determination and enthusiasm of residents and stakeholders in the Lac-Mégantic region to successfully help promote Quebec's tourism industry.

In the past year, eight new businesses in the hospitality industry opened their doors. This resulted in three new country inns in our region. Moreover, four other new attractions, including the AstroLab, the wildlife observation park and the Maison du Granit, all have new features this summer to showcase the tourist attractions of this beautiful region.

These initiatives truly reflect the vitality of the tourism industry in the Lac-Mégantic region. The region has been in the limelight since the beginning of the year, including in *Le Devoir*, *Le Soleil*, on the *Évasion* channel and in the newspaper *La Tribune*.

Again, I want to tell all these women and men who devote time and energy to their community, to ensure that a stay in that beautiful region is a memorable experience, that I admire them.

\* \* \*

[English]

### NELSON MANDELA

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, I grew up in Africa. I can personally attest to how Nelson Mandela is held in the highest regard for his contribution to the fight for human rights and dignity. His long and lonely fight for equality makes him a titan among not only world leaders but all citizens of the world.

As a member of the Canadian Alliance, where equality of all is the foundation cornerstone, I speak for the majority of our mem-

## TALL SHIPS

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.):** Mr. Speaker, I rise today to tell the House that the tall ships are coming to Kingston, Ontario this summer, and event organizers are promising an exciting and integrated showcase of the city. Plans for several exciting events include a major Canada Day celebration with parades, fireworks, historical re-enactments, a ceremonial entrance into the Kingston harbour and feature entertainment.

● (1405)

The Kingston Tall Ships Challenge will feature between 20 and 30 tall ships visiting Kingston between June 28 and July 2. The event is part of a series of tall ship sailing races linked by visits to selected ports in the Great Lakes this summer. Young people sign on as crew members of tall ships putting their nautical skills, courage and endurance against each other in friendly competition. In port the crews relax and meet their competitors, as well as their local hosts in programs and festivals designed to show off the ports, the ships and their crews.

Kingston played host to the tall ships during the summer of 1984 drawing nearly 300,000 visitors. This summer Kingston is the only major port to host the tall ships exclusively. I know the hon. member for Kingston and the Islands will welcome this. We agree—

**The Speaker:** The hon. member for Bramalea—Gore—Malton—Springdale.

\* \* \*

## HEALTH CARE

**Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, I am proud to say that according to a *Maclean's* magazine study, Halton-Peel is the third best place in Canada for health care services. Among big communities it ranks second. My riding of Bramalea—Gore—Malton—Springdale falls within the region of Peel.

*S. O. 31*

This successful rating is a testament to the people who volunteer, run and staff the hospitals. Their continuous hard work and dedication to their patients and to delivering various health care services must be appreciated.

However, health care remains the most important issue to Canadians, and as the federal government we must continue to protect our national health care system.

\* \* \*

**WILLIAM SAMPSON**

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I rise today concerning the case of William Sampson, a Canadian detained in Saudi Arabia on suspicion of being involved in two separate bombings, causing the death and injury of innocent people.

Saudi officials have provided their co-operation and assistance in ensuring that Canadian embassy officials are given unhindered access to Mr. Sampson, including a complete medical examination by a Canadian designated medical professional. Contrary to media reports, this individual was not tortured or physically abused. I should also add that Saudi officials have made arrangements for Mr. Sampson's father to visit his son in prison.

Canada and Saudi Arabia have enjoyed excellent relations for a long time, and I am confident that Mr. Sampson will continue to receive due process in the course of this investigation.

Saudi Ambassador to Canada, Dr. Mohammed R. Al-Hussaini said "I urge all parties to handle this case with the sensitivity it deserves". To do otherwise is not wise and unproductive.

\* \* \*

**CRTC**

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, the CRTC is out of line and out of touch with most Canadians. A major cable company is predicting consumer a revolt if his cable company bundles Pride Vision, a channel devoted to gay issues programming, with other channels, if they feel it is forced upon them whether they want to accept that channel or not.

Pride Vision is among 16 English language digital channels set to launch this fall which must be carried by all cable companies.

The CRTC will not allow single faith broadcasting, but is quite free in granting specialty licences to other special interest groups. I believe the CRTC should get out of the licensing business. However, if it remains it ought to treat all groups equally.

If Pride Vision is going to be bundled with other channels, why not grant a licence to the Eternal Word Television Network? Why not allow the broadcasting of other specialty programs into Canada such as radio programs—

**The Speaker:** The hon. member for Madawaska—Restigouche.

\* \* \*

[Translation]

**SPINA BIFIDA AND HYDROCEPHALUS**

**Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.):** Mr. Speaker, I am pleased to inform the House and all Canadians that June is National Spina Bifida and Hydrocephalus Awareness Month in Canada.

Spina bifida is a neurological malformation that occurs during the first four weeks following fertilization. This disease permanently damages nerves to various degrees, thus causing paralysis. In Canada, it is estimated that one out of every 750 newborn is affected.

Hydrocephalus, which affects the majority of spina bifida victims, is caused by an excessive accumulation of cerebrospinal fluid in the brain. This disease can be treated through surgery. However, if left untreated, it may cause permanent damage to the brain and even result in death.

● (1410)

This year, the association is urging Canadian women who could get pregnant to add folic acid to their daily food intake. There is evidence that folic acid reduces by up to 75% the risk of giving birth to a child affected by this disease.

\* \* \*

**BEAUPORT BAY**

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, I would like to draw attention to yesterday's announcement of phase 1 of the naturalization of the banks of Beauport bay. Made possible by a joint investment of \$200,000 by the Quebec City port authority and the two levels of government, this work will help preserve the flourishing ecosystem of this exceptional site.

Let us hope that, with its change to green thinking, the Quebec City port authority will be more open to the needs of the public and will implement a phase 2 for work at other sites it manages. In fact, the work of stabilizing and naturalizing the banks of Beauport bay could have been completed for a little more than \$50,000, nearly one-quarter of the cost of the present project.

The beach at Beauport bay continues to provide access to the St. Lawrence for the people in the Quebec City area. Its preservation and improvement will directly improve the quality of life of the people of Beauport and the greater Quebec City area.



## SOCCKER

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, defeat is never pleasant, but two defeats in a row are doubly unpleasant.

[*English*]

I regret to inform you, Mr. Speaker, and the House that for the second year in the row our MPs' soccer team went down to defeat facing a very determined pages' team. The score was four to three in favour of the pages.

The MVPs on our side were the Leader of the Opposition and the member for Halifax West.

This is the tournament's fourth year, and the games stand at two for the pages and two for the MPs. We congratulate the pages very warmly, and thank all who took part in a game where the spirit of fun and fair play was the big winner.

Special thanks to the member for Sackville—Musquodoboit Valley—Eastern Shore, the creator and inspirer of the annual event.

\* \* \*

## CANADIAN WHEAT BOARD

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, the Prairie Centre for Agriculture recently released a study of wheat marketing in 35 nations. It found that Canada is one of only two countries not moving toward more private ownership and freer markets.

Incredibly, the Minister responsible for the Canadian Wheat Board has told western farmers that the solution to their income crisis is to stop growing wheat. When will the government realize that the real problem is not the state of the wheat market, but state control over the wheat market?

Western Canadian farmers have repeatedly called for the freedom to add value to their produce and create employment in rural areas. While farmers in other regions of Canada are relatively free of government control, western Canadian farm families remain hobbled by a restrictive, Soviet-style marketing system. The government should just get out of the way of western initiative.

\* \* \*

## ENVIRONMENT WEEK

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, this is Environment Week and time to reflect on environmental issues, such as climate change, the loss of biological diversity, population growth, pollution, water supply and quality, the sustainability of natural resources, food safety and genetic engineering to name a few.

Kofi Annan, the secretary-general of the United Nations, recently said:

*S. O. 31*

Unsustainable practices are woven deeply into the fabric of modern life and myths have taken hold suggesting there is little alternative to short-sighted and wasteful patterns of consumption and development.

One myth is the belief that there is a trade-off between the environment and the economy. Actually they are two sides of the same coin. We therefore have to learn how to integrate economic, environmental and social goals for the benefit of generations to come.

\* \* \*

## ENVIRONMENT WEEK

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, following and acknowledging the last speaker, it is Environment Week, and I draw to the House's attention the situation in Ontario and the crisis we are facing with air pollution.

It causes 1,800 early deaths in Ontario annually. Thousands more suffer from respiratory ailments such as asthma and bronchitis. According to the Ontario Medical Association, smog and poor air quality costs the Ontario economy alone an estimated \$9.9 billion in health care and related expenses each year. That is almost 10 times more than what the government is committing to spend on cleaning up the environment, on things like climate change and air pollution.

• (1415)

I call on the government on behalf of all Canadians to take real effective action to combat the air pollution problems we have.

\* \* \*

[*Translation*]

## DR. STANLEY VOLLANT

**Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ):** Mr. Speaker, on behalf of the Bloc Québécois and all members of the House, I wish to congratulate Dr. Stanley Vollant on his recent appointment as president of the Quebec Medical Association. Dr. Vollant is the first aboriginal to hold this prestigious position.

The Quebec Medical Association represents some 6,000 of the 17,000 doctors in Quebec and offers its members various training seminars, as well as useful advice on a wide range of topics.

Originally from Betsiamites, on Quebec's North Shore, Dr. Vollant was headed for a brilliant career in law when he finally decided on medicine. Whatever Dr. Vollant's career choices, it was clear that what he wanted to do was to look after the well-being of his community.

The Bloc Québécois congratulates Dr. Vollant and wishes him much success in his new position.

*Oral Questions**[English]***ATLANTIC SALMON**

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, Greenland, after a three year suspension, is preparing to catch 200 tonnes of Atlantic salmon, yet the number of salmon returning to Canadian rivers has dropped to 350,000 from more than 1.5 million in the 1970s.

It is clear that any Greenland fishery is wrong-headed. Salmon return to their native rivers to spawn after spending one to four years at sea and the 550 rivers on the east coast will be without salmon if careless and unsustainable fisheries are allowed to occur.

On the west coast we recognize that salmon belong to country to which they return to spawn, not to anyone on the high seas.

Is the Minister of Fisheries and Oceans prepared to make sure that similar protection is afforded to Atlantic salmon that we already give to salmon on the west coast?

He can try to joke about it but the fact is our senior citizens are looking on in envy as the Prime Minister looks at ramming through this personal pension increase of up to 82%. Seniors cannot even dream about that. Maybe the problem is that he is just not aware of what seniors face in terms of hardship.

• (1420)

Does the Prime Minister know what a low income senior with no other income receives in terms of a monthly cheque from this—

**The Speaker:** The right hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I just said that was not true. He is not interested in the truth at all.

I just said that a commission looked at the salaries of members of parliament and the Prime Minister and concluded that the Prime Minister of Canada should make as much as a chief justice of Canada. I do not know how long I will stay because this morning the Minister of Foreign Affairs indicated that he was ready to take over.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, as a leader, I know the feeling of other people wanting a position. However, I also know what hardworking Canadians are facing.

The Canadian Taxpayers Federation calls this sweet pension deal of the Prime Minister's "the most sweet parting gift a Prime Minister has ever given himself". That is quite a legacy.

How does he justify this huge increase in his own personal pension to hardworking Canadians?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, he did not hear me. I have said, and I will say it again for the third time, what he is saying is not true. He is still quoting something that is not true. Of course I am not leaving. I want everybody in the House to join me in making sure the Leader of the Opposition does not lose his job.

**Mr. Grant Hill (Macleod, Canadian Alliance):** Mr. Speaker, the Prime Minister says the story is not true. I would be very interested in hearing from him what the percentage increase for his pension is.

Senior citizens are saying that his pension is just too rich. Firefighters are saying that it is just too rich. The nurses are also saying that it is just too rich.

My question is for the Prime Minister. Why did he not campaign on this new pension in the last election? Is this not what we would really call a hidden agenda?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I do not know how many of the poor in Canada drive a Ferrari. I cannot afford to have one.

**ORAL QUESTION PERIOD***[English]***THE PRIME MINISTER**

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, all this week Canadians have been left wondering what issues are really important to the government and what issues really require urgent action. There are many problems that do require urgent action, but I can say for Canadians that raising the Prime Minister's personal pension by 82%, far beyond what any MP is receiving, is not one of those pressing public needs.

How can the Prime Minister justify to hardworking Canadians, many of whom are struggling to save for the future, that he is now ramming through parliament a personal pension increase of 82%? How can he justify that?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, as is typical of the opposition member, he does not check his facts. What he said is not true at all. The article is based on false information. I have a pension, like any other member of parliament, as a member of parliament and as the Prime Minister. The new pension will apply only if I remain Prime Minister for another five years.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** That is exactly the type of incentive we are worried about, Mr. Speaker. We cannot afford five more years of that.

*Oral Questions*

The salaries of members of parliament were frozen for eight years with no increase at all. The legislation calls for a 20% increase. The commission said that the Prime Minister of Canada should not make less than the chief justice of Canada, not me.

It is a job and I am trying to do it the best I can.

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, I notice that the Prime Minister is not talking about the pension, which is what we are talking about.

Firefighters, by the way, came to the Hill asking for a change in their pension because many of them have to retire when they are 55 due to their hazardous working conditions. Do members know what the Prime Minister said? He said no. He ignored them.

How can the Prime Minister justify his new pension when he totally ignored the firefighters? Could he tell me that?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, it is a wondrous thing to see the Alliance finally beginning to wake up. The whole issue of the firefighters was brought to the government's attention by members of this caucus.

We have had extensive meetings with committees of the firefighters. We are looking very seriously at their situation as a result of the members of this caucus. The Alliance was no where to be seen.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the changes made to the employment insurance program following passage of Bill C-2, are clearly insufficient.

These changes leave too many of the unemployed still out in the cold. Lobby groups of the unemployed, the unions, even some Liberal MPs, acknowledge that something has to be done. But the government will not budge.

• (1425)

If the government has not already forgotten its election promises, can the Prime Minister commit to providing some help for the unemployed before the end of this session?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we had promised changes and we have introduced them. We did so with the very first bill we brought in when we came back.

The unemployed have lost six months because of the blocking tactics used by the Bloc Québécois in connection with the employment insurance legislation before the last election.

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

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, that is totally false. The government was the one that did

not want to debate the matter, failed to introduce the bill, and preferred to call an election.

The election promises made went far beyond what was included in Bill C-2. The bill was passed. We are talking about something else. The situation is clear: the unemployed need help, but the political will to help is lacking.

Why is the government not in as much of a hurry to do something for the unemployed as it was to do something for the billionaires with their family trusts and to raise MPs' salaries? Why this double standard?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I would like to tell the House of Commons very clearly that, when we wanted to bring in the bill this past fall, it was the hon. member for Rimouski—Neigette—et-la Mitis who refused, three times in a row, to make the consent unanimous, whereas all members of the other parties were in agreement for us to proceed with the bill.

The ones that blocked the legislation were the Bloc.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Prime Minister's statement is completely false.

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

**Mr. Paul Crête:** The day before unemployed workers were to hold demonstrations in Shawinigan during the election campaign, the Minister of Public Works and Government Services and the Secretary of State for Amateur Sport were sent by the Liberal Party and the Prime Minister to promise these workers that the law would be changed in the spring of 2001.

Now that the session is drawing to an end and the minister has the time and money needed, is she prepared to keep the promises made by her two colleagues and implement the committee's unanimous recommendations before the end of this session?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, it is clear that the government is prepared to make adjustments to employment insurance based on conversations with Canadians and the information that we received from reports, including our annual monitoring and assessment reports. Bill C-2 is a clear example of this approach.

What is not clear is how the Bloc matches its rhetoric with its voting pattern here in the House. When it is given the option to change the employment insurance program in support of seasonal workers and families, it chooses to vote against it.

*Oral Questions**[Translation]*

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, during the election campaign, the Liberal Party bent over backward to meet with union leaders.

But yesterday, these same Liberals were absent from the Standing Committee on Finance when it heard from union leaders.

Does the minister realize that the fickle attitude of her colleagues was summed up perfectly by Félix Leclerc “La veille des élections, il t’appelait son fiston, le lendemain comme de raison, il avait oublié ton nom”?

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, absolutely I know the attitude of my colleagues. The attitude of my colleagues is one that works with the government to pass amendments like those in Bill C-2 that will reduce the number of hours required to receive special benefits and that will double parental benefits; and to meet with me and members with their communities to talk about economic development.

On this side of the House we know that employment insurance is important but we also believe in a balanced approach, which means diversifying economies in those regions of Canada that need our help.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, it is shameful to note that the House failed to endorse the resolution to make Nelson Mandela an honorary Canadian citizen.

South African apartheid was a brutal racist regime. Nelson Mandela’s long walk to freedom was a triumph for his people and an inspiration to all freedom loving people.

● (1430)

A petty parliamentary incident cannot be permitted to stand in the way of Canadians honouring this most respected of world leaders. If the House fails to remedy this embarrassment, what action will the Prime Minister take to make Nelson Mandela an honorary Canadian citizen?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am very pleased with the question of the leader of the New Democratic Party. From what I read in the paper I hope they were misquoted.

This man is a saint if we can have one in democracy. He spent 27 years in jail to fight apartheid and to have democracy in his country. Parliament will take all the steps after this incident to make sure he will become a Canadian citizen.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, a new immigration law is making its way through the House. It is a supreme irony that the law, if it had been on the books 30 years ago, would have meant that Canada was a not safe place for Nelson Mandela. A secret immigration board could have branded him a terrorist and deported him to face torture and imprisonment.

What will it take to persuade the government to change the immigration bill to protect people like Nelson Mandela from brutal, dictatorial regimes? Will the Prime Minister commit to making the necessary changes?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the immigration bill, as the legislation that has been in place for 25 years, has in place discretion available to the minister and the government to ensure that cases such as Nelson Mandela’s are dealt with at the highest levels of government.

However I also want to point out that Bill C-11 which is presently before the House is no different from the legislation that has been in place for 30 years. The intention of the bill is to give Canadian authorities the opportunity to stop those who are inadmissible, at the same time allowing those such as Mr. Mandela access to our country.

\* \* \*

**NATIONAL DEFENCE**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, yesterday the Prime Minister said that the Deputy Prime Minister was not chairing any cabinet committee on the Sea King replacement. The Minister of National Defence, before the standing committee in March, said:

The cabinet has had discussions through a committee chaired by Mr. Gray—

Was there a cabinet committee overseeing the procurement of the Sea King replacement? Was the Deputy Prime Minister involved in that committee? What is the Deputy Prime Minister’s role now in assessing this project which has profound implications for his own constituency?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, as Deputy Prime Minister he presided over a committee to look at the process of establishing the bids that are out at the moment for people to make submissions.

I cannot believe that the leader of the last party, and he deserves to stay there for a long time, would attack the Deputy Prime Minister who has served the House very honourably for 39 years. He should be completely ashamed of himself for implying that because there is a company in his riding he has a conflict of interest.

*Oral Questions***JUSTICE**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, that was a pretty shameful answer. While there is plenty of appetite by the government to split something as complex and controversial as a helicopter procurement project, the government seems completely unable to somehow split a bill that lumps cruelty to animals together with protecting children.

My question is for the Minister of Justice. On the omnibus bill, would the minister put aside her partisan rhetoric, her newfound bombast, and find some way to pass legislation to protect children before we go home this summer?

• (1435)

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as the hon. member knows or should recall from yesterday, we on this side of the House offered to pass Bill C-15 in its entirety.

I believe the government House leader did seek unanimous consent from opposition parties and that it was refused. It seems to me it is the opposition that is holding up Bill C-15, not us.

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**RESEARCH AND DEVELOPMENT**

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, the industry minister and the HRDC minister are dreaming up new ways to spend taxpayer money to develop Canada's infrastructure for research and development. Funding for science technology is a very worthy cause but business leaders say it is not enough by itself. They contend that Canada's productivity cannot be improved without lowering taxes.

It is obvious that the Liberal government is in denial of its role in the productivity decline in Canada during its reign. When will it realize that it cannot spend its way to productivity in Canada?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I think that this type of accusation is based on nothing. The incentives for research and development in Canada are the best in the world.

They always talk about taxes. When our program of taxes is in place in 2004 the rate of taxes for corporations in Canada will be lower than in the United States. Today the capital gains taxes in Canada are lower than in the United States. The stock option system in Canada is better than the one in the United States.

We have done a lot. We are better placed than the Americans in these fields at this moment.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, when it comes to the tax issue the government reminds me of the marathon runner that has just been lapped in the race. It is so far behind it thinks it is ahead.

The government has not even caught up to the tax levels of our major trading partners who are now embarking on another round of cuts. These cuts will leave Canada even further behind. When will the government realize its misguided policies are hurting the standard of living of Canadians?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member simply ought to listen to what was just said. The fact is our capital gains taxes in Canada are now lower than in the United States. In the year 2004 our corporate taxes in Canada will be lower than in the United States, including capital taxes.

We have brought in the rollover, the angel provisions, specifically designed to help us in the new economy and we are now ahead of the United States. The hon. member ought to wake up and smell the roses.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, employment insurance recipients—

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

**The Speaker:** It is very difficult to hear the questions and the answers today, and I do not know why. The hon. member for Roberval.

**Mr. Michel Gauthier:** Employment insurance recipients and seasonal workers need the government to follow up on its election promise, because they are not mere statistics, they are people who, more often than not, have families to provide for.

Could the Prime Minister set aside, for a while, his ridiculous answers on Bill C-44, because this is not what is at issue? We are talking about the reforms that must be made to employment insurance. Will the Prime Minister make good on his election promise, for the sake of those who believed him?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, Canadians, especially Canadians living in the province of Quebec, know that the Bloc has no credibility on the issue of employment insurance.

When we asked Bloc members to co-operate with us last fall and make the changes in Bill C-2, they denied it. When they had the opportunity to vote on these important amendments in support of

*Oral Questions*

seasonal workers this spring, they voted against them. They voted with the Alliance.

The questions they ask day after day are nothing more than a smoke screen. They might as well admit that they were wrong and that they should have supported the government on these important changes.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, we are telling the minister once and for all that Bill C-44, which became C-2 and which let the government siphon off the employment insurance fund, has been passed. This is not the issue, however. The unemployed need the act to be improved. Your party is in office, we want to help, we want to work with the government on behalf of the people who need these changes.

I say to the minister: seize this opportunity before the House adjourns and work for the unemployed. This is what we want.

• (1440)

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we have made changes to the Employment Insurance Act. We have reduced the number of hours required for special benefits. We have repealed the intensity rule. We have doubled parental benefits. On top of that, we appreciate that it is more than just employment insurance that people in Quebec want. They want jobs.

Along with my colleague, the minister responsible for economic development, we are in their communities working with community members to diversify the economy. The fact remains that they voted against these changes and they cannot bear to go home and tell their constituents.

\* \* \*

**CANADIAN WHEAT BOARD**

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, today three representatives of western Canadian organic farmers clearly outlined why they need marketing choice. Arnold Schmidt, John Husband and Eric Leicht gave repeated examples of how members in their organizations had lost sales because of the Canadian Wheat Board.

The board has completely closed its mind to the requests of organic farmers for an exemption. Why is the Canadian Wheat Board minister ignoring his responsibilities and refusing to introduce the changes to the Canadian Wheat Board Act that are necessary for the development of organic farming in western Canada?

**Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I will examine very carefully the testimony of the producers that appeared today. I will make sure that testimony is

drawn to the attention of the duly elected producer-directors of the Canadian Wheat Board.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, the minister has not been paying attention to western Canadian farmers. He was not even paying attention to the committee today because the representative of Canadian Wheat Board, Mr. Ken Ritter, was at the committee meeting. It already knows about this.

Western Canadian organic producers want an exemption from this monopoly so that they can market their grain at the highest price possible. The Canadian Wheat Board merely adds costs to marketing. It does not reduce costs. Will the minister do the right thing and give an exemption for organic farmers to market their grain outside the wheat board monopoly?

**Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I have indicated repeatedly that the issue to which the hon. member is referring is a matter that should properly be referred to the directors of the Canadian Wheat Board.

There are 15 members, 10 of which are farmers elected by farmers. Obviously the testimony given by farmers today will be taken very seriously.

\* \* \*

[Translation]

**FOREIGN AFFAIRS**

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, we are surprised to learn that the democracy clause negotiated in Quebec City is no longer a matter of consensus among the foreign ministers gathered in Costa Rica to follow up the Quebec City summit.

Could the Minister of Foreign Affairs tell us what happened in Costa Rica, and specifically why there is no longer a consensus on the democracy clause?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, there is still consensus on a democratic charter. But I can say that, with only six weeks between the Quebec City summit and the conference in Costa Rica, there was not time for all the countries represented at the OAS to obtain the support of their government.

So, it is an ongoing project. There will be another meeting in three months, and the democratic charter will be adopted then.

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, does the Prime Minister, who chaired the Quebec City summit, plan to intervene directly with his counterparts in the other countries to remind them of their commitment to include a democracy clause and make sure that what the minister has just said actually happens?

*Oral Questions*

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, what the minister has just said is that the ministers are discussing certain procedures to implement the decision taken clearly by all the government leaders at the Quebec City summit.

The democracy clause applies from now on and those who do not maintain democracy in each of the countries of the free trade area of the Americas will be excluded from the agreement.

This principle was clearly established by the heads of government, and I can assure the hon. member that we in Canada, and I in particular, will remind each of the heads of government present in Quebec City of it at every opportunity.

\* \* \*

• (1445)

[English]

**CANADIAN WHEAT BOARD**

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, the minister responsible for the Canadian Wheat Board is on record as telling farmers to grow something other than traditional wheat for export. Yet his legislation is preventing producers from doing just that. The minister's stubbornness is costing farmers money in their time of crisis.

During testimony in committee today organic farmers made it clear that the CWB's board of directors does not represent them. Yet they must submit to its authority.

Why does the minister refuse to allow these farmers who have already diversified into niche markets not serviced by the board the right to market and process their own grain?

**Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, in terms of other grains, specialty crops, pulse crops and so forth, the Canadian Wheat Board is not involved in that field of marketing activity whatsoever. Its jurisdiction extends only to wheat and barley in particular circumstances.

With respect to organic farmers, a number have expressed the views that have been represented in the House today. Others have expressed other opinions. Obviously both sides need to be weighed very carefully and the ultimate decision making should rest with the duly elected producer board of directors.

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, that is classic buck passing. The minister and his board seem to think that organic producers like John Husband are threatening other wheat and barley producers when they ask to opt out of the board's monopoly. This makes no sense when we consider that the board does not even market organic grains.

Could the minister explain why giving organic farmers an exemption from the board system threatens the income of other wheat and barley farmers in western Canada? He has never given us an explanation. Organic farmers deserve one right now.

**Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, the detailed explanation has been offered, not by the government, not by bureaucrats, but by the duly elected farmers who serve on the board of directors of the Canadian Wheat Board.

The party opposite has argued in the past for democracy in the administration of the Canadian Wheat Board. The legislation in the last parliament provided that democracy. Now the opposition wants to override that democracy by direct edicts by the Government of Canada.

\* \* \*

**WATER EXPORTS**

**Mr. Dennis Mills (Toronto—Danforth, Lib.):** Mr. Speaker, my question is for the Minister of the Environment. Could the minister clarify why an official of his department put out a tender asking for bulk water export valuation?

The valuation of water studies that includes bulk water studies contradicts House of Commons Bill C-6. Does this not create confusion as to what the government's real intention is on bulk water sales?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I make absolutely clear that there is no change whatsoever in the stated policy of the Government of Canada not to export water. I would go further and say our policy is not to have transfers from one water basin to another and that also remains the policy of the Government of Canada.

At the same time we have a data gathering project to which the member referred which is one of scores and in fact hundreds that take place every year. It is done for other areas of the environment such as waterfowl and wildlife. These studies have proved to be very valuable for conservation measures.

\* \* \*

**HOUSING**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I wonder if the minister responsible for housing will be hanging his head in shame as Canada gives its report on housing to the UN this week. What else could he do given the government's dismal record of cancelled social housing, offloading to the provinces and homelessness?

My question is for the Prime Minister. Why has the government failed on its own commitment to Habitat II and housing for all?

*Oral Questions*

When will the government get its priorities straight and provide a real housing program for Canadians who are desperately in need?

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the government does have a national housing strategy. We have provided \$1.9 billion annually in housing assistance.

CMHC mortgage insurance helps one in three Canadians access financing to purchase a home. Through home renovation programs and housing research we are improving the quality of housing. We have also invested \$753 million to address homelessness.

\* \* \*

• (1450)

[Translation]

**CANADA DAY**

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, we recently learned that 72% of the year 2000 budget for Canada Day was earmarked for Quebec. Certain communities in my riding were given a mere \$1,000 to organize their July 1 activities.

Are we to conclude that the amounts earmarked for Quebec was a federalist tactic?

Can the Minister of Canadian Heritage commit to giving more money to the communities of Canada so that all can share equally in the funding for this celebration?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Yes. Mr. Speaker.

\* \* \*

[English]

**ACCESS TO INFORMATION**

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, my question is for the Minister of Human Resources Development.

We have learned that the department has struck an internal review committee to vet the approval of all access to information requests, but it appears the net result of the committee has been to deny information to the official opposition. In fact we have had to appeal to the information commissioner to help us get answers to 31 access to information requests.

Does the minister think it is appropriate for her officials to disregard both the spirit and the letter of the access law passed by parliament?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, as the hon. member should know, the decisions made on access to information are at arm's length from my office.

She also will know, I am sure, that there have been a number of requests made to my department over the last year. In fact we have had a threefold increase in the amount of information required. We are responding as quickly as we can. Again, as she points out, there is an appeal process that she should make use of.

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, our requests about Shawinigate do not receive an answer. Questions about last year's disastrous internal audit are met with months of silence.

We requested a list of HRDC grants and contributions to the minister's own riding and were told it would cost us \$6,000 even though the information used to be provided to us free.

When will this minister stop stonewalling the official opposition and start obeying the law?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, again let me repeat that the access to information process is at arm's length.

The hon. member will recognize the amount of information that has been requested as we have provided hundreds of thousands of pieces of paper to her party at its request.

We have had a very good track record in my department of responding to requests. We hope to restore that capacity, but indeed the process is there if she wishes to appeal.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, my question is for the Minister of Foreign Affairs. Last week there were about a dozen parliamentarians and diplomats visiting Canada at Russia's expense.

Today there are three Russian police officers in Ottawa to investigate a fatal car crash involving a Russian diplomat, but this time Canada has to pay.

If Russia can pay for the diplomats, why is Canada paying for the police? Will the minister just send the bill back to Moscow?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I know the hon. member shares with me a desire to see justice done in the Knyazev case.

The efforts that my department have undertaken to ensure that the investigation proceeds unimpeded are intended to do just that, to ensure that there is no obstacle to justice being done on behalf of the victims, Catherine MacLean and Catherine Doré.



*Oral Questions***IMMIGRATION**

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, the government's new immigration Bill C-11 has been described as seriously flawed, draconian and even un-Canadian. Most of the 154 witnesses before the immigration committee said the bill strips the rights of permanent residents and does not provide for the protection of refugees.

The committee chair from London North Centre said at clause by clause:

It's lucky I don't have to vote—when they start to sound more Liberal than we do, I get a little concerned.

Why is the Liberal Party of Pearson, Laurier and Trudeau so unwilling to entrench the rights of permanent residents and properly protect refugees in Canada?

• (1455)

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I am very concerned that the member opposite, who has been a member of the immigration committee, is giving out serious misinformation about the bill.

We live up to our humanitarian and compassionate tradition of welcoming those who are in genuine need of protection. We enshrine the rights of permanent residents.

I think his constituents and Canadians would be very concerned to know he is proposing that we take longer than is absolutely necessary to remove serious criminals who pose a serious threat to Canada. I think his constituents would be surprised to know that he does not want to help us remove serious criminals as quickly as possible.

\* \* \*

[*Translation*]

**NATIONAL DEFENCE**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, the United States government has assumed responsibility for its military personnel with Balkan and the Persian Gulf service who are victims of the gulf war syndrome, unlike Canada, which has chosen to abandon its servicemen and women.

Given DND's number one priority to put people first and improve the quality of life of its military personnel, when does the Minister of Veterans Affairs intend to indeed make people a priority and to give these personnel veteran status?

[*English*]

**Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, Canada was the first NATO country to open post-deployment clinics. These clinics are open to Canadian forces members and their families and to veterans of any peacekeeping operation who have concerns about their health.

I urge anyone who thinks they have a medical problem to make use of these facilities and to visit one of the centres for injured and retired members and their families at the nearest medical facility.

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, like the military personnel of other countries, Canada's military personnel are experiencing real physical symptoms: chronic fatigue, multiple sclerosis, memory and weight loss, urinary problems.

Does the Minister of National Defence, whose primary aim is to make people a priority, intend to immediately order a medical investigation of all those who served in the Gulf or the Balkans, to be carried out by a multidisciplinary team of civilian specialists?

[*English*]

**Mr. John O'Reilly (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, in addition to a registry of gulf war veterans with health concerns established in 1995 and 1997, veterans with continuing health concerns were thoroughly examined and evaluated at a gulf war clinic which was established for this purpose. Some veterans were later admitted for additional assessment.

Once again I urge anyone who has a medical problem in the Canadian forces to come forward to the Canadian forces medical clinics and be examined.

\* \* \*

**THE ENVIRONMENT**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, here are some facts about Kyoto. The United States has taken its name off the Kyoto protocol for obvious reasons. Canada still has its signature on the agreement.

Europe is gathering a coalition to ratify the protocol in Bonn in July and this can be done without the agreement of Canada, the U.S. or Australia. Finally, if it is ratified Canada is bound by the Kyoto targets, which we know we cannot live up to. Will Canada take its name off the protocol?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I thank the hon. member for his question. The response is certainly not. We have signed the Kyoto protocol. We intend to work under the Kyoto system and we intend to meet our Kyoto targets.

We certainly want to see changes in the American position. We also have differences with the Europeans, but bargaining hard for Canadian interests is what we intend to do. We intend to meet our targets and do it the Canadian way.

*Oral Questions*

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, actions, not intentions, are all that really count. Canada faces international shame if we do not live up to the targets that we signed.

The Minister of the Environment continues to evade questions about ratifying Kyoto in the House but has admitted, for instance in the *Hill Times* recently:

We won't ratify that here—and I'll tell you why—because we can't take it to the public at the present time.

The minister is in print saying Canada will not ratify Kyoto. Again, will the government end this empty talk and remove Canada's signature from the Kyoto protocol?

• (1500)

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, once again we do not intend to remove our signature from the Kyoto agreement. The Kyoto agreement is the best international effort to deal with a very serious issue.

The very committee appointed by President Bush of the United States, which has 11 scientists including Nobel laureates, has said we should continue to regard global warming as a major threat. It essentially endorsed the findings of the international panel on climate change.

Canada will continue to deal with this problem which is showing its effects in the Canadian north ahead of virtually every other country.

\* \* \*

[Translation]

**SPORTS**

**Ms. Diane St-Jacques (Shefford, Lib.):** Mr. Speaker, we all know that soccer is the sport played most often in Canada, with 800,000 young fans, 40% of whom are girls.

The Secretary of State for Amateur Sport made an important announcement this morning. Would he share it with the House?

**Hon. Denis Coderre (Secretary of State (Amateur Sport), Lib.):** Mr. Speaker, since the MPs were defeated yesterday by the pages, I had to do something about soccer.

I have the pleasure to announce to members that we have released a feasibility study in response to the commission that bears the name of the member for Toronto-Danforth. The Government of Canada will work with the Canadian Soccer Association to hold the World Cup in soccer here in Canada in 2010.

I am also announcing a contribution of \$500,000 for a world cup for girls under 19, which will be headquartered in Edmonton.

**INTERNATIONAL TRADE**

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, my question is for the Minister for International Trade.

Yesterday, he announced that he would head a trade mission to India next fall.

In 1998, the Government of Canada imposed trade sanctions to isolate India and Pakistan following their nuclear testing. Three years later, they still have nuclear weapons.

Why is this government changing its policy?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, our government decided to resume relations with India. I will be extremely happy to head a trade mission, in the second week of October, to a country that has undergone significant economic development.

We give priority to certain economic sectors in which Canadian businesses have significant comparative advantages. I think it will be in the interests of Canadian businesses to improve relations with India.

[English]

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, three years ago the official opposition said that sanctions were not the answer and to engage in positive debate was the way to deal with the nuclear threat.

The government imposed its knee-jerk reaction of sanctions on India and Pakistan in 1998. Our trade with those countries dropped dramatically. Could the minister inform the House how much the imposition of sanctions on India and Pakistan cost Canada in lost trade?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, our country is re-engaging now. I can tell the member that the progress we want to make on trade front will be quite impressive. We have already formed alliances among individual companies in India and Canada which intend to good work on that front.

The mission I will be leading the second week of October will be a fresh start and will build a solid relationship with a very important country in Asia, that is India.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of His Excellency Péter Harrach, Minister of Social and Family Affairs of the Republic of Hungary.

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

• (1505)

## BUSINESS OF THE HOUSE

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, I would like to ask the government House leader if he could advise us of the business of the House for the remainder of this week, for next week and for the following week if necessary.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, this afternoon, pursuant to an order made earlier, the House will conclude third reading of Bill C-28, the Parliament of Canada Act amendments. Tomorrow we will deal with third reading of Bill C-25, the Farm Credit Corporation amendments, as well as report stage of Bill C-24 with respect to organized crime. Those are the only bills I expect to deal with tomorrow.

On Monday we will then consider third reading of Bill C-24 regarding organized crime, then Bill S-16, the money laundering bill, followed by Bill C-11, the Immigration Act amendments, Bill S-11 respecting business corporations, Bill S-3 respecting motor vehicles and Bill C-6 respecting bulk water.

On Tuesday we shall deal with an allotted day for the consideration of main estimates at the end of the day. There has been consultations among political parties, and I would hope to take a few minutes on Tuesday to debate and hopefully receive the consent of everyone for a motion regarding Mr. Mandela.

Later next week, we will deal with any bills listed that are not yet complete, as well as the report of the modernization committee. I will consult my colleagues, the House leaders of official parties regarding business for Wednesday and the days beyond, should there be such dates. This ends my report.

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## PRIVILEGE

### TALISMAN ENERGY

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, my question of privilege arises from answers in the House of May 4 last and prior to that on April 30, and in the standing committee on foreign affairs May 3, concerning the alleged use of the airfields by Talisman Energy and by Sudan's military for offensive military purposes.

In putting questions to the Minister of Foreign Affairs with respect to this issue, I referred to a document which had been vetted under the provisions of the access to information legislation, a portion of which had been deleted. That was paragraph 15 of the

## Privilege

document which specifically dealt with the issue of the use by Sudanese military of Talisman's airfields.

In questioning the minister with respect to this document and the particular serious allegations of complicity between Talisman and the Sudanese government, the minister in response indicated that the deletions to this document had been made "to protect the lives of Canadians working in the Sudan".

Subsequently, I obtained a copy of the original document. Paragraph 15 of the original document made no reference whatsoever to the lives of Canadians. There was absolutely no information in that paragraph that could in any way jeopardize the lives of any Canadians working in Sudan. Indeed all members of the House would agree that the lives of those Canadians should be protected and respected.

However, this issue is a very serious one because as a member of parliament, as a member of the House, as a member of the foreign affairs committee, along with other members who share concern on this issue, we cannot do our job effectively as members if we are given documents which are heavily censored and whited out, allegedly under the provisions of access to information legislation. When the minister seeks to explain those deletions and gives the House and the committee information which is demonstrably inaccurate, we cannot do our job.

• (1510)

That surely is the essence of parliamentary privilege; our ability to question ministers, to question the government and to call them to account, in this case with respect to the position of the Government of Canada on the use by the Sudanese military, in its genocidal, scorched earth policy in South Sudan, of Talisman's airfields.

It is for that reason that I raise this question of privilege. I would like to suggest to the Speaker that this is a serious matter and should the Speaker find there is a prima facie case of privilege here, I would be prepared to move the appropriate motion to have this matter reviewed by the committee.

In closing, I want to say that I have received from the minister a copy of a letter which he sent to Your Honour as Speaker, dated June 6. In this letter the minister stated: "Our principal concern in reviewing and vetting this document, pursuant to the provisions of the access to information legislation, our principal concern was that the document contains information that, if disclosed publicly, could jeopardize the security of Canadians working in Sudan".

Paragraph 15, as I said before, makes no reference whatsoever to the security of Canadians.

In closing, I just want to make this final point. The minister then went on to suggest that another potential exemption might be respecting sensitive information about the quantity and quality of military assets of a foreign country, for example Sudan.

*Privilege*

If this is the rationale, why was that rationale not put before the House and the committee at the time the question was asked?

I believe this raises very serious questions of privilege that go to the heart of the ability, not just of myself, but of all members of the House. I know there are members in all parties who share this concern and who may wish to speak to this to get at the truth, so we can do our job on behalf of the Canadians we have the honour of representing.

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, first, the issue raised by the hon. member was a matter of procedures in the wrong place.

As you know, Mr. Speaker, the justification for excluding portions of a document that is made available under the Access to Information Act is appealable to the information commissioner. The hon. member has every right to do so.

As far as the answers that I gave in the House are concerned, I gave answers which stated the justification for the deletions which was used by the person preparing the response to the access to information request, and that is exactly what I said.

Furthermore, I would like to point out that the document in question does address the number, location and security disposition of Canadians in the oil fields in considerable detail. That is the case, and the hon. member knows that is true.

On several occasions rebel groups in the Sudan have made threats against international oil workers. That was the reason that those preparing the response to access to information deleted those passages.

In recognizing the risk to Canadians, I think the hon. member will understand that precautions have been taken to try to ensure, as much as we can, that those individuals are safe.

In any event, I fail to see how this could be a question of privilege. There may be a difference of point of view. You have given the hon. member plenty of latitude, Mr. Speaker, to argue his policy view with respect to activities in the Sudan. That was a whole other question that we had the opportunity to discuss at some length in the committee.

However, if he has difficulty with how an access to information request was handled, I suggest to him and I suggest that the appropriate way to deal with that is by appealing to the information commissioner.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, as somebody who has made requests for access to information on a number of occasions, I am shocked to hear what the member had to say about the paragraph that was deleted in this document and his later discovery that the reasons given for the deletion were not actually fact. It raises the question as to whether

the documents that I and my colleagues have received over the past few years have the same problem.

I would urge you, Mr. Speaker, to take serious consideration of the complaint of the hon. member and to thoroughly investigate whether in fact there has been a question of privilege here.

● (1515)

**The Speaker:** The Chair has heard the points raised by the hon. member for Burnaby—Douglas and the member for North Vancouver. I do not see how this is a question of privilege. I do not understand from anything I have heard how the privileges of the hon. member have been affected.

Members have two recourses with respect to documents. First, they can ask the House to pass an order requiring the tabling of documents in the House, which is called a notice of motion for the production of papers. Those motions can be tabled and can demand the production of documents that might not otherwise be available under the Access to Information Act.

Under the act, as the Minister of Foreign Affairs has pointed out, there is an appeal procedure available to members. The minister is perfectly correct in suggesting that the proper avenue for dealing with the matter is through appeal under the Access to Information Act and not to the Speaker. I do not think it is my obligation to rule on what kinds of documents are being produced either by government departments or members' offices except in the exceptional circumstances of there being something done by the House itself.

Clearly in this case it was not a matter for the House. It was a matter for an officer of parliament. Disclosure was made by the department under the auspices of an act of parliament. There is an officer charged with enforcement of the act and I think the matter should be dealt with there.

There is not a question of privilege raised at this time. I decline to proceed further with the matter.

**Mr. Jason Kenney:** Mr. Speaker, I rise on a point of order. Given the government's newfound enthusiasm for resolutions being introduced in this place through unanimous consent, I should like to seek unanimous consent to put the following motion extracted from my private member's Bill C-297:

Whereas the people of Canada are forever grateful to the many dedicated men and women who bravely and unselfishly gave their lives for Canada in wars and in peacekeeping efforts;

Whereas their extraordinary courage and profound sacrifice must never be forgotten by us or future generations;

And Whereas, as a gesture of its respect for these men and women, the federal government wishes to honour their memory by promoting throughout Canada the observance of two minutes of silence each Remembrance Day,

Now, Therefore the people of Canada are invited to pause and observe two minutes of silence at 11.00 a.m. on each Remembrance Day to honour the men and women who died serving their country in wars and in peacekeeping efforts.

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

**Some hon. members:** Agreed.

**Hon. Don Boudria:** Mr. Speaker, I regret to inform the member that nobody on his side of the House, his House leader or anyone else, raised the issue at the House leaders' meeting earlier this week. That is most unfortunate for him.

I respectfully suggest that he might want to do that at next week's meeting. I will do my best to endeavour to raise it with him, if his House leader does not raise it.

**The Speaker:** I take it the government House leader is refusing consent to proceed with the matter at this time. Accordingly it will not proceed now.

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## GOVERNMENT ORDERS

[*Translation*]

### PARLIAMENT OF CANADA ACT

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved that Bill C-28, an act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act, be read the third time and passed.

He said: Mr. Speaker, it is an honour to speak this afternoon on the third reading of Bill C-28, the parliamentary compensation legislation.

As I indicated in this House on Tuesday, Bill C-28 is straightforward. It simply implements the report of the independent Lumley Commission, a commission created by order in council last January. The Lumley Commission submitted a report in accordance with the Parliament of Canada Act. We approved this report and we are simply trying to implement it.

The Lumley Commission stated that:

A good day's work deserves a fair wage, and there is no reason that this should not apply to those who commit to public service.

The Lumley Commission recommendations, which are reflected in Bill C-28, are in my view fair. And I am very pleased with the broad support for the Lumley report.

### *Government Orders*

• (1520)

[*English*]

The House leader for the official opposition supported key elements of the Lumley report when he said that his party had called for "an independent commission to make recommendations regarding MPs' salaries" in the future and that such recommendations "be done by the people who look at the judges' salaries, which is independent". He further stated that his party had "promoted the concept that MPs' pensions should be more in line with the private sector".

The NDP House leader said "the process we have embarked on today is much superior to ones I have experienced in the past".

He further stated:

What we have here, with notice being given on a Friday, the bill introduced on a Monday, second reading debate on Tuesday, committee of the whole on Wednesday and third reading and final vote on Thursday. . . does give Canadians time to get in touch with their MPs and give them their opinions before dealing with a fait accompli.

Those are the words of the House leader for the New Democratic Party.

[*Translation*]

On Tuesday, the member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans said, and I quote:

We in the Bloc Québécois are of the opinion that Mr. Lumley and the other two members of his committee have carried out a serious, detailed and well researched study of the situation.

So, several representatives of the political parties in the House have commented favourably on this report.

[*English*]

The subject of parliamentary pensions has been noted by members of the House during consideration of Bill C-28. The Leader of the Official Opposition raised it today during question period. He of course now knows, on verification, that the numbers he quoted from the newspaper were factually incorrect, grossly exaggerated and completely off base. I am sure the hon. member knows not to refer to things that are improperly researched. They are bound to get people in trouble. He knows something about that.

I would emphasize that Bill C-28 would implement the Lumley commission's recommendation that pension provisions be adjusted to limit the cost of compensation increases. According to Bill C-28, the accrual rate would be reduced by 25%, from 4% to 3%. The reduction would result in a saving of \$400,000 annually for the Canadian taxpayer, and we all know why. There are two reasons. First, the accrual rate would decrease. Second, the premiums would be paid on a larger amount.

For the average MP, the premiums would be approximately \$3,000 a year more. Because people like myself and the leader of

*Government Orders*

the opposition get larger salaries, we would pay even more. The leader of the opposition and myself, and I say that because our salaries are identical and much higher than those of the average MP, would pay approximately \$4,000 a year more than we pay now in premiums on the pension plan.

It is interesting to note that in a Toronto *Star* article today an evaluation was done on MP pensions, even the one paid to the Prime Minister. They were deemed not to be overly generous given the size of the premiums.

Higher compensation levels would of course result in an increase in pension benefits but those benefits would be fully paid for by members themselves through their contributions to the parliamentary pension plan as I have just described.

During the second reading debate on Tuesday, members of parliament rose to speak about the need for fair compensation for their demanding workload. Members recognized the Lumley commission's research in comparing parliamentary compensation with other professions.

It has been clear this week that almost all members, certainly the vast majority, agree that Bill C-28 would: first, strike an appropriate balance in determining a fair level of compensation; second, reinforce our ability to attract the best and brightest to public life; and third, strengthen accountability to taxpayers on the issue of parliamentary compensation, the judges commission, which will now rule, and so on.

● (1525)

I would remind those who have spoken against implementing the Lumley recommendations that compensation for MPs rose 6% between 1991 and 2000. Public sector increases have amounted to 15%, private sector increases have amounted to 22% and the conference board survey puts executives at 31%. Of course 31% is not even sought in the bill.

A comparison with judges, and I described it yesterday during report stage debate, shows that a member of parliament even with this increase would not be paid nearly what federal court judges were paid 30 years ago.

A survey comparing the salaries of legislators in 12 countries ranked Canadian legislators ninth behind those of G-7 nations such as the United States, Britain, Japan, Germany, France and others.

Experts on compensation in the private sector have commented on parliamentary remuneration and the Lumley commission's recommendations.

Here is what the media had to say about the Lumley report. The *Globe and Mail* on May 30 stated:

We would do well to consider this as citizens in pursuit of good government. . . What job is comparable to being one of a few hundred legislators mastering difficult, complex subjects and passing laws that affect every Canadian's life?

[Translation]

*La Presse* noted on May 31 that a good MP more than earns his salary, particularly when his workload and what he is paid are compared to equivalent jobs in the labour market.

[English]

I will take a minute to talk about the opting in provisions. A number of members yesterday commented about the opting in provisions. Under Bill C-28, parliamentarians would be given the right to decide whether the Lumley commission report should apply to themselves. I would say to all members that they are being given a choice and are free to do what they think.

I will say once again, if I can be so bold, that I advise all members to vote for the bill. Should they not vote for the bill they should opt in to the program anyway. I would ask all members to do this because they are all deserving of the salary that members of parliament are paid.

Opting in provisions have been used many times in the past. Some members alleged yesterday that it was unprecedented. However they were sought by members of the House only a few years ago regarding the pension program.

**Mr. Dale Johnston:** That was an opt out.

**Hon. Don Boudria:** No, it was an opt in. The hon. member says that it was an opt out but that is not correct, I am sorry to say. If members review their records they will see that it was an opt in. All members were deemed to have opted out and had to sign up to be opted in. I am quite sure of that.

A second opting in bill was passed shortly before the last election to allow members to buy back a second time. That was an opt in. Again, each member had the choice of doing it. That was the second one and there are a number of others.

[Translation]

In conclusion, Bill C-28 implements the report of the independent Lumley Commission.

I congratulate the hon. Ed Lumley, the hon. Jake Epp, and Dr. Huguette Labelle on their work.

It is easy for all of us to claim that we are opposed to this bill. I am asking all members to think about what is right for themselves, for their family and for the work they are called upon to perform as parliamentarians in the highest court in the land, the Parliament of Canada.

Again, I ask them to support this bill. It is a good bill. It is well drafted and it deserves the support of us all, not just for ourselves, but for the institution in which we sit as parliamentarians.

I hope that the leader of the opposition and all members of the House will decide later today to support the bill or at least to opt back in when the opportunity arises.

• (1530)

[English]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I rise reluctantly to participate in the debate today on Bill C-28, an act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act. I say reluctantly because I believe there are many other things that we should be dealing with today and in the days left in this session that are more important to Canadians than this issue.

Ostensibly the bill is meant to implement the recommendations that were made by the Lumley commission, which was an independent commission led by former cabinet minister Ed Lumley and charged with setting MPs salaries, benefits and pensions. Very few will actually dispute the need to review the salaries of MPs. I do not dispute that. We do not dispute that.

We were actually in a bizarre situation where MPs got a basic salary of \$68,000, plus a tax free expense allowance of something around \$40,000, plus additional living allowances, with the result that when asked the basic question of how much an MP made the answer was not a simple one.

There is pretty much unanimous consent out there that people should be able to know how much politicians make. That is basic. If we are to be truly accountable to our electorate, part of that accountability involves being transparent where taxpayers dollars are being spent.

Transparency is not something for which the present Liberal government is known. The very idea that the salaries of MPs should be transparent and comparable with private sector standards is actually one which is deeply held by most Canadians and by most members of the Canadian Alliance. It should come as no surprise that the first line of article 70 of the Canadian Alliance declaration of policy reads:

Parliamentary compensation will be recommended by an independent commission according to private sector standards.

It is something we believe in and that our grassroots members across the country have endorsed. On the face of it Bill C-28 is straight out of Canadian Alliance policy. The Lumley commission was an independent commission. Its recommendations certainly go in the direction of basing parliamentary compensation on private sector standards.

The bill uses the salary of the Chief Justice of the Supreme Court of Canada as its reference point and that the salaries of MPs should be a percentage of that. We could argue about whether or not that amount is appropriate. Indeed it was actually argued by the

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government House leader on Wednesday that it was appropriate the Prime Minister make the same salary as the chief justice.

That may or may not be a point agreed upon by all Canadians, but the fact is that it was out there and a reference point was sought. The only possible concern is that the chief justice's salary is determined by the judicial compensation commission whose recommendations must be passed by parliament. In a somewhat oblique fashion the Liberals have ensured, if they wanted to, a stealthy way of continuing to give MPs regular increases. This is the spend portion of the tax and spend policies which constitute the ongoing Liberal assault on the beleaguered Canadian taxpayer.

The Lumley commission did a great service in getting rid of the tax free expense allowances as we had recommended. This was appropriate. Just as people cannot understand why the federal Liberals do not feel that the cost of a mechanic's tools should be partially deductible if needed for his or her employment, and that is something we endorse as the Canadian Alliance, most taxpayers could not understand how our food, clothing, drycleaning and taxis would come out of a taxpayer funded non-taxable expense allowance. By making this amount taxable the Lumley commission has ended the secrecy and put politicians on a similar footing with other Canadians. We endorse that.

The commission also recognized the need to make the MP pension plan comparable with public and private sector norms, especially given that salaries are being raised to private sector levels. It suggested that the MP pension should be equal to 2.5% of an MP salary multiplied by the number of years served. It should be noted that this is actually higher than the 2% rate per year of service which public servants actually get from a plan that is administered through the Treasury Board.

Sadly, even the independent commission's recommended above average rate was not enough for the federal Liberals who jacked that rate up to 3%. Now we give them half a point out of ten for lowering it, but it is still not where it would be if and when the Canadian Alliance government has the opportunity to do that after the next election.

• (1535)

While it seems that our pay has been recommended by an independent commission, the reality is that the Liberals have actually used the Lumley commission's recommendation to jack up and justify their own pay raises. They have exceeded the pension amounts and retained the ability to continue to give themselves pay increases by linking their salaries to the base amount, the salary of the chief justice, and then actually being the ones who have the ability to control that. Like most things the Liberals do, it is too clever by half.

I will be voting against the bill for the principal reason that I do not think I should set my own salary. It is as simple as that.

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The second sentence of article 70 of the Canadian Alliance declaration of policy specifically states "The decision of parliament will be implemented after a subsequent election". That is a point of principle of our own policy declaration.

[*Translation*]

We always believed that we should run any salary increase by the voters first. We should not get elected and then vote ourselves a huge salary increase. We are not talking about the legitimacy of the current salary, but about the principle. Voters should know before the election what salary we will be getting throughout our mandate. This is why the Canadian Alliance proposed amendments whereby this increase would take effect only after the next election.

[*English*]

It just makes sense. On the CBC news last night there was an interview with a fellow at a racetrack who just could not figure out how MPs could vote themselves a pay increase. He said that the increase should be for the next guy. That encapsulates the spirit of our policy. Like most Canadians, the person being interviewed did not think MPs should set their own salaries.

I will be voting against the bill and encouraging others to do the same. If we defeat the bill, the Liberals could bring back an amended bill that would contain many of the same positive recommendations of the Lumley commission and would add a clause stating that the increase would only take effect after the next election. They would also ensure that the base amount would not be linked to any salary that parliament may control.

I appeal to the federal Liberal MPs to defeat the bill. It would send a message to taxpayers across the country that they and not us are the ones who should set our salaries. I would encourage our federal Liberal MPs to agree with us on this. It is Canadian tax dollars and they should be the ones determining what is fair compensation.

The bill has some other nasty features. Section 54.1 makes the increase retroactive to January 1. In my view that is totally unconscionable. There is no way on earth we should be voting ourselves a windfall, especially when taxes are so high for the rest of our citizens. That is absolutely unacceptable in my view. The government gave no hint during the last election that it would be doing such a thing.

The other objectionable clause in the bill is the one which requires an MP to opt in to benefit from the pay increase. This is one of the most troubling concepts that we have seen in any type of legislation. It puts MPs in a situation whereby two MPs from the same party or from across the floor who do the same job, or maybe work harder, as some would suggest opposition members do, but I will not necessarily claim that, would earn two different salaries.

That is in direct violation of the spirit of equality in our charter of rights and freedoms and is 100% opposed to the spirit of the October 19, 1999 federal court decision on pay equity. It is totally inappropriate for that particular clause to be there.

It also requires an MP to opt in order to make his or her salary transparent to taxpayers. We believe that should be happening but that we should not have to opt in to do that. It should be part of the legislation that we are getting rid of the tax free expense allowance, which some people find so troubling.

Finally, the bill says that the opt in or opt out clause, whichever we want to call it, is irrevocable. This is astonishing. If MPs opt in order to defray their increases until after the next election, to follow our own policy, it would mean that as long as they continue to be elected they would forever be operating at a different level of compensation than other MPs.

It is absolutely unconscionable that such a clause should be in the bill. It is probably unconstitutional. It is definitely against the spirit of equality and surely against democracy itself.

● (1540)

It is interesting to note that at the Quebec summit in April the government was calling on a democracy clause to be inserted into the text for the free trade area of the Americas. The government was of the view that the emerging democracies of the world would learn from us. We can be honoured to say that many times they do look to us.

I recently met with President Fox of Mexico. I can say that the type of democracy being proposed by the federal Liberal government in this bill is not something I believe that Mr. Fox's government would follow. I suspect he will be looking for another role model and that is unfortunate.

There is also a suggestion being made that if members vote against the bill it would be inappropriate for them to live with the effects of the bill. I find that a specious argument. I would make note of the fact that many times MPs on either side of the House vote against legislation which then becomes law and they then have to live with it whether they like it or not.

The government proposed certain tax measures only hours before the last election. We opposed those particular measures because we did not think they were good tax measures. We are living with the tax decreases that were passed on and nobody is suggesting that is inappropriate.

**The Deputy Speaker:** I hesitate to interrupt the Leader of the Official Opposition but I want to remind the House that under the special order of debate on this particular bill members have 10 minutes. The Chair will undertake the responsibility of giving the



Leader of the Official Opposition a few more minutes to complete his remarks. As I say, I hesitated to interrupt but in fairness to other hon. members who wish to participate I wanted him to be aware of that.

**Mr. Stockwell Day:** Mr. Speaker, I appreciate your indulgence. I will wrap up at this point.

The suggestion that people who oppose the legislation should not have to or should not be expected to live within it is inappropriate. It is a great and sad irony that those who oppose this type of legislation in order to protect taxpayers are sometimes pointed at as being the villains of this type of legislation.

I would also say that it is certainly a matter of principle in our caucus that whatever an individual MP decides to do following the bill, whether he or she votes for it or against it, takes or does not take some of it, be it Liberal, Alliance or whatever, there will be no personal recriminations from one MP to another as far as we are concerned. Those will be private matters.

I will close by saying that Bill C-28 should be opposed and denounced. We call on the government to table new legislation that respects the recommendations of the Lumley commission, the prohibition against politicians setting their own salaries and the fundamental principle in a democracy that if two people do the same job for the same employer they should get the same money.

I have an amendment to Bill C-28. I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-28, an act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act be not now read a third time, but be referred back to Committee of the Whole for the purposes of reconsidering clause 29 to study its impact on the prime minister's pension taking into account the recommendation from the Lumley Commission that the changes to members' compensation 'not result in any material impact, either positive or negative, to the benefits that parliamentarians receive from the pension plan'."

**The Deputy Speaker:** The amendment tabled by the hon. Leader of the Official Opposition is in order.

• (1545)

**Hon. Don Boudria:** Mr. Speaker, I rise on a point of order. I would like to see if there is consent for the following order.

I would ask all hon. members to perhaps pay particular attention to ensure that it reflects their views: That at 3 p.m. on Tuesday, June 12, the member for Markham shall propose a motion, deemed to be seconded by the Prime Minister, the Leader of the Opposition and leaders of the other parties, the motion of which he gave notice this day with regard to honorary citizenship for Nelson Mandela, provided that after speeches of no more than five minutes by the

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mover, and one representative from each party, the question thereon shall be put without further debate or amendment.

**The Deputy Speaker:** Is there consent for the government House leader to move the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I have just a few comments on this because our position has already been made clear at second reading and at committee of the whole with respect to our opposition to the bill on the basis that we believe the 20% raise to be too high.

That is why we moved an amendment which would have had the effect of reducing the raise from 20% to 10%. It would still be generous when we consider what many other Canadians would be glad to receive in the way of a pay raise, but nevertheless something that we might have been able to justify given certain economic indicators.

The amendment was defeated yesterday, so we will proceed to vote against Bill C-28 at third reading. Then we will proceed as a caucus to all opt in to the legislation because we do not believe we should either be punished or accept punishment for being honest about our feelings on the pay package, and the fact that the raise is too high, especially when we consider there are elements of the bill which we support in terms of increasing transparency, and also in terms of creating a mechanism whereby members of parliament would not have to set their own salaries again.

I listened with care to what the Leader of the Opposition said. Perhaps I could just use my time to respond to some of the things he and the Alliance Party have said in the last few days.

I have had experience with the Alliance Party, and before that the Reform Party, when it comes to these matters. It is very good at allowing certain things to happen and even in the past negotiating certain agreements. Then after having negotiated those agreements, pretending to be against them.

It happened in the last parliament when I was privy to negotiations among the official opposition House leader and other House leaders with respect to the legislation that made it possible for many Reform members to opt back in to the pension legislation. Having negotiated that, I was very surprised to find out that when the bill came to the floor of the House of Commons the very people I had negotiated this with were denouncing it and voting against it. That is bargaining in bad faith. If people are going to negotiate something, they should at least have the guts to vote for it.

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• (1550)

This is not a similar situation in the sense that it was not negotiated, but I have heard the Alliance members say in recent days that this is being fast tracked through parliament and they did not want to see this happen now. I would submit that there is also a certain intellectual political disingenuousness involved here too.

I have defended this process because I have said that this process is much better than any other process we have ever had with respect to implementing improvements or changes in our compensation package. Therefore, I do not go around slamming the government for this particular process. The Alliance has been doing this. The fact remains that this happened pursuant to a House order which the Alliance Party had the 25 members to stop it. This would not be happening if 25 members out of an Alliance caucus of 66 or whatever it was had been in the House to stop it.

I would ask the Alliance Party to give us a break and stop pretending that this is somehow happening against its will. This happened because there were not 25 members of the House of Commons standing. The Alliance is one of the parties that had the numbers to stop it. Having not stopped it, spare us the theatrics of complaining that this is happening in the way it is.

With respect to opting out and opting in, the Leader of the Opposition said that this is a terrible thing. We know where it has its origins. It has its origins in the former Reform Party demanding that it be allowed to opt out of the pension plan.

**Mr. Richard Harris:** They are the bad guys though.

**Mr. Bill Blaikie:** Fair enough. I am just saying this is a fact. I do not blame the Leader of the Official Opposition because he was not here. The fact is his party has a lot of responsibility to bear for the fact that this kind of thing is even part of the political discourse in this place. This is what was asked for at a certain point. People must be careful of what they ask for because they might get it. The Liberals took the Reform Party up on it and provided an opportunity for people to opt out of the pension plan. That is where this whole opting in and opting out business came about.

The Leader of the Official Opposition complained about the irrevocability of the opting in clause or the fact that if a person does not opt in, that person can never opt in. This also has its origins in the Reform Party. What this is designed to prevent is the very thing we had to go through a year or so ago when we had Reform Party members, both privately and publicly, trying to crawl back into the pension plan.

What happens is people change their minds and then we have to have this very undignified process of having members doing something that they said they would never do. I submit this also has its origins in the politics of the Reform Party and now the Alliance.

Some of the things that the Leader of the Official Opposition said probably would have been better left unsaid for the party's sake. I could not let the opportunity go by without giving what I think is a more faithful rendering of what has happened over the last few years with respect to this issue.

Then the Leader of the Official Opposition said individual members should not be judged on the basis of what they do or do not do, that it is up to them. He also said he would not want to be participating in any kind of group that judged other members of parliament with respect to the decisions that they make.

**Mr. Richard Harris:** They are the government. They are the bad guys.

**Mr. Bill Blaikie:** They are the government, but they are not the people who went around putting my name and other peoples' names in pamphlets judging us for being part of a pension plan that we did not even have the opportunity to opt out of or opt into or anything else.

As far as I am concerned, the Alliance Party and the Reform Party before it have built up a lot of really bad karma when it comes to this kind of issue. Any discomfort that it might feel, either individually or collectively, over this kind of issue is very well deserved, because it is the party that made a political career out of criticizing other members of parliament who never had the range of choices of opting in and opting out that it had to deal with. I must say that it has dealt with it very badly indeed, both as a group and individually.

• (1555)

I just wanted to put a few of those things on the record because sometimes what is said in the present has very little connection with what has happened in the past.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I wish I could say that I am pleased to take part in this debate. It is one of the dark days for parliament, as we prepare for the summer recess. Members of parliament are in a very uncomfortable position of being presented with an option of enhancing their own rate of pay rather than dealing with issues that we all know in our heart of hearts are much higher on Canadians' list of priorities.

I would like to speak a moment about the bill itself and the issues that present themselves. This has come about after a great deal of consternation over many years about the compensation package. Without getting into the actual merits of the pension and the rate of pay, when one looks at what the bill tries to accomplish, we understand that much of what will be accomplished is the removal of this uncomfortable situation for future parliaments, the removal

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of the unjust ability that members of parliament have currently in the legislation to increase and ameliorate their own rates of pay.

The bill would take future pay raises out of our hands at least directly and tie them into the Judges Act. That is really cold comfort to many Canadians right now who are struggling with difficult economic situations or who are currently engaged in strikes and labour disputes within their own fields. That is really something that does not seem to appease those individuals. Yet I would suggest that it will be for the betterment of parliament that this spectacle of standing up and voting ourselves a raise will be removed.

There are other elements that the bill attempts to address. It attempts to bring rates of pay more in line with professions of equal status or equal value in the country. The increase that is being brought in arguably could be merited and could be justified if it was perhaps going to be brought in over a period of time. That is the 5% or 4% of 6%, whatever the determined amount, would be phased in over a period of time.

Perhaps more appropriately and more palatable would be to increase it in the future, which is what the Progressive Conservative Party tried to do in an amendment that was moved yesterday. It said in effect that this raise would only occur and would only take effect after the commencement of the 38th parliament, after the next election. That would, at the very least, give Canadians the opportunity to know upfront what members of parliament intended to do in terms of voting themselves a raise before they cast their vote. That is what would be accomplished if that were to occur.

Like many members of parliament, I stand here today not proud. There is no joy among many members as we prepare for the vote this evening. We have added to this discomfort this new opt in provision which was not included in the Lumley report.

I suggest that what the Prime Minister intends to do is to further embarrass parliamentarians and essentially send the message that if we dare oppose or dare say anything publicly against the pay schedule, we will be punished because the media will be watching, our constituents will be watching, and if we dare opt in later, we will be labelled hypocrites. We will wear that crown of thorns.

This trap, this hole in ice which has been left for members to fall through if they have the audacity to stand up and oppose what the Prime Minister has put before us has grave implications because as has been mentioned, this is permanent. Of course things can change quite radically around here. It seems the law of the land can be stripped away with legislation. We know that, yet this legislation is laid before us with this gaping hole, this bear trap, ready to clamp down on us if we say anything in opposition.

• (1600)

It is the timing, and perhaps the rate of pay, more than anything else that offends Canadians. I have heard this from my constituents

and from steelworkers in Trenton who are about to be laid off. I have heard it from workers in the health profession who are labouring under extremely difficult situations. I have heard it from factory workers and fishermen whose industry has collapsed right out from under them.

It will take a most telling human toll on members of parliament when the House recesses and we go back to our constituencies, look them in the eye at summer events and justify our own existence. The real debate we will embark on this summer is justifying our own existence and somehow proving that we are worth it to Canadians. We will have to prove to our constituents that they were right in electing us and that this pay is merited and justified, not only the salary we used to receive but the new salary.

Inevitably there is a sense of uncomfortable shame welling up in all of us as we prepare for the vote tonight. At the very least there has been an opportunity for some discourse and that discourse may lead to some backlash, but at least it is open and transparent in the sense we are being forced to justify our decisions.

I will very likely be taking this pay raise. I do not think I should be prevented from standing here and criticizing the timing, the mechanism or the way in which the bill was brought in or be in a position of playing the role of a martyr. That famous word of an unparliamentary nature, hypocrisy, which we cannot utter in this Chamber, is what will rain down on us.

In order to fan the flames of that sentiment, the Prime Minister stuck in a cute little clause that is meant to intimidate. It is meant as hush money for members of the opposition and perhaps members of the backbench more particularly.

The backlash inevitably will come and deservedly so. If we as a parliament collectively cannot get our priorities right, if we cannot somehow in a more appropriate way align the priorities of the country, whether they be legislative priorities or priorities of debate, we deserve the backlash. We deserve the heat and it will come.

There is ample opportunity to bring in legislation in the form of Bill C-15 which would protect children from stalkers on the Internet and would improve the sentencing schedules for police who are victims of attempts by someone to disarm them. Many other very important pieces of legislation on the order paper will languish away. Some may disappear. Some may be dropped from the order paper depending on how things unfold when we return in the fall.

If we are to justify both in the Chamber in front of the cameras and in the foyer why this is happening, we should also be prepared to examine why it is that we are not prepared to stay a little longer if we have to, to sit a little later if we have to, to bring in legislation like Bill C-15. That would perhaps in some small way, in some tiny, minute way, indicate that we are thinking about more important issues than the one that has brought shame on the House in the last days of parliament before the summer recess.

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Members of my party will be voting freely on the bill. No party discipline will rain down on anyone who votes their conscience or the wishes of their constituents. We will be voting freely. Clearly there is an indication that there will be a split among many parties on how to handle it, as there should be. This is something that will, if nothing else, cause some reflection on the worth of our work and the emphasis that we place on certain elements of that work whether it be legislative or constituency work.

• (1605)

After all members of parliament have voted and go home I encourage them to reflect upon the overall picture of what we are trying to accomplish. Maybe we will be able to band together in some small way and make different decisions in the future as to what are the priorities of the House and what the priorities should be.

\* \* \*

**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order. I seek unanimous consent of the House to present a motion. There have been some consultations but given that a copy of this motion is not with every House leader, I would read it and ask them to understand it very quickly.

I seek unanimous consent for the following motion to be adopted without debate:

That at 3 p.m. on Tuesday, June 12, 2001, the member for Markham shall propose, seconded by the Deputy Prime Minister, the member for Medicine Hat, the member for Laurier—Sainte-Marie, the member for Winnipeg—Transcona and the member for Calgary Centre, the motion concerning honorary citizenship for Nelson Mandela, notice of which was given earlier this day, provided that, after speeches of no more than five minutes by the mover and up to two members for each party, the question without amendment thereon shall be put without further debate and any division requested thereon shall be deferred to the conclusion of government orders that day.

**The Deputy Speaker:** Does the hon. Leader of the Government in the House of Commons have unanimous consent of the House to present the motion?

**Some hon. members:** Agreed.

**The Deputy 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)

[Translation]

**PARLIAMENT OF CANADA ACT**

The House resumed consideration of the motion that Bill C-28, an act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act, be read the third time and passed, and of the amendment.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I am pleased to address Bill C-28 at third reading because some things have to be put in perspective so that those who are listening can fully understand the problem this bill pose for parliamentarians, but also the need to behave in a courageous and appropriate manner under the circumstances.

First, it is not a coincidence that we are reviewing this bill now. It is not because we suddenly decided that it would be a good idea to proceed a week or two before the end of the session. Rather, it is because the act provides that after an election an independent committee of experts must be commissioned to review the issue of members' salaries. The committee has six months to do its job and table its report.

A few minutes ago a journalist asked me why we were doing it now and not waiting for the fall. I told him that whenever a report on members' salaries is tabled, the newspapers and media get hold of it and begin writing the most incredible headlines before any member has had an opportunity to express his or her opinion.

This generates confusion among the public and, without a single parliamentarian having said anything on the issue, people begin to think that members of parliament voted themselves a salary increase of  $x$  thousand dollars. We have a perfect example of that today with the Prime Minister's pension.

Being familiar with how pensions are calculated, I know personally that, on retirement—we all know that it will be in two years—the Prime Minister will not have a \$175,000 pension because he would have to have paid premiums for five years on his maximum salary to be entitled to that amount.

I am sure that hundreds and thousands of people are convinced that what they read this morning on the front page of a major newspaper is the truth but it is not.

• (1610)

Each time such a report is tabled, reporters seek out all members of the House to ask their opinion "Do you think it is enough? Do you think it is too much? Will you accept the raise or not? Will you recommend that all members of your party vote the same way or will you have a free vote on this issue?" It is awful. It is always awful for parliamentarians to talk about compensation because it is

truly unfair that we are forced to determine the level of compensation we think we deserve, or at least this is how people see it.

I do not know one person who is listening to us who is not outraged by the fact that I have to vote on my own salary. The people who are watching us are probably thinking “If I were voting my own pay increase, I would get a very nice one”.

That is not how things work. One has to understand that members—although obviously the government will be making the decision—have to vote for or against the implementation of an impartial report prepared by non-members of parliament who know about our duties and have expertise in that field. The commission was made of highly competent people who are above reproach and who have the ability to take a detached look at these issues.

The government has decided to follow up on this report, and I agree. Our party believes that the report validates the pay increases recommended in a report prepared four years ago. For all practical purposes, these two reports are the same, except for the pay increase, due probably to the four year delay.

What it means is that every time serious experts have looked at this issue objectively, they have always come up with almost the same suggestions. I truly believe that our pay level is reasonable. I do not know of anyone in my riding of Roberval who thinks it is not normal for the Prime Minister to earn at least as much as the chief justice of the supreme court.

We are not talking here about the income of the president of a bank like the National Bank, the smallest of our big banks, who earns millions of dollars a year. We are not talking \$2 million here, but a salary of \$200,000 for a man who has infinitely more responsibilities than the president of the National Bank or the Royal Bank. A salary of \$250,000 or \$260,000 for the Prime Minister is barely more than deputy ministers make in certain departments. Do the people of Canada want to see their Prime Minister earning half what a deputy minister does? It makes no sense.

Even if the way the Prime Minister is doing his job does not suit us completely, his salary ought to be comparable to that earned by the heads of major companies. When it comes down to it, does he not have greater responsibilities than anyone else?

The same goes for the ministers as well. No one that I know of in my riding of Roberval does not think ministers need to earn what their deputy ministers earn, or close to it, at least the equivalent of an assistant deputy minister. We should have given them more. Because politicians are always extremely reasonable in applying these principles, we say that we should consider that a minister ought to earn the same as a deputy minister. This is one of the rare areas in which a boss, with no job security, ends up earning a little less than the employee who reports to him. We accept this, so

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MPs' salaries were set accordingly. That is the outcome of the committee's work.

There is one point to which I would like to return. Debate leads to reflection. We have supported the government in all of the bill, essentially. However one clause is of particular concern to me. I met some informed individuals who provided viewpoints on the debate. I think intelligent people sometimes are the only ones to see things from a different angle. I think the provision on opting in that is in the bill, although it may be initially attractive to the troublemakers who would like to play tricks with the bill on salaries, should not be included.

Today, it was in fact pointed out to me—I was impressed by the argument—that I agree with the principle, in a strike vote at a company, that if 70% vote in favour and 30% vote against, they do not say to the 30% “You will return to work because you oppose the strike”. They say “The majority has decided and this system will apply”.

● (1615)

This is sort of the same thing. In an attempt to trick certain individuals, to prevent their rhetoric on the bill, I think the government went a bit too far with this clause.

I do not know whether the government House leader should not follow along on the route I have taken, which is, to think about the question and decide, in the end, that some colleagues can legitimately fight a bill. Either they find the increase excessive or they find the pension fund inappropriate.

They have the right to express their point of view but they should not be personally penalized for that. I consider a member of the House of Commons must be able to do his job without the threat that he will be denied certain benefits, which members deserve, I have no doubt, all and amply. It is a fair salary, as I said earlier.

In this regard, we supported the government, but I would like to encourage it today—there is still time—to think about the opting in clause. This may not be the discovery of the century. I think we would all be much happier to do our job were there no threat, no spirit of revenge in the bill.

This is the only change I would make to the position we have held since the start. We continue to support the bill but we would like to have the “opting in” clause—now before it is too late—taken out and withdrawn. I do not think it is a good idea.

[*English*]

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, on June 27, 1788, the Virginia ratifying convention

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proposed a series of amendments to the draft federal constitution then before that body. It was understood by all participants in the debate over whether to ratify the proposed new constitution of the United States that if Virginia did not sign on, the new constitution would be stillborn.

The Virginia delegates made it clear that their ratification was conditional upon the adoption of the larger portion of the 20 proposed changes to the body of the constitution they had set forth. These amendments dealt with freedom of speech, the independence of the judiciary, freedom of religion, the right to own property, and other key rights.

One of the amendments, which is relevant to today's debate read as follows. It resolved:

That the laws ascertaining the compensation to Senators and Representatives for their services be postponed in their operation, until after the election of Representatives immediately succeeding the passing thereof—

This proposed amendment was the intellectual origin and the genesis of the primary principle underlying my decision to vote against the legislation before us.

The list of proposed amendments was taken to the first session of the United States' congress by one of Virginia's greatest sons, James Madison. From it and similar lists forwarded by the ratifying conventions of the other states, Madison and his colleagues cobbled together a series of 12 amendments which, on September 25, 1789, were duly enacted by a two-thirds majority of each of the two houses of congress and sent to the states for ratification.

At this point the wording had been somewhat altered to read thus:

No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.

Unlike all but one of the other amendments approved that day, the amendment on congressional pay was not immediately adopted by a three-fourths majority of the 13 states. Perhaps this was because legislators in those days were modest in their salary demands and there was no need to place controls on their ability to set their own levels of compensation.

Times change. The willingness of elected representatives to compensate themselves generously grew to the point that by the 1980s a Texas legislative aide, Gregory Watson, felt compelled to take up the cause. He built a cross-country coalition that convinced the legislatures of 32 states to complete the ratification process. With the simultaneous ratification on May 7, 1992, of the Michigan and New Jersey state legislatures, Madison's proposal became the 27th amendment to the United States' constitution.

• (1620)

I have engaged in this long historical digression to make as pointed a contrast as possible between the right way of reforming parliamentary compensation and the mess that presents itself to us today.

Following the 2000 election, a commission, headed by former cabinet minister Ed Lumley, prepared a series of recommendations on MP salaries and compensation. Its report was made public last week. Some of its proposals strike me as excellent, particularly those which would moderate the accrual rate for the MP pension plan and which call for openness in reporting MPs' incomes.

I had not known until last week that my total compensation package under the existing byzantine structure of salary and tax free allowances added up to \$109,000 per year.

Other aspects of the Lumley report, such as the proposal to tie MPs' salaries to those of judges, strikes me as less satisfactory. A linkage to private sector compensation would in my mind have been preferable.

However, the Lumley report is not the problem. It is an impartial public servant's attempt to come to a reasonable solution to the question of MP compensation. What has been distressing beyond all measure has been the government's reaction to the report.

In the past week we have seen the government fiddle with the accrual rate of the MP pension plan. According to Walter Robinson of the National Taxpayers Association, it has done so to goose up the size of payouts by as much as 42%, make the pay retroactive to a point far in advance of the date suggested by Mr. Lumley, and insert an odious and offensive opt out clause to allow it to tar any member who votes against the bill with the spurious charge of hypocrisy.

Each of these actions is an offence but the last one is so bad that I urge every member of the House, regardless of his or her intentions with regard to opting in or opting out, to vote against the entire bill on this basis alone.

The worst part of the government's reaction to the Lumley report has surely been its unseemly haste to ram the legislation through in record time.

So great was the government's haste that time allocation was imposed on the debate in the House. The committee of the whole that met yesterday had only a few hours to discuss the details of the bill. Each of us was permitted to raise questions only once, thereby preventing the kind of two way exchange that might have shed more light on important details of Bill C-28.

So great was the government's haste that its translation of the bill from English to French contained numerous mistakes which had to be corrected by amendments in committee.

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So great was the government's haste that at committee stage it failed to group consequential amendments to the bill as is the normal practice.

Finally, the government's haste was so great that many members, myself included, were unable to flip through our sheaves of proposed amendments before the votes had been commenced on them. We therefore voted in complete ignorance or had to abstain from voting so as not to vote inappropriately.

All of this does the government a great discredit.

I will say for the record that there are many members in the House who deserve the increase on which we will be voting this afternoon. There are some for whom the services to their country that they are providing here, that they have provided here and that in many cases they will continue to provide here, far outweigh any level of compensation they will see.

For that reason I would never condemn a fellow member regardless of how he or she chooses to vote, whether he or she chooses to opt into the pension plan, the pay raise or the whole package, but I cannot and will not set aside any kind word for the process by which the raise is being rammed through. It is wrong and I will be voting against it.

I urge every fellow member of the House to do the same, regardless of party affiliation and regardless of his or her intentions with respect to the pay raise.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, some other members have said that they are sorry to have to rise on the bill. I am happy to do so because I believe I can stand here and represent the sentiment of those who have e-mailed and phoned me about the issue. Their perception of what is going on here is that it is wrong and that we ought to reject it.

I will say at the outset that I do not at all like what the Prime Minister is doing in promoting the bill, a bill which, among other things, would give him a hefty salary increase and a pension increase. That of course is true for everyone here because an increased salary does, over time, increase the pension.

• (1625)

I would draw to your attention Standing Order 23(1). It states:

The offer of any money or other advantage to any Member of this House, for the promoting of any matter whatsoever depending or to be transacted in Parliament, is a high crime and misdemeanour, and tends to the subversion of the Constitution.

That is in our standing orders.

I know we cannot raise it in the House as a charge because the bill is not a secret handing of money, but it is an offer of financial advantage without criticism to members who vote for it.

As far as I am concerned, the Prime Minister used the opt in clause—and it was he who put it in, not the commission—for the sole purpose of getting people to vote the way he wanted them to. That is very evident. He practically said it.

Other Liberal members have said the same thing; that anyone who votes against the legislation and then takes it is a hypocrite. In other words, the Prime Minister is setting up members who, in representing their constituents, vote against the bill. I will be voting against it. He is setting us up as special targets.

You know the terms in hockey. It is a cheap shot, it really is. If it is defensible the Prime Minister does not need to do it. If it is not defensible he should not be doing it. He is saying to anyone who votes against his wonderful bill that they will be special targets.

What annoys me is that every one of the Liberals on that side will be getting the raise. Yes, they will proudly stand and vote for it and will proudly opt in. All the while, the scrutiny of the media and of the public will be directed at those of us who voted against it instead of the guys who are putting it in.

It is a clever strategy on the part of the Liberals. They are not in power year after year, decade after decade, because they are good managers of our economy or our finances. We know that from history. They are not in power because they represent the people who pay the taxes which pay their salaries and pensions. They are in power over and over again because they know how to turn the heat on someone else who does not deserve it.

I am calling their bluff. I am voting against the bill. I do not care what the Prime Minister says. He can try to intimidate me if he wants. I do not care what the media say. I am standing up for what is right. I am voting against the bill because there are a number of offensive aspects to it.

I do not have time to talk about the hasty process. I was going to say a few things about it but my colleague has done that. Suffice to say I am annoyed that the government chose to put the bill through in a three day time line. It introduced the bill in the House on Monday. We had second reading on Tuesday, which was confined to two hours, and report stage on Wednesday, which was also confined to two hours less a delay because of another process that went on in the House. It extended the debate to two hours again today, or maybe two hours and two minutes or whatever.

During report stage I had a very important amendment. I did not even get a chance to explain it to the members opposite at report stage in committee of the whole. We had 36 to 40 clauses in the bill. In report stage we got to clause 3, then the time was up and we voted on everything. My amendment was in clause 4. We did not get to it.

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I am trying to represent the members of the public who pay the bills and I did not even get to put in my amendment and tell members why they should vote for it. They would probably not have done so anyway, but as a parliamentarian I should at least have the right to put forward ideas. That is why I was elected. That is the only reason I can justify receiving any pay in this place at all.

• (1630)

The Prime Minister, wanting to increase the esteem in which his members are held, thinks that can be achieved by giving them more money. No, that can be achieved by allowing us to do our jobs as parliamentarians.

The bill is yet another example of where we are being inhibited from doing our jobs by government members in a hurry to jam through the legislation to give themselves a raise. It is despicable.

I want to talk about my amendment because it is a good one and it is one of the reasons I am voting against the bill. My amendment was not even really considered. In fact I think we should have a new criterion whereby every Liberal who voted against my amendment would be eligible for a pay raise if any Liberal member could stand right now and tell me what my amendment was. Not one of them even knew what it was. I am sure of it. They had little cheat sheets from their whip that said to vote against my amendment, that it was no good.

However it was good and they should have voted for it. The amendment would have eliminated that part of the bill which provides for extra pay for members of committees who serve as chairmen and vice-chairmen. Why am I opposed to that? It is really very simple. I believe that committee work is part and parcel of our jobs as parliamentarians. When I was in the education industry I did a whole lot more than just stand in front of a class. I did a lot of things on my own time for and with my students. I did not get paid every time I lifted my finger for some extra thing that I was expected to do anyway, and there were some things I was not expected to do. When I taught high school I ran a chess club with the kids. I did not get paid for it and I would not have taken it if it had been offered.

My amendment would have taken away that clause so that committee chairmen and vice-chairmen would not have received extra pay. I admit that the chairman of each committee has a little extra work. Occasionally the chairman has to stand in front of the media and do interviews, but that is what the job is. If one is elected to be the chairman of a committee, one is expected to know what is going on in that committee, just like all of us who are members of a committee. When someone sticks a microphone in our faces and asks questions about what we are discussing in committee, any one of us could answer but usually it falls to the chairman, so we could give the chairman \$10 an interview. I would go for that.

What is the government proposing? The government is proposing to give a member \$9,000 a year to be the chairman of a committee. The chairman has a staff of at least two people, usually closer to four, who do a lot of the work. The chairman is a figurehead and the bill would give him or her \$9,000 a year out of taxpayer money. I am opposed to that.

We should also consider the fact that the government wants to give \$5,000 a year to vice-chairmen. I find this really offensive. I am one of the members of the finance committee. I think it is fair to say that I attend more finance committee meetings than most of the other members.

A couple of weeks ago we were delayed in our committee for about 10 or 15 minutes, with witnesses waiting. Why? Because the chairman was not there, the first vice-chairman was not there and the second vice-chairman was not there. I told the clerk that I was ready to chair the meeting but she said it had to be one of the elected people. They are elected by some process—and I wish I could have 40 minutes more to speak—that is nothing but an appointment by the Prime Minister.

The bill would give the vice-chairmen \$5,000 a year. I would venture to say that the Conservative vice-chairman of our committee has been there about 50% of the time. I think that the Liberal vice-chairman has only been at 2 meetings out of 30 all year. Give them extra pay? No way. Yet my amendment did not get any consideration.

Mr. Speaker, you do not know how I regret that my time is up but I know there are others wishing to speak and I need to sit down.

• (1635)

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, thank you for giving me the chance to speak briefly on the bill. My colleagues on the opposition side have been talking about the whole notion of the amount of the pay as well as when it might kick in and about whether or not we should be paying a chair or vice-chair of a committee for the work they do aside from their responsibilities as members of parliament.

Frankly, what is lost in this whole debate is the fact that from here on in politicians would not really have the opportunity to set their salaries. It would be done independently. All of this decision making would be taken completely out of the process.

As a result, there would be a system in place that would look at the checks and balances, that would look at the cost of living. We would follow a formula that is not any different from what exists in the marketplace, what exists in government. This is one thing that my colleagues on the opposition side seem to have missed.

The second thing that has been missed in this debate is that for the first time in a long time the amount of the pension that a member of parliament can accumulate over the years of serving in the House of Commons would be reduced. It used to be 5%. It was reduced a couple of parliaments ago to 4%. Now it has gone further



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down, to 3%. I am sure that if we were to look at the House now there would be five or six members of parliament who would qualify. There would be a new system and a new regime for full pension in the House of Commons. Under the new system it would take 25 years for a member of parliament to be eligible for full pension.

We can cry and shout and jump and dance all we want, but at the end of the day members of parliament do not have the job flexibility of deciding how long they can serve. A member of parliament can be tossed out after four years. As a result, that member of parliament would not be eligible for his or her pension or any part of it. A member of parliament could serve for two or three terms and the percentage of what they receive would not be more than 10% of the \$131,000 that is now being proposed before the House of Commons.

In addition to this, something else was missed in this whole debate. In regard to the eligibility of a member of parliament for receiving his or her pension, the age has changed. A lot of people used to say before this that it was a known fact that someone could come into the House of Commons at the age of 24 or 25, serve two terms, quit at 31, collect a pension and move on. That has changed. Under the new regime, not only would a member need to have served for 25 years in the House of Commons as a member elected for seven or eight different parliaments, but the member would also have to be 55. In other words there is no hope for any member of parliament who is under the age of 55 to collect a pension. That also was missed from the debate.

**Mr. Ken Epp:** It is not in this bill.

**Mr. Mac Harb:** Yes, it is in the bill. My colleague is saying it is not in the bill. It has been in the bill and that part of the legislation has not changed. That part of the legislation is still the same as when it was amended back in 1994-95. A member of parliament cannot collect a pension until that member reaches the age of 55.

Now the question to ask my colleagues on the opposition side is whether or not they think it is fair for a member of the House to serve for 15 years, for example, and not be able to collect 40% of his or her pension if that member is 55 or 56 years of age. I am sure they would agree that is a fair thing to do.

Also, the component of this debate that has been missing is the whole tax free element for members of parliament. This whole notion has been eliminated altogether. Therefore, finally, members of parliament would be taxed like other members of the community. We would pay taxes based on the total amount we earn as a Speaker or as a member of the opposition or a member of the government. We would have the transparency that our constituents, the taxpayers, want us to provide them with. We would say this is how much we earn and this is the amount of tax we pay.

• (1640)

That leaves me with one issue. That is the issue of the amount. Frankly, I think of my colleagues, especially the ones who come from the west or those who come from far east, who travel in some cases for 14 hours and languish at airports collecting dust for three or four hours. If they miss a plane, they might end up waiting there for an extra six or seven hours and miss all of their constituency meetings, or if they have a family engagement, that will go down the tube. I want any one of them to stand up and tell me whether or not it is fair to say that we should have a compensation package that is fair and equitable in order to allow that member of parliament to be compensated fairly. What is fair?

I want to agree with my colleague who spoke a little earlier. Yes, there are members of parliament who work their hearts out, day in and day out, who attend every single committee meeting, who speak on issues, who participate in communities, who work very hard and put in 70 to 75 hours per week. There are others who probably do not work more than five or six or ten or twelve hours a week. In an ideal world, one might wonder whether those two groups should be receiving the same amount of pay. I do not know. At the end of the day their constituents will decide whether or not they want to re-elect a member of parliament who is not working on their behalf in the House of Commons.

I think it would be highly unfair for the government to propose legislation whereby there would be four or five different classes of members of parliament, where those who put in 80 hours would receive \$131,000 and those who work 20 hours would receive less and so on. We cannot do that. The issue here is not whether one member of parliament is working as hard as another one. Frankly, some of our colleagues probably do not deserve a raise, do not deserve to be paid at all and do not even deserve to be in the House of Commons, period. However, who are we to pass that judgment in a democracy when at the end of the day it is the people who decide who their elected representative is?

I would say in all fairness that what the government has proposed before the House of Commons is a fair and equitable package. There have been a number of commissions that on a regular basis have proposed to the House of Commons a package that would reform the system.

There is a gentleman who was once on the opposition side. His name is Jim Silye. You probably recall him, Mr. Speaker. He is now in Alberta. I think he was the whip of the Reform Party. He said at the time he was here that if the government were to bring in a package that would eliminate the tax free allowance and would propose \$140,000 or \$150,000 his party would support it.

**Mr. Robert Bertrand:** It was \$150,000.

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**Mr. Mac Harb:** Mr. Speaker, it was \$150,000, my colleague has stated. He said he would support it.

The government has proposed a package of \$131,000 absolutely taxable, whereby it has removed this whole notion of the tax free allowance, has removed the notion of members of parliament voting on their own salaries, has changed the pension from 4% to 3% and has maintained 55 years in terms of the ability of a member of parliament to receive his or her compensation. To that extent, this is a fair package. I call on my colleagues to put all partisanship aside and support the legislation so it can go through.

**The Deputy Speaker:** 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 St. John's West, National Defence; the hon. member for Dauphin—Swan River, Immigration.

**Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance):** Mr. Speaker, there are four points to this bill. In the course of debate a couple of others have been brought in.

I would like to deal with those others first, one of those being the opt in clause. In my opinion the opt in clause is really not part of the bill. It has nothing to do with the legislation, the salary, the pension, the transparency or anything else. It is nothing more than the pure gamesmanship that is displayed in the House from time to time, not only by the government but by many people in the House. It should basically be discarded as if it were not there. The second thing I have a problem with is not the legislation itself, but rather the speed with which the legislation was brought in.

• (1645)

I have difficulty with one the four parts of the bill that deals with pensions. I have been fighting for years for pension reform. I attempted to bring in a private member's bill for genuine consideration by all members. I also attempted to bring in an amendment, but because of the short timeline and its complexity it was impossible to put into an acceptable form. Consequently my amendment, as drafted with the help of legislative counsel, was ruled out of order. Even if it had been in order, because of the speed the bill went through committee of the whole consideration we would not have reached my amendment in any case.

The bill has four distinctive parts and that is what we need to look at. The first one deals with transparency, the elimination of the non-taxable portion of an MP's pay. That is something we have been fighting for years.

After the 1997 election the government virtually ignored the recommendations of the Blais commission. It is nice to see this

time, with a couple of exceptions or modifications, it is following what the report said. It would have been better had it done that in 1997.

The bill is to eliminate the non-taxable amount and gross it up so that we would end up with what is supposed to be the same pay. I will get to that point in a moment because it is not.

It also provides outside linkage for increases in the future so that MPs never again get into what is tantamount to a conflict of interest in trying to deal with their own remuneration, pensions and other benefits inside the House. It takes it out of our hands and hopefully it will remain out of our hands.

We could argue all day on what it should have been linked to, whether it should have been linked to judges as it was or whether it should have been linked to the federal service at large. That is an amendment I certainly would have supported. At least it was not linked to something that has no relevance to the House whatsoever, such as airline pilots, doctors or something of that nature, because it happened to suit somebody's notion of how to get a raise.

Then we get to the raise itself. Here is an area where no one was doing their homework. According to the *Debates* and the newspapers we are talking about a 20% increase. That is based on the assumption that \$109,500 is the direct grossed up equivalent of what we were getting before the bill comes into effect. That is not the case.

I do not know who came up with that figure or how they arrived at it, but it does not take a whole lot of homework to check it out. I phoned a tax accountant in my province of British Columbia who went through the tax tables and worked it out. The balanced amount is not \$109,500 but \$115,100. That means that the raise is not 20% but about 14%.

It will vary a little bit from province to province. The raise is a bit more in Alberta, a bit less in Saskatchewan, and in Quebec taxes are higher still so the raise is even less than 14%.

During the parts of the debate that I heard no one seemed to raise a fact that appeared in one of the papers I was reading today which said that we have had a 2% raise every year for the past many years. The truth of the matter is that over the past 10 years we have had an aggregate total of a 6% increase, which is far behind any other sector including the public sector.

I do not believe personally that the pay raise is out line. Backdating it to January is a little inflammatory, kind of like when the postal strike was settled by legislating a settlement that was less than the employer had offered. It was one of those unnecessary movements on the part of the government that only caused to inflame feelings unnecessarily.

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• (1650)

That brings me to the fourth and the only part of the bill to which I object dealing with the pension. The pension amount would simply go up because the pay goes up. The intent of the recommendations made by the commission was that it should go up exactly in line with the amount we were already getting. Other than the raise there would be no gain or no loss. Keeping it at 3% gives us a tremendous gain.

The amendment I wished to put forward and my private member's bill presently before the House at first reading say that after getting rid of the non-taxable grossing up, as the bill has done, the pension of members of Parliament should be eliminated in its entirety. Instead all members should be placed in the federal public superannuation program, the same as all other public servants.

That would provide a lot of benefits for MPs without it being a cost factor to Canadians. It would allow newly elected MPs who previously worked in government at either the federal, provincial or municipal level, crown corporations, the RCMP, the military and many private corporations that have transfer agreements with the federal program, to transfer their pension and carry on. It would also allow members who left this place and then worked for one of those areas to take their pension with them.

When we leave this place our pension is on hold until we turn 55. If someone ends up out of service in their early forties their pension is based on their salary. By the time they reach 55, it is possibly based on a salary from as much as 15 years before. It is better to carry the pension with them.

I do not know what I will do when it comes time to vote on the bill tonight because part of our policy and our principles is that MPs should not be voting on their pay. Notwithstanding the fact that the party's policy states that, I have a greater problem with the fact that voting on this bill places my colleagues and I in a clear conflict of interest.

I voted for the bill at second reading because I wanted to get it to committee of the whole stage where it could be amended. It has gone through that stage without any amendment. I did not vote on it at committee of the whole stage. I may very well not vote on it intentionally when it comes up for a vote tonight.

I say for the record so there is no misunderstanding that I do not intend to opt out of the pay. I earn what I earn in this place and I work as hard as other members. Any member who takes an arbitrary stand to turn it down is being foolish. He or she would be trying to make a point that I guarantee will be lost on the public.

Bill C-28 is a controversial bill. At least we will be able to put it to rest. Hopefully we are now balanced and never again will this type of legislation come to the House.

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, I would love to say it is a pleasure to rise today to address the bill, but it is not a pleasure because it is a very difficult issue for MPs.

I rise today to speak to Bill C-28, an act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act. I want to address the general issue of the worth and value of MPs. I recognize that this issue is a controversial one. It is truly a political hot potato. That is why I want to address it as reasonably and as sensitively as I can.

I thank the commissioners for their report. I think they did a good job. They held as many hearings as possible with Canadians. They tried to make their report as fair as possible. I thank Ed Lumley, Jake Epp and Huguette Labelle for their service and for their good recommendations.

The first good recommendation they made was to make our salary completely transparent by rolling the tax free expense allowance into a salary and thus calling it what it is. Basically it has become a de facto salary over time. It also makes MPs and lawmakers subject to the same tax laws as Canadians, a fundamental principle that should be followed in every democracy.

They recommended that the pension contribution rates be lowered to 2.5%. This was a step in the right direction because it would move us closer to private sector standards. They also recommended a 20% pay raise, obviously the most controversial issue in the House.

• (1655)

This raises the question of what MPs are worth. I welcome this discussion as should all members in the House. However the question is very difficult because of the uniqueness of our role. What is an MP worth? Should we in the House be deciding what we are worth?

I will be the first to recognize that MPs from all parties do work hard and deserve fair compensation. Many who serve on committees do their homework. They come prepared and they do background research. They also serve their constituents well and are motivated by genuine interest. However that is not the point because many Canadians work hard. Many Canadians can point to putting in long hours, spending time away from their families, et cetera.

It is the responsibility of the position that basically determines what an MP is worth and the salary should be based on this. It should not be MPs in this House who determine what their salaries should be.

The other aspect is the opt in provision, which was not included in the report but which is included in the bill. This to me is not good public policy and not good lawmaking. It puts lawmakers in

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such a box that people who disagree with the process cannot stand up and voice their concern and displeasure with the process. They are forced to make a choice as to whether they want to opt in or not. We are boxed in. It separates us into two categories and that is just not fair.

We all vote on bills in this House that we disagree with, for example, the gun registry bill and tax cuts, but the fact is that when the majority votes yea, both in this House and in the other chamber, the bill becomes law and we are all subject to the same law. That is the way bills should be made and passed.

My real worry with the bill is the perception by Canadians of politicians and the institutions. It is fair to say, and this is truly sad, that Canadians as a whole, certainly since the 1950s, have had a declining respect for politicians and parliamentary institutions. I am not gladdened by this at all. We should all be sad and think about what we can do to change this.

What can we do to change that? We should not implement a process such as this to implement pay increases for ourselves. My main concern with this whole issue is the process. We took a report that was tabled just recently, introduced a bill shortly thereafter, debated the bill for less than three days and will soon be voting on it and passing it into law. Most Canadians must be wondering how we can possibly do this.

In my view, even with respect to our party policy, why not let the report come out in the spring, let the commissioners go across the country during the summer to explain what MPs do and the value of their work, introduce a bill in normal time in the fall, have a full House debate on that bill and then implement it if it is fair? That seems to me to be the more reasonable and rational way to do this, not to pass it just before the summer recess.

The optics of this are terrible. Most Canadians are upset about the fact that we are voting on our own pay raise just before the summer recess. We are adjourning after a very controversial period because of a lot of statements made by certain MPs from all sides of the House. I am not trying to highlight that because it is unfortunate. It is unfortunate that we are constantly highlighting MPs who make an offhand remark or an off colour remark. We do not recognize the value of MPs from all parties who do work hard. We should have used the opportunity to highlight those things but we did not.

One other aspect that I am really displeased with is the fact that the bill took the commission's report and changed it.

I recently met the former premier of Alberta, Peter Lougheed. I asked him how he dealt with this issue in Alberta. He said that he had set up a commission telling the people beforehand that whatever they recommended would be implemented, that the lawmakers would not have a chance to amend it, and that it would simply be implemented as is.

Bill C-28 would change the accrual rate for pensions from 2.5% to 3%. It would change the retroactive pay from April 1 to January 1. It would implement a 20% pay raise and has an opt in provision that was not in the report at all, which to me is the true travesty of the bill.

How do we deal with MP salaries? How should we deal with them?

● (1700)

First, similar to what former Premier Lougheed recommended to me, we should do what the Canadian Alliance suggests which is parliamentary compensation should be recommended by an independent commission according to private sector standards. Second, the decision of parliament would be implemented after a subsequent election. That would take the conflict of interest completely out of the issue and mean that I, as a parliamentarian, would not have to sit here and wonder whether I could stand up and vote against the bill or whether I could opt in or not opt in, and go through these decisions.

I knew before I ran what the compensation for an MP would be. Why should I be voting on a pay raise six months after being elected for the first time?

We should really link the whole issue to trying to raise the esteem of parliament and parliamentarians in the minds of Canadians. We could have used this as an opportunity to do so, but sadly I do not think we have. I know when I go back, I am going to see more disappointment on the faces of Canadians. It will not increase the esteem of Canadians for their parliamentary institutions and that is a true tragedy of the bill.

The last thing I want to recommend, in terms of any pay raises for ourselves, is that we should always tie it to recognizing our worth as MPs, but moreover tie it to reforming parliament itself so that we truly empower MPs and send a signal to Canadians that their MPs are working very much on their behalf, before any pay increases are implemented.

[*Translation*]

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, I thought it a good idea to speak today on a topic that is receiving a lot of press and on which all Canadians, almost without exception, have an opinion.

I will begin by making it clear that I intend to support this bill. I supported it at second reading and it is my firm intention to support it at third reading a bit later on today.

At the appropriate time, when there are forms to fill in, I intend to opt in to the new pay plan set out in Bill C-28. I want this to be perfectly clear.

*Government Orders*

I wish to point out that some 30 people have contacted me by telephone or in writing at my office this week. A few of them were clearly in favour of the bill but most were against it. Among the latter, reaction was divided.

Almost half of those against it oppose it for procedural reasons such as retroactivity or application. They would like to see it apply to the 38th parliament, not the 37th. They are also unhappy at how quickly Bill C-28 is being passed or how soon the increase will take effect. Some of them would like it to be phased in over two, three or even four years. The rest are simply against it.

Very few mentioned the opting in clause. This clause has led to another kind of discussion in the debate. Yesterday we learned that this clause would be permanent. I hope that, indeed, during the 38th parliament, if members get re-elected who had chosen not to adhere to the plan, this situation can be corrected to make things fair. I am also taking a stand on this issue.

I would like to elaborate on the arguments that we heard in support of the bill. We heard several. Comparisons were made with the business world, among others.

Two weeks ago, the *Ottawa Business Journal* had two full pages listing the salaries of the heads of public corporations in the region. Their salaries ranged from \$100,000 to \$300,000. Some people earn several millions per year. I do not think it is appropriate to make this comparison.

The shareholders of a publicly traded company make a choice. They choose to join in and to buy shares, to become shareholders. By contrast, taxpayers, who will pay our salaries, do not make a choice. It is something that is imposed on them.

Our salaries were also compared to those of athletes. It was even said that the Prime Minister is paid less than the minimum wages paid in the National Hockey League. We were told that the average salary in several professional leagues is one million dollars.

• (1705)

I do not think the comparison is appropriate because the salaries paid to these players are generated through revenues that the public is not required to contribute to.

Some also mentioned unions. In yesterday evening's news on the CBC, Mr. Lumley said that there are 200 union leaders in Ontario who are paid over \$100,000. Again, this is not a perfectly appropriate comparison, but it is somewhat more, because the Rand formula requires all members of a union to pay union dues, but it is not a good example.

Then arguments such as "We work impossible hours" were used. It is true our hours are long. A typical day for a member may be 12 or 14 hours, easily, five, six and sometimes seven days a

week. However, with all the respect due my colleagues, I do not believe this justifies what Bill C-28 is proposing. My father-in-law was a taxi driver and he worked 12 hours a day regularly. He worked as long as I do, so this is not an issue of hours of work. I have a bit of a hard time with this argument.

I would like people to not take the issue of hours of work into account because in my opinion it is not a good reason for voting in favour of the bill, even though we do work long hours. We all wanted this job, so we must not complain.

Others cite pressure. It is true that there is pressure. Often we are bombarded with requests of all sorts: requests for help or ways to find funding for a given project. This sort of pressure is perhaps unique, but in our society others who are policemen, nurses, teachers or air traffic controllers are also subject to pressure unique to them but real nevertheless. Once again this argument does not hold as justification for supporting this bill.

[English]

Where I am coming from instead is what we do as legislators. The three branches of government, the judicial, the executive and the legislative, are what I believe we should be using as a comparison basis. It seems quite clear that over the last 30 years we have systematically undervalued the role of the legislator in our society and in the Government of Canada.

I believe that if one were to stop and think about that, we would see not only rationale but some encouragement to do what is being asked of us to do by voting for Bill C-28, which is to establish a basis of equilibrium between the judiciary, the legislative and the executive. Not to do that is to undermine the importance of the legislators of this House and of the other House in the life of our country and how we govern ourselves.

Some numbers have been given that show in the sixties the role of the MP was valued slightly more than judges. However over the last 35 years it has been the opposite, and the role of the MP vis-à-vis a comparison to the judicial side has been much less. It has been the same with the executive. We heard numbers that show what the top executives are paid. I am talking about a public executive, not someone in the private sector, whether judicial, legislative or executive who is funded by the same taxpayer. That range is to \$375,000.

If we look at what the legislators were valued at, then we see a huge discrepancy. I think that is the genesis of some of the discredit that seems to be attributed to members of parliament, legislators and senators. It behooves us to turn that around because the legislative function in a government is essential. It is a basis of democracy. We have the role of legislators, and we also have the surveillance role.

*Government Orders*

[Translation]

The importance of the legislative and monitoring roles of this House and its members cannot be neglected. We have officers of the House, such as the Auditor General of Canada, the Commissioner of Official Languages, the Information Commissioner and the Privacy Commissioner, who report to the House. Everything turns upon the House and the legislative process, which naturally are responsible for setting the policies of the nation, the country, through the process of drafting and passing bills, but also through monitoring.

● (1710)

I believe it was vital for a start to be made at striking a balance between the value assigned to the judiciary, the legislative and the executive branches. There is nothing personal involved here. The voters will decide who is sent here or not in each riding.

I believe that we, as parliamentarians, have a responsibility to attribute to the legislative branch a value comparable to that attributed to the judiciary and the executive branch. The legislative function of this chamber, and the other, is essential to the process of government, the democracy of this country. It would be regrettable if this trend were allowed to continue.

We have the opportunity to reverse it by supporting this bill. I would invite all my colleagues to do so, so that we may recognize and enhance the value and importance of the legislative process and those involved in that process.

[English]

**Mr. Ken Epp:** Mr. Speaker, I rise on a point of order. Sometimes we say things when we do not have all the facts, and I need to make an apology. I stated in my speech that the vice-chair of the finance committee was only there half of the time. He corrected me by saying he was there 80% of the time, and I need to apologize because it was false information.

I also made mention of the vice-chairman not being at a meeting. I was not aware that he is facing a difficult family situation, and I apologize to him for that as well.

**The Deputy Speaker:** I thank the hon. member for his intervention and understanding but it is not a point of order.

\* \* \*

**MESSAGE FROM THE SENATE**

**The Deputy Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain bills, to which the concurrence of the House is desired.

**PARLIAMENT OF CANADA ACT**

The House resumed consideration of the motion that Bill C-28, an act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act, be read the third time and passed, and of the amendment.

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance):** Mr. Speaker, I rise in opposition to the bill and I will give my reasons for it.

The reasons are simple. There really is no need to make the bill retroactive to January 1. It could have been made effective either at the date of royal assent of the bill or, as we had recommended, the day after the next election, which would have then prevented MPs from giving their own raise. That was most appropriate.

I also reject the bill on the basis that the 20% is excessive, given that all the other contracts that are being settled in the nation today are much less than that. If we look at the small pittance that seniors are given in the country, one could hardly justify giving 301 members of the House of Commons 20%, when seniors usually get less than 1% per annum.

I also take exception to the pension plan that was recommended by the commission to be 2.5%. Somehow when it got into the hands of the members on the other side it became 3%. Thus the annual amount that individuals will get ultimately is more than what they would get today given the increase in the pension amounts. That is against the recommendation of the commission.

I have been a labour negotiator for a number of years. I have negotiated labour contracts with various unions around the country and I have never seen a labour agreement that said people had to opt in and if they did not they would never get a raise again. Imagine if I sat at the table with the British Columbia Teachers' Federation or the United Brotherhood of Carpenters and Joiners of America or the teamsters, which I have, and said something like that? Imagine what I would be dealing with? That is the most preposterous position for anyone to take.

The government has a fiduciary responsibility as an employer. Because it is the majority government in the House, it becomes the de facto employer when it is dealing with pay and benefits. No employer in the democratic world would say that if people did not opt in the employer would establish two pension plans, two payroll systems and inequity between people undertaking the same identical jobs. It is unheard of in a democratic society. It is unheard of at a negotiating table.

● (1715)

I reject this. The trouble is that we are going to be made hypocrites over it if we do reject it and we end up signing into it because we would never ever get an increase again. The govern-

ment wants to tell the public that people who do that are hypocrites, which is another sign that the government in its fiduciary management responsibility with pay and benefits has no integrity whatsoever.

**The Deputy Speaker:** It being 5.15 p.m., pursuant to order made on Monday, June 4, it is my duty to interrupt the proceedings to put forthwith every question necessary to dispose of third reading stage of the bill now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the amendment will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1745)

[Translation]

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

(Division No. 128)

**YEAS**

Members

Anders	Bachand (Richmond—Arthabaska)
Bailey	Benoit
Breitkreuz	Brisson
Burton	Cadman
Casey	Chatters
Clark	Day
Doyle	Epp
Fitzpatrick	Forseth
Gallant	Goldring
Gouk	Grey (Edmonton North)
Harris	Hearn
Herron	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Jaffer	Johnston
Keddy (South Shore)	Kenney (Calgary Southeast)
Lunney (Nanaimo—Alberni)	MacKay (Pictou—Antigonish—Guysborough)

Mark  
Merrifield  
Moore  
Pallister  
Peschisolido  
Reid (Lanark—Carleton)  
Ritz  
Solberg  
Spencer  
Thompson (New Brunswick Southwest)  
Vellacott  
White (Langley—Abbotsford)  
Williams

*Government Orders*

Mayfield  
Mills (Red Deer)  
Obhrai  
Penson  
Rajotte  
Reynolds  
Skelton  
Sorenson  
Stinson  
Toews  
Wayne  
White (North Vancouver)  
Yelich —58

**NAYS**

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bagnell
Baker	Bakopanos
Barnes	Beaumier
Bélaïr	Bélanger
Bellehumeur	Bellemare
Bennett	Bergeron
Bertrand	Bevilacqua
Bigras	Binet
Blaikie	Blondin-Andrew
Bonin	Boudria
Bourgeois	Bradshaw
Brien	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Cardin
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Coderre
Collenette	Comartin
Comuzzi	Copps
Cotler	Crête
Cullen	Cummins
Cuzner	Dalphond-Guiral
Davies	Desjarlais
Desrochers	DeVillers
Dhaliwal	Dion
Dromisky	Drouin
Dubé	Duceppe
Duhamel	Duncan
Duplain	Easter
Eyking	Farrah
Finlay	Fontana
Fournier	Fry
Gagnon (Champlain)	Gagnon (Québec)
Galloway	Gauthier
Girard-Bujold	Godfrey
Godin	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Guay	Guimond
Harb	Harvard
Harvey	Hubbard
Ianno	Jackson
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laframboise
Laliberte	Lalonde
Lancôt	Lastewka
Lavigne	LeBlanc
Lee	Leung
Lill	Lincoln
Longfield	Loubier
MacAulay	Macklin
Mahoney	Malhi
Maloney	Manley
Marceau	Marcil

*Government Orders*

Marleau	Martin (LaSalle—Émard)
Martin (Winnipeg Centre)	Matthews
McCallum	McCormick
McDonough	McGuire
McKay (Scarborough East)	McLellan
McTeague	Ménard
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Normand
Nystrom	O'Reilly
Owen	Pagtakhan
Paquette	Paradis
Parrish	Patry
Peric	Perron
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Chatham—Kent Essex)	Pillitteri
Plamondon	Pratt
Price	Proctor
Proulx	Provenzano
Redman	Reed (Halton)
Regan	Richardson
Robillard	Robinson
Rocheleau	Rock
Saada	Scherrer
Scott	Sgro
Shepherd	Speller
St. Denis	St-Hilaire
St-Jacques	St-Julien
Steckle	Stewart
Stoffer	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Tremblay (Rimouski-Neigette-et-la Mitis)	Ur
Valeri	Wappel
Wasylycia-Leis	Whelan
Wilfert	Wood—206

## PAIRED MEMBERS

Gagliano	Roy
Sauvageau	Savoy
Tobin	Venne

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

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

• (1755)

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

(Division No. 129)

## YEAS

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bagnell	Baker
Bakopanos	Barnes
Beaumier	Bélair
Bélanger	Bellehumeur
Bellemare	Bennett
Bergeron	Bertrand
Bevilacqua	Bigras
Binet	Blondin-Andrew
Bonin	Boudria
Bourgeois	Bradshaw
Brien	Brown
Bryden	Bulte
Burton	Byrne
Caccia	Calder
Cannis	Caplan
Cardin	Carrroll
Casey	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chatters	Chrétien
Coderre	Collenette
Comuzzi	Copps
Cotler	Crête
Cullen	Cummins
Cuzner	Dalphond-Guiral
Desrochers	DeVillers
Dhaliwal	Dion
Doyle	Dromisky
Drouin	Dubé
Duceppe	Duhamel
Duplain	Easter
Eyking	Farrah
Finlay	Fontana
Forsyth	Fournier
Fry	Gagnon (Champlain)
Gagnon (Québec)	Gallant
Galloway	Gauthier
Girard-Bujold	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Guay
Guimond	Harb
Harvard	Harvey
Hilstrom	Hubbard
Ianno	Jackson
Jennings	Johnston
Jordan	Karetak-Lindell
Karygiannis	Keddy (South Shore)
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laframboise
Laliberte	Lalonde
Lanctôt	Lastewka
Lavigne	LeBlanc
Lee	Leung
Lincoln	Longfield
Loubier	MacAulay
Macklin	Mahoney
Malhi	Maloney
Manley	Marceau
Marcil	Mark
Marleau	Martin (LaSalle—Émard)
Matthews	Mayfield
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	McTeague
Ménard	Mills (Red Deer)



*Government Orders*

Mills (Toronto—Danforth)  
 Mitchell  
 Myers  
 Neville  
 O'Reilly  
 Owen  
 Paquette  
 Parrish  
 Peric  
 Peschisolido  
 Pettigrew  
 Picard (Drummond)  
 Pillitteri  
 Pratt  
 Proulx  
 Redman  
 Regan  
 Robillard  
 Rock  
 Scherrer  
 Sgro  
 Speller  
 St-Hilaire  
 St-Julien  
 Stewart  
 Telegdi  
 Thibeault (Saint-Lambert)  
 Tirabassi  
 Torsney  
 Ur  
 Wappel  
 Whelan  
 Willfert  
 Wood—211

Minna  
 Murphy  
 Nault  
 Normand  
 Obhrai  
 Pagtakhan  
 Paradis  
 Patry  
 Perron  
 Peterson  
 Phinney  
 Pickard (Chatham—Kent Essex)  
 Plamondon  
 Price  
 Provenzano  
 Reed (Halton)  
 Richardson  
 Rocheleau  
 Saada  
 Scott  
 Shepherd  
 St. Denis  
 St-Jacques  
 Steckle  
 Szabo  
 Thibault (West Nova)  
 Thompson (New Brunswick Southwest)  
 Tonks  
 Tremblay (Rimouski-Neigette-et-la Mitis)  
 Valeri  
 Wayne  
 White (North Vancouver)  
 Williams

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

[*English*]

**Mr. Jim Pankiw:** Mr. Speaker, because I abstained from the vote I wonder if there is a way to have that recorded?

**The Speaker:** I think the hon. member knows there is not but I am sure he can get a copy of the video proceedings and watch himself.

\* \* \*

**PATENT ACT**

The House resumed consideration of the motion that Bill S-17, an act to amend the Patent Act, be read the third time and passed.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill S-17.

**Ms. Marlene Catterall:** Mr. Speaker, I think you would find consent in the House that members who voted on the previous motion be recorded as voting on the motion now before the House, with Liberal members voting yes.

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

**Some hon. members:** Agreed.

**Mr. Richard Harris:** Mr. Speaker, Canadian Alliance members will be voting yes to the motion.

[*Translation*]

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, the members of the Bloc Québécois vote yes on this motion.

[*English*]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP present will be voting no to the motion.

**Mr. Gerald Keddy:** Mr. Speaker, the Progressive Conservative Party will be voting yes to the motion.

**Ms. Val Meredith:** Mr. Speaker, I would like to be recorded as voting yes to the motion.

**Mr. James Moore:** Mr. Speaker, I would like to be recorded as voting yes to the motion.

**Mr. Jim Gouk:** Mr. Speaker, I am not on the rolls, having abstained in the last vote, so I would like to be recorded as voting yea to the motion.

**NAYS**

## Members

Anders  
 Benoit  
 Breitzkreuz  
 Cadman  
 Comartin  
 Day  
 Duncan  
 Fitzpatrick  
 Goldring  
 Harris  
 Herron  
 Hill (Prince George—Peace River)  
 Kenney (Calgary Southeast)  
 Lunney (Nanaimo—Alberni)  
 Martin (Winnipeg Centre)  
 Merrifield  
 Pallister  
 Proctor  
 Reid (Lanark—Carleton)  
 Ritz  
 Skelton  
 Sorenson  
 Stinson  
 Strahl  
 Vellacott  
 White (Langley—Abbotsford)

Bailey  
 Blaikie  
 Brison  
 Clark  
 Davies  
 Desjarlais  
 Epp  
 Godin  
 Grey (Edmonton North)  
 Hearn  
 Hill (MacLeod)  
 Jaffer  
 Lill  
 MacKay (Pictou—Antigonish—Guysborough)  
 McDonough  
 Nystrom  
 Penson  
 Rajotte  
 Reynolds  
 Robinson  
 Solberg  
 Spencer  
 Stoffer  
 Toews  
 Wasylcia-Leis  
 Yelich—52

**PAIRED MEMBERS**

Gagliano  
 Sauvageau  
 Tobin

Roy  
 Savoy  
 Venne

*Government Orders*

**Mr. Grant McNally:** Mr. Speaker, seeing as I will be reviewing the videotape along with my colleague, having abstained on the previous vote, I would like to be recorded as voting yes to the motion.

**Mr. Jim Pankiw:** Mr. Speaker, having abstained in the last vote, I would like to have my vote recorded as yea.

**Mr. Dan McTeague:** Mr. Speaker, I saw the video and it was quite pathetic. I would like not to be recorded as voting on this particular motion.

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

*(Division No. 130)***YEAS**

## Members

Adams	Alcock
Allard	Anders
Anderson (Victoria)	Assad
Assadourian	Asselin
Augustine	Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean)	Bagnell
Bailey	Baker
Bakopanos	Barnes
Beaumier	Bélair
Bélangier	Bellehumeur
Bellemare	Bennett
Benoit	Bergeron
Bertrand	Bevilacqua
Bigras	Binet
Blondin-Andrew	Bonin
Boudria	Bourgeois
Bradshaw	Breitkreuz
Brien	Brisson
Brown	Bryden
Bulte	Burton
Byrne	Caccia
Cadman	Calder
Cannis	Caplan
Cardin	Carroll
Casey	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chatters	Chrétien
Clark	Coderre
Collenette	Comuzzi
Copps	Cotler
Crête	Cullen
Cummins	Cuzner
Dalphond-Guiral	Day
Desrochers	DeVillers
Dhaliwal	Dion
Doyle	Dromisky
Drouin	Dubé
Duceppe	Duhamel
Duncan	Duplain
Easter	Epp
Eyking	Farrah
Finlay	Fitzpatrick
Fontana	Forseth
Fournier	Fry
Gagnon (Champlain)	Gagnon (Québec)
Gallant	Galloway
Gauthier	Girard-Bujold
Godfrey	Goldring
Goodale	Gouk
Graham	Gray (Windsor West)
Grey (Edmonton North)	Grose
Guarnieri	Guay
Guimond	Harb
Harris	Harvard
Harvey	Hearn
Herron	Hill (MacLeod)
Hill (Prince George—Peace River)	Hilstrom
Hubbard	Ianno
Jackson	Jaffer
Jennings	Johnston
Jordan	Karetak-Lindell

Karygiannis	Keddy (South Shore)
Kenney (Calgary Southeast)	Keys
Kilger (Stormont—Dundas—Charlottenburgh)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laframboise	Laliberte
Lalonde	Lancôt
Lastewka	Lavigne
LeBlanc	Lee
Leung	Lincoln
Longfield	Loubier
Lunney (Nanaimo—Alberni)	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Macklin
Mahoney	Malhi
Maloney	Manley
Marceau	Marcil
Mark	Marleau
Martin (LaSalle—Énard)	Matthews
Mayfield	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan
McNally	Ménard
Meredith	Merrifield
Mills (Red Deer)	Mills (Toronto—Danforth)
Minna	Mitchell
Moore	Murphy
Myers	Nault
Neville	Normand
O'Reilly	Obhrai
Owen	Pagtakhan
Pallister	Pankiw
Paquette	Paradis
Parrish	Patry
Penson	Peric
Perron	Peschisolido
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Chatham—Kent Essex)	Pillitteri
Plamondon	Pratt
Price	Proulx
Provenzano	Rajotte
Redman	Reed (Halton)
Regan	Reid (Lanark—Carleton)
Reynolds	Richardson
Ritz	Robillard
Rocheleau	Rock
Saada	Scherrer
Scott	Sgro
Shepherd	Skelton
Solberg	Sorenson
Speller	Spencer
St. Denis	St-Hilaire
St-Jacques	St-Julien
Steckle	Stewart
Stinson	Strahl
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (New Brunswick Southwest)	Tirabassi
Toews	Tonks
Torsney	Tremblay (Rimouski-Neigette-et-la Mitis)
Ur	Valeri
Vellacott	Wappel
Wayne	Whelan
White (Langley—Abbotsford)	White (North Vancouver)
Wilfert	Williams
Wood	Yelich—254

**NAYS**

## Members

Blaikie	Comartin
Davies	Desjarlais
Godin	Lill
Martin (Winnipeg Centre)	McDonough
Nystrom	Proctor
Robinson	Stoffer
Wasylcia-Leis —13	

**PAIRED MEMBERS**

Gagliano	Roy
Sauvageau	Savoy
Tobin	Venne

*Government Orders*

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

\* \* \*

**FARM CREDIT CORPORATION ACT**

The House resumed consideration of the motion.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion for concurrence at the report stage of Bill C-25.

**Ms. Marlene Catterall:** Mr. Speaker, I think you would find consent that those who voted on the previous motion be recorded as voting on the motion now before the House, with Liberal members voting yes.

• (1800)

[*Translation*]

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

**Some hon. members:** Agreed.

[*English*]

**Mr. Richard Harris:** Mr. Speaker, with the exception of those members who will be directed by their riding associations and their constituents to vote otherwise, Canadian Alliance members will be voting no to this motion.

[*Translation*]

**Mr. Stéphane Bergeron:** Mr. Speaker, members of the Bloc Québécois are opposed to this motion, except for the member for Laurentides, the member for Lotbinière—L'Érable and the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, who could not be present for this vote.

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party who are present will vote in favour of this motion.

[*English*]

**Mr. Gerald Keddy:** Mr. Speaker, the Progressive Conservative Party will vote yes.

**Mr. Roy Bailey:** Mr. Speaker, I will be voting yes on this motion.

**Mr. Gerry Ritz:** Mr. Speaker, I would like to be recorded as voting yes to this motion.

[*Translation*]

**Mr. Dan McTeague:** Mr. Speaker, I want the record to show that I will vote in favour of this motion.

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

(*Division No. 131*)

**YEAS**

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Richmond—Arthabaska)
Bagnell	Bailey
Baker	Bakopanos
Barnes	Beaumier
Bélair	Bélanger
Bellemare	Bennett
Bertrand	Bevilacqua
Binet	Blaikie
Blondin-Andrew	Bonin
Boudria	Bradshaw
Brisson	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Casey	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Clark
Coderre	Collenette
Comartin	Comuzzi
Copps	Cotler
Cullen	Cuzner
Davies	Desjarlais
DeVillers	Dhaliwal
Dion	Doyle
Dromisky	Drouin
Duhamel	Duplain
Easter	Eyking
Farrah	Finlay
Fontana	Fry
Galloway	Godfrey
Godin	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harvard
Harvey	Hearn
Herron	Hubbard
Ianno	Jackson
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keddy (South Shore)	Keys
Kilger (Stormont—Dundas—Charlottenburgh)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laliberte	Lastewka
Lavigne	LeBlanc
Lee	Leung
Lill	Lincoln
Longfield	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Macklin
Mahoney	Milhi
Maloney	Manley
Marcil	Marleau
Martin (LaSalle—Émard)	Martin (Winnipeg Centre)
Matthews	McCallum
McCormick	McDonough
McGuire	McKay (Scarborough East)
McLellan	McTeague

*Private Members' Business*

Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Normand
Nystrom	O'Reilly
Owen	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Price	Proctor
Proulx	Provenzano
Redman	Reed (Halton)
Regan	Richardson
Ritz	Robillard
Robinson	Rock
Saada	Scherrer
Scott	Sgro
Shepherd	Speller
St. Denis	St-Jacques
St-Julien	Steckle
Stewart	Stoffer
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (New Brunswick Southwest)	Tirabassi
Tonks	Torsney
Ur	Valeri
Wappel	Wasylycia-Leis
Wayne	Whelan
Wilfert	Wood—184

## NAYS

## Members

Anders	Asselin
Bachand (Saint-Jean)	Bellehumeur
Benoit	Bergeron
Bigras	Bourgeois
Breitkreuz	Brien
Burton	Cadman
Cardin	Chatters
Cummins	Dalphond-Guiral
Day	Dubé
Duceppe	Duncan
Epp	Fitzpatrick
Forseth	Fournier
Gagnon (Champlain)	Gagnon (Québec)
Gallant	Gauthier
Girard-Bujold	Goldring
Gouk	Grey (Edmonton North)
Guimond	Harris
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Jaffer
Johnston	Kenney (Calgary Southeast)
Laframboise	Lalonde
Lancôt	Loubier
Lunney (Nanaimo—Alberni)	Marceau
Mark	Mayfield
McNally	Ménard
Meredith	Merrifield
Mills (Red Deer)	Moore
Obhrai	Pallister
Pankiw	Paquette
Penson	Perron
Peschisolido	Picard (Drummond)
Plamondon	Rajotte
Reid (Lanark—Carleton)	Reynolds
Rocheleau	Skelton
Solberg	Sorenson
Spencer	St-Hilaire
Stinson	Strahl
Toews	Tremblay (Rimouski-Neigette-et-la Mitis)
Vellacott	White (Langley—Abbotsford)
White (North Vancouver)	Williams
Yelich—81	

## PAIRED MEMBERS

Gagliano	Roy
Sauvageau	Savoy
Tobin	Venne

**The Speaker:** I declare the motion carried.

[English]

It being 6.03 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

\* \* \*

[Translation]

## BUSINESS OF THE HOUSE

**Mr. Jacques Saada (Brossard—La Prairie, Lib.):** Madam Speaker, I rise on a point of order. You will find unanimous consent for the following motion:

That, notwithstanding any Standing Order or the usual practices of the House, Bill S-27, An Act to authorize the Imperial Life Assurance Company of Canada to apply to be continued as a company under the laws of the Province of Quebec, and Bill S-28, An Act to authorize Certas Direct Insurance Company to apply to be continued as a company under the laws of the Province of Quebec, be deemed to have been read a second time, referred to a committee of the whole, reported without amendment, concurred in at the report stage and read a third time and passed.

• (1805)

**The Acting Speaker (Ms. Bakopanos):** Is there unanimous consent of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

## PRIVATE MEMBERS' BUSINESS

[English]

## SIR JOHN A. MACDONALD DAY AND THE SIR WILFRID LAURIER DAY ACT

**Mr. John Godfrey (Don Valley West, Lib.)** moved that Bill S-14, an act respecting Sir John A. Macdonald Day and Sir Wilfrid Laurier Day, be read the second time and referred to a committee.

He said: Madam Speaker:

Let us now praise famous men,  
and our fathers in their generations.

The Lord apportioned to them great glory,  
his majesty from the beginning.

There were those who ruled in their kingdoms,  
and were men renowned for their power,  
giving counsel by their understanding,  
and proclaiming prophecies;  
leaders of the people in their deliberations  
and in understanding of learning for the people,  
wise in their words of instruction.

This passage from chapter 44 of Ecclesiasticus reminds us of the obligation of humanity to honour its great men and women, both of the present and of the past.

*Private Members' Business*

Canadians as a nation are a modest lot, which is in many ways an endearing quality. I am reminded of the advice I was given many years ago before I moved to Nova Scotia. I was told that things would be well if I simply remembered the chief operating principle of all Nova Scotians: who the hell does he think he is? I must say that in the past few days as the House has been considering the delicate subject of pay increases for MPs, I have heard more than one constituent express this very sentiment.

Canadians, however, for all their becoming modesty, do not seem well equipped to deal with greatness, to praise famous men and women. This is partly because by definition greatness is in short supply at any given moment in history. Indeed when we are confronted with true greatness, we are startled. We hardly know how to react, so rare is the experience.

In my time in the House we have met greatness in this Chamber in the persons of Vaclav Havel and Nelson Mandela. There is something rarefied in the air, something special which is hard to define but utterly palpable, something which produces a sense of awe mingled with excitement.

So too was it when Pierre Trudeau died and his body was brought last fall to Parliament Hill to lie in state. The spontaneous decision of thousands of Canadians to come to Parliament Hill from all over the country to pay their last respects, to line up for hours before filing by his coffin, reminds us of the power of greatness to awaken within all of us profound feelings of wonder, awe and sadness.

● (1810)

Those who planned Pierre Trudeau's last trip to Ottawa were well aware of an earlier lying in state, that of Sir Wilfrid Laurier in February 1919. The aptly named Laurier Lapierre, in his book *Sir Wilfrid Laurier and the Romance of Canada*, describes the scene:

The country did well by him. All the seats in the temporary House of Commons in the Victoria Memorial Museum were removed, except his, and the room was adorned in the purple and black colours of mourning. He lay in the centre of the room in his open casket, candles surrounding him, flowers banked in profusion, and police officers guarding him. After the officials had passed by, the doors were opened to the general public. From about 7:00 p.m. on Thursday until the early hours of Saturday morning, fifty thousand of his countrymen and -women, many with their children, came to bid him farewell.

Meanwhile, Ottawa, Hull and neighbouring municipalities were inundated with a mass of humanity. Every hotel, *pension*, and empty room was occupied as, by every means of transport available, thirty-five thousand people came to take part in the national moment.

Saturday, 22 February 1919, was a calm day with a fluttering of spring in the air. By 9:00 a.m. thousands of people were already on the streets through which the funeral procession would pass. Soon thereafter, close to a hundred thousand were lined, six rows deep in many places, to await Wilfrid's passage. . .

At 10:30, as the procession proceeded down Metcalfe Street, every train in the country, from the Atlantic to the Pacific, stopped, wherever it was, for one minute.

This brings me in an admittedly roundabout fashion to Senate Bill S-14, an act respecting Sir John A. Macdonald Day and Sir Wilfrid Laurier Day, which I have the honour of introducing in the House of Commons today. Its purpose is simple. In the words of its proposer, Progressive Conservative Senator John Lynch-Staunton, Leader of the Opposition in the Senate:

The Bill declares the birthday of each outstanding Canadian (January 11 and November 20) a national holiday as distinct from a statutory holiday. Canadians too often are faulted with not being as familiar as they should be with their history, particularly how Confederation came about and its early years; honouring Macdonald and Laurier in such a special way will contribute greatly to correcting this deplorable situation.

As a Liberal member of the House of Commons I am pleased to support the initiative of my Conservative Senate colleague. It should be noted that this bill was given unanimous third and final reading in the Senate.

It is a curious fact that Canada has no equivalent of Washington's birthday, presidents' day or Martin Luther King day. The closest we come is Victoria Day and her Quebec cousin, Dollard des Ormeaux, or perhaps our acknowledgement every September of Terry Fox. This bill would begin to rectify that lack by honouring two of Canada's greatest prime ministers.

In some ways they make an odd couple. They were men of totally different character and temperament. Macdonald was a character, indeed almost a rogue. What contemporary politician would dare boast in an election speech as he did "I know enough of the feeling of this meeting to know that you would rather have John A. drunk than George Brown sober"? A man of artfulness and subtlety in politics, he was variously known over the course of his political life as Old Reynard, Old Tomorrow and The Wizard of the North. As one anonymous Liberal member of the legislature was heard to mutter "Ah, John A., John A., how I love you! How I wish I could trust you!"

[*Translation*]

Laurier, the first French Canadian to become Prime Minister of Canada, had a totally different personality. He was an elegant and refined intellectual, an extraordinary speaker, and there was a tragic dimension about his persona that was absent in Macdonald's case.

● (1815)

He had to face difficult tests during his political life, including the challenge of francophones outside Quebec, the Catholic Church in Quebec, the threat to national unity posed by World War I, and the challenge represented by compatriots such as Henri Bourassa.

[*English*]

These two great men also had much in common. John Raulston Saul, in his book *Reflections of a Siamese Twin*, argues that Canada was built over a century and a half through eight dramatic strategic acts. Another term for these is national projects, deliberate, strategic acts of nation building.

We think of Macdonald and we think of confederation itself, or the national policy or the building of the transcontinental railway. We think of Laurier and we think of the building of the west.

These great national projects were the acts of great men. They were not incrementalists. They were risk takers.

*Private Members' Business*

I would like members to listen to Macdonald defending his railway policy in 1873:

We have fought the battle of Confederation. We have fought the battle of unity. We have had party strife, setting Province against Province. And more than all, we have had, in the greatest Province, every prejudice and sectional feeling that could be arrayed against us. I throw myself on this House; I throw myself on this country; I throw myself on posterity, and I believe that, notwithstanding the many failings of my life, I shall have the voice of this country rallying round me. And sir, if I am mistaken in that, I can confidently appeal to a higher court—to the court of my conscience and to the court of posterity.

That is the authentic voice of a great leader. These were men of vision who were not content to accept things as they were. They were creators. They were agents of change. They were also great humanists, apostles of tolerance and respect in an era that was decidedly less respectful and tolerant than our own.

[*Translation*]

Here is what Laurier said at Montreal's National Club:

We, people of French origin, have a sense of our own individuality. We want to pass on to our children the language we inherited from our ancestors. But while we cherish this feeling in our hearts, we refuse to admit that it is incompatible with our being Canadians. We are citizens of Canada and we intend to fulfil all the duties that this title implies.

This being said, whenever we invite men from another race to our table, we affirm that they are our fellow citizens, just like they affirm that we are their fellow citizens. Our country is their country; their political opinions are our political opinions; our aspirations are their aspirations. What they want, and what we want, is that the rights of minorities be respected; that our constitutional guarantees be safeguarded; that the provinces remain sovereign and that Canada be united in its diversity.

[*English*]

Let the House now praise two famous men, two great Canadians, by voting to support Bill S-14, an act respecting Sir John A. Macdonald day and Sir Wilfrid Laurier day.

**Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance):** Madam Speaker, it is a pleasure to rise on behalf of the official opposition to address Bill S-14, an act respecting Sir John A. Macdonald day and Sir Wilfrid Laurier day.

Sir John A. was born on January 11, 1815 and was of course our first prime minister. Sir Wilfrid Laurier was born on November 20, 1841, and was the prime minister of Canada from 1896 to 1911.

It is my understanding that the purpose of the bill is to designate January 11 of every year as Sir John A. Macdonald Day and November 20 of every year as Sir Wilfrid Laurier Day. I also understand that a variation of the bill was introduced in the last parliament only honouring Sir John A. Macdonald and to remove a partisan twinge in the other place, I say the other place is not represented by the elected commons and therefore that caveat does not play well here.

● (1820)

I would like to make clear that the bill does not ask for the declaration of a national holiday. It is simply recognizing two great Canadians.

We approve in principle any efforts to allow Canadians to appreciate their history. The fact that these two great Canadians come from different traditions is a very positive thing. We feel that the bill will put these dates on the parliamentary calendar, the national calendar and will provide an opportunity for teachers, for parents and for Canadian society to honour the memory of two great Canadians.

Inasmuch as there is no attempt to declare these days official holidays, there is no financial implications to Canadians, employers and otherwise. We think that is a very positive aspect of the bill.

In reflecting on the contribution of these great Canadians, I came across a debate about the contributions by Sir John A. Macdonald in the early days when they were considering this union. I would just like to state a brief quote where Sir John A. was speaking about this union. He said:

When this union takes place we will be at the outset no inconsiderable people. We find ourselves with a population approaching four millions of souls. . . . And with a rapidly increasing population. . . . our future progress, during the next quarter of a century, will be vastly greater.

That was received with cheers.

He went on to say:

And when, by means of this rapid increase, we become a nation of eight or nine millions of inhabitants, our alliance will be worthy of being sought by the great nations of the earth.

Hon. members responded "Hear, hear".

It is interesting to reflect that at the time of independence, 1931, Canada's population was around 10.5 million.

Canadians need to reinforce our sense of identity. We do well to remember men and women of distinction who have contributed greatly to these institutions of democracy that we now labour to protect.

Sir John A. Macdonald and Sir Wilfrid Laurier are without doubt worthy of this recognition. We support the bill, and we hope that it will contribute to our appreciation of our history and our heritage as Canadians.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Madam Speaker, I had not planned to speak to this bill, and I apologize to the mover for not having prepared remarks because I think it is the kind of topic on which one would have liked to have had the time to do a little research and perhaps to have come up with some worthy quotations from both Macdonald and Laurier, particularly with respect to Macdonald and some of the anecdotes somewhere along the line already engaged in by the member who introduced the motion.

I would certainly like to speak in favour of the motion in its particularity, that is to say the idea of having a day to honour Macdonald and Laurier. Generally, I would like to speak in favour of more opportunities for Canadians to reflect upon their history and for Canadians to know their history better than they do,

because I would say that one of the weaknesses of Canada as a nation is that we do not know our history as well as we should.

I think it is fair to say that in many of the constitutional debates we have had in the country we might have been able to have had more intelligent debates, more constructive debates if people had been more aware of their history and more aware of the particular traditions out of which people were operating, out of which they were thinking, speaking and acting when they were participating in those debates.

That does not mean to say that it would have eliminated disagreement, because I think any study of Canadian history will show that there have always been different ideas about the country. There have always been different ideas about the role of the central government ever since the initial debate about confederation. There have always been different ideas about how much power should reside with the provinces. There have been a number of different ideas about Canada all competing with each other within the bosom of this great country we call Canada.

● (1825)

To name a particular day after Macdonald and Laurier is appropriate because within those two names is contained at least two of the contending views of the country, although there would be a great overlap between them as well. Nevertheless, one remembers that it was Sir Wilfrid Laurier who was the first prime minister to consider free trade with the United States, and it was Sir John A. Macdonald who was the creator and defender of the national policy, which was not a free trade policy but rather a policy which intended to create more of a national economy.

We see that debate being lived out even today within Canada with respect to free trade, although I must say that the free trade that we have today is far more extensive and far more destructive than anything that Sir Wilfrid Laurier had in mind when he defended the idea of reciprocity. That had to do only with tariffs. It did not have to do with investment, services and energy. It did not really have to do with incarnating or entrenching a whole philosophy.

I do not want to wander into the free trade debate. I want to stick with the idea that we should know our history better and that any designation of days, such as the bill suggests, which would help Canadians to do that should be supported. It might become an occasion in schools in particular, but also in other places for Canadians to reflect on their history.

There are many who lament the fact that Canadian history is not taught as much in our school system as it should be. It seems to me that we do a very poor job of that. Knowing Canadian history should not be an option. It should be something that every Canadian kid should have a good grasp of by the time he or she gets out of high school.

For children to simply take one course in grade 11, another course three or four grades back of that, and spend most of their time learning about the very early days of Canada with regard to explorers and everything else but never really knowing as much about our history in both the 19th century and the 20th century as I

### *Private Members' Business*

think people should know, is a fault of our school system. I know the history is in the textbooks, but I do not think we spend enough time on it. I wanted to use this opportunity to register that particular point.

I hope this is the kind of bill that might pass. I understand it is votable, although I hope that it does not come to a vote today because I think other members may want to speak to it. That is partly why I am on my feet, to ensure that the debate does not collapse within the first hour. It is something we would like to hear more members on.

I commend the mover of the motion in the other place and here for giving us the opportunity to reflect, however inadequately, on Canadian history and on these two great prime ministers. One who had this vision of a country on the northern half of the North American continent that would be different and distinct from the United States of America and another who had a vision somewhat later, when we were receiving more immigrants from all around the world, of a country that was tolerant and diverse and respectful of minority rights.

Both these visions need to be nurtured. As I already indicated the vision of Prime Minister Laurier with respect to a diverse and tolerant society that respects minorities is being nurtured, but I think the vision of Sir John A. Macdonald of a different and distinct country on the northern half of the North American continent is a vision that is in great peril.

● (1830)

An argument could be made that Macdonald would be rolling over in his grave if he could see the extent to which the country has become integrated into the North American economy and the extent to which it has come under the sway and domination, both ideological and political, of the country from which he sought to set Canada apart.

Forgive me if I use this time not to make a partisan point but to talk about something a great many people are very concerned about, and that is the project we call Canada. The hon. member spoke of national projects. The project we call Canada has had various mini projects along the way or various stages of the project. Our concern in the NDP is that we are in a project now that is quite antithetical to all previous projects.

We live in a world where we talk about a North American economic union, adopting the U.S. dollar and continental energy projects. These kinds of things would have driven Sir John A. Macdonald around the bend. They might have driven him to drink. Indeed they might have driven him to have a few more than he might otherwise have had.

I would certainly ask hon. members to consider this when we honour our history and honour the ideas some of our prime ministers had. Let us be vigilant and careful that we are not, by dearth of uncritical attraction to various new ideas or so-called new ideas, because some of what passes for new ideas these days is just old 19th century capitalism being repackaged and shoved down our

*Private Members' Business*

throats, that when we pay homage to these individuals we are not by accident or design destructive of their visions of Canada.

The hon. member recalled the time of Prime Minister Laurier's funeral and the most recent time of mourning having to do with the death of Pierre Elliott Trudeau. We might remember another time in recent history when Canadians gathered from all walks of life, and certainly throughout western Canada, to pay homage to Prime Minister John Diefenbaker who, for all his faults and certainly his partisan faults, had a vision of Canada as something very distinct from the United States. He was not a member of the party I belong to, but certainly a great many western Canadians and I am certain Canadians from other parts of Canada, shared that vision with him.

It was a sense that Mr. Diefenbaker had, along with Sir John A. Macdonald, which sometimes got him into trouble with the United States of America. I would put that on the record as we; because it is something New Democrats hold dear, not the memory of John Diefenbaker but the idea of a distinctive country on the northern half of the North American continent, something that is different, more compassionate, more caring and more sharing. Let us defend that to the death.

**Mr. Loyola Hearn (St. John's West, PC):** Madam Speaker, it is a pleasure and an honour to speak this evening to a bill which has been unanimously passed in the other place and which recalls the contribution to this great country of two extremely honourable gentlemen.

When we suggest to others that we are to bring in a bill to honour Sir John A. Macdonald and Sir Wilfrid Laurier, there will probably be other people who will say we should wait because there are other prime ministers who have made a greater contribution to the country. Were there?

• (1835 )

If we were to give one person credit for bringing this great country together we would have to focus on the efforts and leadership of Sir John A. Macdonald, the first prime minister of Canada. Every time we look at a picture of the Fathers of Confederation and see Macdonald standing there with his bushy hair, a lot more bushy than mine or my colleague's from the Canadian Alliance, he stands out in more ways than one. There is an awe about him that we see in very few people.

Sir Wilfrid Laurier, the seventh prime minister if I remember my history correctly, and the first French Canadian prime minister, was known to be a silver-tongued orator. Some of the phrases he issued about the country would make anyone feel proud to be Canadian.

When I think about what Macdonald and Laurier envisaged this great country of Canada to be, and then look at the state of the country today, I can hear Laurier in some of his more pointed dialogues talking about the unity of the country. I will read one. I will read a little quote.

He said:

We are all Canadians. Below the Island of Montreal the water that comes from the north from Ottawa unites with the waters that come from the western lakes, but uniting they do not mix. There they run parallel, separate, distinguishable, and yet are one stream, flowing within the same banks, the mighty St. Lawrence, and rolling on toward the sea bearing the commerce of a nation upon its bosom—a perfect image of our nation. We may not assimilate, we may not blend, but for all that we are still the component parts of the same country.

How often in recent days or even in recent years have we heard this type of oration in a place similar to this? I would suggest it has been quite some time.

Even though Macdonald and Laurier were opponents in and out of the House, one a Liberal and one a Conservative, they were not opponents when it came to fighting for what they both believed in: a strong, united country where everybody, regardless of religion, race or language, lived and worked together for the benefit of the great nation.

Laurier felt so strongly about it that he said the 19th century was the century of the United States in terms of its development, but that the 20th century would be the century for Canada and Canadian development. He undoubtedly felt that others who came after him would show the same leadership and insight as to what the country could do.

However somewhere along the line we have failed. I think of the dream of unity and then look at the disunity in the House and within parties. I look at my friends in the Canadian Alliance who are conservatives and at my friends in the Progressive Conservative Party who are also conservatives and they are in the far reaches of the House at separate ends. I look at people here who tell us that their job is to take their province out of the country rather than to use their collective skills and wisdom to strengthen this great country. When I look at these things I ask where we have failed Laurier and Macdonald.

• (1840 )

What did Macdonald say? In addition to the work he did in leading this great country and uniting the land physically by the construction of the railway, he too had some quotes we should never forget.

Macdonald talked about the French. He had learned that any relationship with the French depended on respect. If treated as a nation they would act generously, as free people generally do. If called a faction they would become factious.

In old age, Macdonald declared:

I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or render it inferior to the other: I believe that would be impossible if it were tried, and it would be foolish and wicked if it were possible.

Have we learned from that? I do not know. I guess history will decide.



*Private Members' Business*

When I came here and walked into this honourable Chamber I was asked if it was my greatest, most memorable political moment. I said no. My most memorable political moment to date was when I sat in the legislature in Newfoundland and saw Meech Lake scuttled. That night I said to myself something, which I hope will be incorrect, "I think this is the night we jeopardized the future of this great country".

It is an honour and a privilege to stand here and talk about these two great men who made such an impression on this nation, not only by what they did but by what they said. Their words, if we read them, listen to them and heed them, can be an example for all of us.

As the waters from the west blend with the waters that flow through the St. Lawrence and into the ocean, so too do the energies of the people of the territories, British Columbia, the western provinces, central Canada and on to the Atlantic. If we only believed in this nation as did Laurier and Macdonald, we would not be having some of the petty problems we are having today.

Perhaps if we focus a little less on ourselves individually and a little more on our nation, as did Macdonald and Laurier, somewhere along the line people might look at us as parliamentarians and say that we too made a contribution to this great nation.

I am pleased and proud to support the bill and I hope others will also.

[*Translation*]

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Madam Speaker, I welcome this opportunity to comment on Bill S-14.

This bill seeks to honour two of our greatest prime ministers, Sir John A. Macdonald and Sir Wilfrid Laurier. It would designate the birthdays of these outstanding Canadians as special days, helping to commemorate their remarkable contributions to the building of our nation.

Before commenting any further on the bill itself, I would like to offer my congratulations to the member of the other place for his initiative in proposing this piece of legislation. Like the hon. member of the other place, I believe we must work constantly and creatively to identify appropriate ways of preserving and celebrating our shared heritage as Canadians.

Only by fully understanding our history and learning about the lives and accomplishments of the women and men who have built Canada, can we know who we are, and fully appreciate what it means to be Canadian.

● (1845)

The intent of this bill is clear. It represents an act of respect and acknowledgement for these two towering figures of Canadian history, one, a Father of Confederation and the first Prime Minister of Canada, and the other, Canada's seventh prime minister, one of our nation's most powerful and articulate advocates for national unity.

I would like to say that Canadians are all familiar with the lives and accomplishments of Sir John A. and Sir Wilfrid. For people in this room today, that is almost certainly true.

[*English*]

However beyond this room in other rooms, other cities and other places across Canada that knowledge may be less widely shared.

Most Canadians know that Sir John A. Macdonald led the effort to make Confederation a reality. He drafted the British North America Act defining the federal system by which the original four provinces were united as one country on July 1, 1867. He became Canada's first prime minister and went on to help forge a strong and vibrant nation. He launched the Intercolonial Railway which would eventually provide a key physical link for Canada from the Atlantic to the Pacific coast in the vast largely unsettled land in between.

What of Sir Wilfrid Laurier? Many Canadians recognize him as an eloquent and staunch promoter of national unity and as the first Canadian of French origin to become prime minister, but how many know that he held the longest unbroken term of office as prime minister from 1896 to 1911, a period during which his unshakeable confidence in Canada fostered unprecedented growth and prosperity for the young country? These are not matters we can take for granted.

As the member from the other place has demonstrated through his proposed bill, if we care about preserving and celebrating the achievements of these great Canadians we must take the initiative to ensure that their contributions to Canada are recognized. What is less clear about the bill, however, is whether by moving at this time to enact it we are taking the most appropriate and effective means to honour these exceptional Canadians.

[*Translation*]

Setting aside special days celebrating the achievements of great Canadians is a well established and time honoured tradition but the 21st century offers new opportunities that may be even more effective in engaging the interest and imagination of Canadians.

New technologies and communications modes are providing exciting, new ways to celebrate and educate, opportunities to achieve this same goal.

As more and more Canadians are connected to the World Wide Web, information on virtually every aspect of our society, past and present, has become accessible to citizens, no matter where they live.

If I had a computer with me right now and I initiated a search for information on sir John A. Macdonald or sir Wilfrid Laurier, I would have instant access to a combined total of more than 18,000 websites devoted to these great Canadians.

*Private Members' Business*

Literally, at my fingertips, I would be able to draw upon an astonishing range of information and visual images. I would be able to review speech texts and quotations, copies of historical and more recent media commentary, academic analysis, and on and on.

The information revolution and the advent of new technologies are making it increasingly possible for Canadians to log on to their history, as well as to the latest stock quote or sports score.

The Government of Canada, in recognizing the value and potential of the Internet, is committed to help Canadians exploit the opportunities being made possible by the Web. This recognition of the increasingly important role and potential of the Internet is at the core of our government-on-line strategy.

[English]

Through government online the Government of Canada is committed to becoming by 2004 the government most connected to its citizens. This not only involves more efficient and timely citizen access to government information services. It also means using the Internet and new technologies to offer Canadians greater access to their institutions and their shared history.

• (1850)

Today, by accessing the Canada site on the web, it is possible to take a virtual tour of the Parliament Buildings and the parliamentary precinct, including the offices, parliamentary corridors and House of Commons seats where these two great Canadians did their important work.

The Department of Canadian Heritage is playing a leading role in the government online initiatives, especially with respect to Canadian content. We have an unprecedented opportunity to use the Internet to connect with our past as well as with each other. Strengthening this connection is a goal that we all share.

As the bill recognizes, both Sir John A. Macdonald and Sir Wilfrid Laurier were forwardlooking men who saw nation building and unity as the road to Canada's future. Each made profound and lasting contributions to achieving a strong and united Canada. The proposed legislation presents one very tangible means of paying tribute to their legacies and, for this reason alone, I believe the bill to be worthy of support in principle.

At the same time, it must be recognized that enacting the bill would likely generate calls for similar honours to be bestowed on other great Canadians. That is not a simple issue to resolve. At what point do we draw the line in creating recognition days for those who have played a significant role in building our country? What standards and criteria do we set in determining who to honour and, most important, who to leave aside?

[Translation]

In opening the door to demands for specially declared days, we risk diminishing the value and significance of such an honour, the exact opposite of what this bill hopes to achieve.

These are points for careful consideration. The good intent and purpose of this bill are beyond question. What we must not be afraid to question is whether this proposed legislation represents the best way to pay tribute to the great Canadians it is intended to honour.

As I have tried to suggest, there may be other options, such as the application of new technologies and the Internet, that may help achieve the same ends. The decision on which options are best is up to you.

[English]

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Madam Speaker, it is indeed a pleasure and honour to debate Bill S-14. I had a similar motion in fact—

**Mr. Derek Lee:** Madam Speaker, I rise on a point of order. There are two items that have been agreed to by all the House leaders and I am wondering if there would be consent to adopt them at this time.

The first item involves concurrence in the 26th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this week on a committee change to the Standing Committee on Public Accounts. I would be seeking concurrence in that.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Derek Lee:** Madam Speaker, I understand that the second item was also agreed to by all House leaders. It was the approval of a travel request for the Standing Joint Committee on Scrutiny of Regulations.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Jason Kenney:** Madam Speaker, one of the reasons it is a pleasure for me to rise to debate Bill S-14 is that it is in part reflective of a private member's bill I had in this place in the last parliament which would have formally recognized the birthday of our first great prime minister, Sir John A. Macdonald.

*Private Members' Business*

I am very pleased to see that one of the great parliamentarians in the other place, Senator Lynch-Staunton, has initiated this legislation and that a very fine parliamentarian in this place, the hon. member for Don Valley West, has chosen to introduce it. He himself is an advertisement for the need for parliamentary reform, that a member with such talents should be stuck in the backbenches. I ask the member to please not include that in his election brochure against the Canadian Alliance candidate next time. However I do believe that members such as he are a very good reason for empowering members of parliament.

• (1855)

I was about to enter the debate by simply commenting on the importance of the bill and how important it is to have a deeper understanding of our history. I was hoping to be completely non-partisan, as is the convention here, but I must say I was disappointed with the intervention of my colleague from Parkdale—High Park for whom I have considerable personal respect.

That speech must have been written by a bureaucrat in the department of heritage and handed to the parliamentary secretary. To suggest that we not pass a bill recognizing our two greatest prime ministers because we are not sure what criteria we should apply is precisely the problem in Canadians not recognizing our history in an appropriate fashion. The bureaucratic notion that the selection of the founding prime minister and the first great Liberal French Canadian prime minister above others is somehow an offence to equality or an offence to standards of political correctness is offensive.

Then we have the idea that we can properly recognize these prime ministers through some Internet program. How did we get on to government connectedness and so on? With respect, the attitude articulated by the parliamentary secretary to the heritage minister reflects precisely what is wrong about the recognition of Canadian history by the official culturecrats in the department of heritage.

That really has me spitting mad because there should be no question at all. We do not need to devise committees of bureaucrats, experts or politicians to say that there are two great and outstanding prime ministers who stand above all others in our early history, Sir John A. Macdonald and Sir Wilfrid Laurier, and that they deserve some formal institutional recognition not just of parliament but of all Canadian people. That ought not to be a matter of contention or debate.

Both these prime ministers recognized that Canada was a unique experiment in the history of liberal democracy, that it was in many respects a confluence of our British heritage and traditions with the culture, language and uniqueness of the French faction in North America, and in some respects kept an eye on the liberal republican democratic experiment in the United States.

In that light we can look to how our friends in the United Kingdom and the United States celebrate their heroes. I submit that

both these countries have a very vivid and robust understanding of their particular histories, traditions and the great figures in those histories.

One need only walk down the Mall in Washington, D.C., to see the statues and monuments of their great past presidents, Abraham Lincoln, Thomas Jefferson and George Washington, great generals and figures of American history. They have entrenched the memory of these men, mainly men, who were central in the history of their founding.

Similarly in the United Kingdom one can walk down the Mall in London and in Westminster parliament to see and feel a connection with history and tradition. One can recognize in a very vivid and robust way the central role of the monarch as the central political institution of the United Kingdom. Those traditions are celebrated in many different and vivid ways.

It is regrettable that in Canada, with those examples before us, those examples of our two closest and best friends, we lack that kind of robust celebration of our great historical figures and the great moments in our history.

This is an important bill. Symbols are important, but regrettably we do not maximize the values of our symbols in Canada.

• (1900)

I am sure that if John A. Macdonald or Wilfrid Laurier were to see the motion before us today they would find it ironic and would undoubtedly vote against it, in part because they would see the sort of recognition of mere politicians in a constitutional monarchy as something inappropriate.

However, I do think that these great men, who contributed so much to carve out of the northern half of this wild, intemperate continent a nation as unique as this, deserve our recognition in a very formal way, which this bill would seek to do by recognizing their birthdates on January 11 and November 20 respectively.

A couple of years ago a new think tank called the Dominion Institute conducted a survey of young Canadians to ascertain their familiarity with Canadian history. Regrettably, it found a shocking degree of ignorance among younger Canadians about our central historical moments and persons. In fact, I think fewer than one-quarter of young Canadians could actually name our founding prime minister.

Whatever excuse we have had for Canadian history in the school system has not worked. We need to reinforce national symbols of our history. Through such symbols people will learn what they may not learn in school about the central people and events in our history. That is one reason why the bill should be supported.

I am glad to see that there is a kindling of understanding about the need to revive Canadian history. Jack Granatstein wrote an excellent book entitled *Who Killed Canadian History?* which is an excellent survey of this issue. The foundation of the Dominion Institute itself was dedicated to reviving an interest in Canadian

*Adjournment Debate*

history. A recent first time publication by Stoddart, *Canada's Founding Debates*, is a compendium of the founding debates at the time of Confederation. It allows lay people a very accessible window on the debates that founded this parliament and this Dominion.

Let me quote from an intervention by John Macdonald at the legislative assembly on February 6, 1865 in speaking about his plans for this new federation. He said "We should feel sincerely grateful to beneficent providence that we have had the opportunity vouchsafed us of commonly considering this great constitutional change, this peaceful revolution, that we have not been hurried into it like the United States by the exigencies of war, that we have not had a violent revolutionary period forced on us as in other nations. Here we are in peace and prosperity, a dependent people with a government having only a limited and delegated authority and yet allowed without restriction and without jealousy on the part of the mother country to legislate for ourselves and peacefully and deliberately to consider and determine the future of Canada".

This was, in a way, a modest vision but for a very immodest project, this country. We owe so much to the great and sacred memory of these two men that the passage of the bill is a trifle. I hope that the bill is votable and that all members will support it. I regret that there is one party in this place that has not even submitted a speaker to this bill, which is a reflection of the need for us to reinforce our remembrance of these great figures.

[Translation]

**The Acting Speaker (Ms. Bakopanos):** 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

[English]

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

### NATIONAL DEFENCE

**Mr. Loyola Hearn (St. John's West, PC):** Madam Speaker, the question I have been asking was in relation to the selling off of aircraft parts, not that it was done improperly. There was a tender call for the sale. In fact a number of companies received letters thanking them for their participation in the sale of aircraft parts. However the interesting point about the contract was that it was changed or amended after the firm got it. Was it to sell off another

handful of aircraft parts? Not so. It was to sell off 10 or 15 jets and something like 40 helicopters.

● (1905)

I equate that to someone calling a tender to sell off used car tires and when all the bids are in and a favourite bidder happens to get the nod, the contract is suddenly amended and he is also asked to sell 40 Buicks and 15 Cadillacs, with the ensuing profit going to that friend.

Perception is reality. Both the perception and the reality here are not very pleasant for one to look at or to read about. It is the type of stuff that governments and politicians should not be involved with. If there is a bidding process, if there is a tender call, then whatever that tender call is we should live with it, not amend and adjust to increase it tremendously for the benefit of perhaps those who get the job, provided they are our friends.

Another concern about the sale is that a lot of the parts were stored in a warehouse in the United States. The people involved with that were also involved in some illegal activity in that country, according to the records. That left many people concerned about the security of the products and whether or not we could end up losing them if the company involved went into bankruptcy.

The minister did not give a clear cut answer to either, but he gave no answer at all to the question as to why the contract to sell parts was amended. I know the answer will be: What is the definition of a part? When we talking about parts we are not talking about Challenger jets or about helicopters. The question mainly that was unanswered is why that contract was amended to include them after the fact.

**Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Madam Speaker, on the issues raised by the hon. member, Lancaster Aviation was the company in question which won competitive contracts in 1997 and again in the year 2000 for the disposal of surplus aerospace assets, not simply parts. I recommend the member look at the contract to verify that fact.

The 1997 contract contemplated special project sales such as planes. When such a need arises the contract called for an amendment to be made to legally bind the parties with regard to this special project.

The sale of the surplus aircraft was conducted to the letter of the law and certainly with the interest of Canadian taxpayers in mind. The member is quite right that 40 Twin Huey helicopters were sold to the U.S. department for approximately \$20 million U.S. and 8 Challenger aircraft were sold to DDH Aviation of Texas as a result of a competitive tender for approximately \$30 million U.S.

Lancaster was paid a fair commission for its services as per the terms of the contract. It is true that Lancaster was using a facility in

Florida for warehousing purposes only. The assets were warehoused in Florida because that is where the market is. The assets are not and were not in danger. They are the property of the Department of National Defence and are only in the custody of the contractor. Lancaster is also responsible for the safekeeping of the assets and is fully liable for any losses.

I would close by saying that if the member has any knowledge of any illegalities or allegations of wrongdoing, the appropriate course of business is to refer such matters either to the minister or to the RCMP if that is the nature of the item.

#### IMMIGRATION

**Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance):** Madam Speaker, the question I asked of the Minister for Citizenship and Immigration was about why Canada continues to harbour the criminal elements of the world.

• (1910)

Canadians have read in the newspapers throughout these last few years about the illegal criminals entering the country. Canadians are asking why are we allowing these criminals to enter the country?

Canadians have also heard names like Gaetano Amodeo and Lai Changxing. In fact they have become household names in the country over the last few years. We have put a lot of effort into protecting these criminals who enter the country. While we do this, we put other Canadian citizens at risk. We put Canadian visitors at risk. An example is the Sklarzyk family who was recently deported back to Poland. Who is looking after their rights? Who is looking after the rights of Serge Kisluk? This gentleman passed away just recently.

I would like to quote Marsha Skrypuch from a newspaper article. She is a children's author and met Kisluk while researching a novel about a girl whose grandfather was accused of war crimes. She said that she was appalled at the process that had been used to condemn Mr. Kisluk. She stated:

These are 50-year-old cases, and evidence won't hold up in a criminal court, so they use the immigration rules instead. The reality is that there just isn't enough evidence. Innocent people get hurt. You end up with a bunch of little old men trying to defend themselves against the state.

Who is defending his rights? Who is defending the rights of people like Oberlander and Odynsky? How many criminals are there in Canada? I do not think anyone knows. What we do know is that there are at least 15,000 warrants out for people who are in the country who should not be here. They should have left a long time ago.

We are letting too many criminals through the front door. Why? Because the front door is wide open. The Canadian Alliance has

said for a long time that there should be necessary screens put in place to screen out the undesirables so they do not enter the country. Certainly with technology that should not be an impossible task. In fact the standing committee recommended that in its last report to the minister.

In closing, I would say that Canadians support an open immigration policy but not at the expense of national security. The minister, as the auditor general has said in his report, can improve the system without Bill C-11. In fact Bill C-11 would do very little. It would basically penalize the legal migrants and refugees to this country. So instead of just talking about doing the job, I would only hope that the immigration minister would walk the talk.

[Translation]

**Mr. Mark Assad (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.):** Madam Speaker, I would like to deal with the main issue raised by the member.

[English]

Obviously he made reference to a specific case which we cannot go into any detail on. However I can assure the hon. member that the processing time for applications for permanent residents is not static. They vary according to how many applications are in the process at any given time and available resources to process them.

I will give an example. In the year 2000, 50% of all the applicants who applied for permanent residence in the business immigration category took roughly 11 months to process. This means of course that some were longer than 11 months and some were shorter. However I can assure the hon. member that in this case the allegations that were brought out concerning Gaetano Amodeo were completely and utterly unfounded.

[Translation]

In conclusion, all members of parliament make representations to the Department of Citizenship and Immigration. It is our duty to do so when our constituents ask us for some information.

Senators, members of parliament, and even our colleague from Dauphin—Swan River, I am sure, have made representations to the Minister of Citizenship and Immigration on specific applications.

Last year, we received 40,000 requests for information. In the national capital region, there were in excess of 6,000 representations made, some of them by myself.

That is the role we play, our duty to our constituents, and we play it with the best intentions possible.

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

(The House adjourned at 7.15 p.m.)



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