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OFFICIAL REPORT  
(HANSARD)

**Monday, April 29, 2002**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, April 29, 2002

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

• (1105)

[*Translation*]

### INTOXICATION OF MIGRATORY BIRDS

**Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ)** moved:

That, in the opinion of this House, the government should, in compliance with the Migratory Birds Convention Act, 1994, amend its regulations to replace the use of lead fishing weights and baits by any other non-toxic matter that would end the intoxication of migratory birds, including the loon, caused by the swallowing of lead.

She said: Mr. Speaker, I wish to begin by recalling the essential object of Motion No. 414, which I am introducing today.

As you can see, it is a matter of protecting migratory birds from a highly toxic substance, namely lead, which is found in sinkers and lures used in sport fishing. If any other non-toxic substance is used, it will be possible to contemplate the eradication of this phenomenon of migratory birds being poisoned by these sinkers and lures, and in particular to save from certain death thousands of loons. These are not only a source of pride, but also of great value to nature and to our economy.

There is nothing new about this concern to protect our migratory birds from lead. According to the January 2002 issue of *Bulletin Science et Environnement*:

Mercury and lead are two metals of particular concern as far as wildlife are concerned. They are both on the list of toxic substances because of their potentially toxic effects, particularly because lead causes organ damage and leads to death. Although lead and mercury are present in both land and water habitat, the way they are ingested puts water fowl, and piscivorous, that is fish-eating, birds and mammals, as well as their predators, at considerable risk of poisoning.

The legislation and regulations concerning migratory birds were drafted as a result of the signature of international conventions. This is how the August 16, 1916 Migratory Bird Convention came into being between the United Kingdom and United States in order to protect the migratory birds of Canada and the U.S. It must be kept in mind that Canada, being a British colony at the time, was therefore bound by this convention.

I would like to read the beginning of this convention.

Whereas many of these species are of great value as a source of food or in destroying insects which are injurious to forests and forage plants on the public domain, as well as to agricultural crops, in both Canada and the United States, but

are nevertheless in danger of extermination through lack of adequate protection during the nesting His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British dominions beyond the seas, Emperor of India, and the United States of America, being desirous of saving from indiscriminate slaughter and of insuring the preservation of such migratory birds as are either useful to man or are harmless, have resolved to adopt some uniform system of protection which shall effectively accomplish such objects—

Then there was the Migratory Birds Act, 1994, assented to on June 23, 1994, which reads as follows at section 4:

The purpose of this Act is to implement the Convention by protecting migratory birds and nests.

Specifically, subsection 12(1) of the 1994 legislation sets out that:

The Governor in Council may make any regulations that the Governor in Council considers necessary to carry out the purposes and provisions of this Act and the Convention, including regulations

established

(h) for prohibiting the killing, capturing, injuring, taking or disturbing of migratory birds or the damaging, destroying, removing or disturbing of nests;

Therefore, the government implemented the Migratory Birds Regulations. These are the regulations that have been used to fight the use of lead shot in the hunting of migratory birds.

In fact, the government banned the use of cartridges with lead shot, or pellets that are poisonous, for bird hunting, by defining which type of non-poisonous pellets could be used in sections 2 and 15(1) of the Migratory Birds Regulations. The government prohibited hunting migratory birds, in particular, with pellets that are poisonous—lead being poisonous—and permitted hunting with materials that are not poisonous.

• (1110)

This first ban on lead when hunting migratory birds had a very positive effect, as pointed out in the article published in the *Bulletin Science et Environnement*, to which I referred earlier:

While levels of mercury in the environment are increasing, the level of lead is decreasing, thanks to the gradual elimination of lead in many countries and to a national ban on lead shot used to hunt most migratory birds considered to be game fowl. The ban on lead shot, which came into effect in 1999, resulted in a reduction of about 40% of the lead spread annually in the Canadian environment by hunters.

However, a very important and serious problem remains concerning lead and migratory birds, in that lead used for fishing is the main cause of death among migratory birds, particularly the loon during nesting season.

*Private Members' Business*

Let us now take a look at what environmental experts are saying about lead and migratory birds swallowing the small lead weights and baits used for sport fishing.

One of the most serious problem relating to lead remains the swallowing of small lead sinkers and lures by divers—

Divers include loons and similar types of birds.

—in lakes where sport fishing is a major activity. Each year, anglers lose about 500 tons of lead sinkers and lures in Canadian waters. Even the smallest of these devices is big enough to kill any diver that swallows it. Lead poisoning accounts for 5% to 50% of registered deaths among adult divers in Canada, and it is the main cause of the deaths registered among adult loons in North America, during nesting season.

Migratory birds are a great source of wealth, as shown by the following excerpt of the summary of the May 17, 2000 regulatory impact study under the Migratory Birds Convention Act, 1994:

The sustainability of migratory bird resources is critical to the cultural and economic well-being of Canadians. There is a major economic benefit for Canadians and for the government in protecting and managing migratory birds and in preserving large conservation areas to ensure their reproduction and survival. Data collected by Statistics Canada in a 1991 survey shows that Canadians spent \$1.2 billion to hunt and to watch migratory waterfowl.

In conclusion, I seek the House's support for my Motion M-414 concerning the protection of migratory birds, which would amend the regulations to the Migratory Birds Convention Act, 1994, to replace the use of lead sinkers and lures by any other non toxic matter that would end the poisoning of migratory birds, including the loon, caused by the swallowing of lead.

I remind the House that, on March 25, the well known Ducks Unlimited informed me of their full support for Motion M-414 in the following terms:

Ducks Unlimited hereby supports the motion you put forward in the House of Commons to have the government amend its regulation to replace the use of lead sinkers and lures by any other non toxic matter that would end the poisoning of migratory birds, including the loon.

I have always been interested in hunting and fishing. Having become aware of the considerable harm caused migratory birds, particularly the loon, by the use of lead sinkers and lures, I think it highly desirable that we move as quickly as possible and without further delay to protect migratory birds by the use of non toxic matter for fishing.

Since lead is now banned for hunting migratory birds, the same decision must be taken for lead used in sport fishing, with the same goal of better protecting migratory birds, including the loon.

• (1115)

The motion I am putting forward does not require any complicated action on the part of the government or of fishers, just a simple amendment to the Migratory Birds Regulations in order to replace the lead sinkers and lures used in sport fishing with similar non toxic products serving the same purpose. It is as simple as that.

[English]

**Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, it is a pleasure for me to address the House today in connection with Motion No. 414 concerning the use of lead sinkers and jigs for fishing. The motion proposes that:

the government should, in compliance with the Migratory Birds Convention Act, 1994, amend its regulations to replace the use of lead fishing weights and baits by

any other non toxic matter that would end the intoxication of migratory birds, including the loon, caused by the swallowing of lead.

Let me state at the outset that I support the intent of this initiative and I am pleased to have the opportunity to speak about the issue of lead sinkers and jigs. It is one that warrants the attention of parliament and the Canadian public and it is one that reminds us all to pay attention to the effect of our activities as anglers on our cherished wildlife.

Lead has long been acknowledged as an environmental and health problem for humans and wildlife. Lead is listed as a toxic substance under the Canadian Environmental Protection Act. The federal government, along with other levels of government, has been successful in reducing the hazard of lead in our environment by getting the lead out of gasoline, household products like paint and shot used in hunting waterfowl.

Motion No. 414 highlights the fact that the recreational use of lead continues to be a source of lead in the environment. The motion has raised the profile of the problem of lead fishing sinkers and jigs and their impact on wildlife, in particular on water birds such as the loon. Basically the problem is that water birds ingest fishing sinkers and jigs during feeding, either when they mistake them for food or grit or when they consume lost bait fish when the line is still attached. The ingestion of a single lead sinker or a lead-headed jig is sufficient to expose a loon or other bird to a lethal dose of lead. Ingestion of lead sinkers and jigs has been found to cause mortality in common loons, swans and various other water birds.

The objective of Motion No. 414 is to eliminate the use of lead sinkers and jigs in Canada. The motion proposes to accomplish this objective by introducing regulatory action. We support the environmental objectives sought by the motion and we are taking and will continue to take action. There are several steps that the government intends to undertake, including the making of a regulation or other instrument respecting prevention or control actions required to achieve the objective of Motion No. 414.

First we need to ensure that we have a clear understanding of the impact of lead fishing gear on wildlife. This first step is key before we embark on the second step, which involves working in partnership with stakeholders. It is necessary to consult and engender the support of stakeholders and other government agencies that would be partners in any attempts to reduce the input of lead fishing gear into the environment.

*Private Members' Business*

The government intends to actively address the harm done by lead sinkers and jigs. As is required in these types of circumstances, we are using scientific understanding as the basis for our actions. In this regard, the Canadian Wildlife Service of Environment Canada has been compiling and analyzing information regarding the effects of lead sinkers and jigs on wildlife to determine whether there are impacts at the population level, particularly on loons, which is one of the main species affected by the ingestion of lead sinkers and jigs.

This science review is presently undergoing peer review by the scientific community and should be released in the fall of this year. This should provide scientific information for discussion with all stakeholders and provide a firmer basis for any new actions which may be considered to address the lead sinker and jig problem. These considerations should include regulatory or other instruments respecting prevention or control actions in relation to lead weights and baits.

As I have said, success in achieving the results advocated in Motion No. 414 depends first on obtaining the support of those Canadians on whom the proposed legislation would have an impact. Consultations are needed to build consensus on appropriate responses to the death of birds caused by lead sinkers, ensuring that Canadians have an appreciation for the scope of the problem and an idea of the possible solutions. We will initiate public discussion on this issue once the scientific review has been released. It is important that people understand what science is telling us and agree on an appropriate course of action. This approach of consulting Canadians before action is taken has never failed this government.

• (1120)

It is critical to develop the support of anglers who use lead sinkers and jigs. They must be fully aware of the problem so that they would readily buy into the possible solutions. We also require the support of manufacturers, distributors and retailers who make lead sinkers and jigs available, so that should any actions require changes to fishing equipment, alternatives to lead gear would be widely available. It is also important to have alternatives that are comparable in price and performance to those made of lead. We will need to consult with anglers on the effectiveness of non-lead sinkers and jigs for fishing.

The support of the provinces and territories, which manage recreational fishing, is critical to ensure that any actions, including the potential use of non-voluntary control on fishing gear, would be enforceable. The co-operation of all players is essential to the effective implementation of any actions undertaken to achieve a smooth transition to the use of non-toxic types of fishing sinkers and jigs.

Once we have completed these consultations, then perhaps a regulation or another appropriate policy response can come into play at a time when it will be supported by the Canadian public. It is these consultations that will tell us how best to respond.

Let me be clear. Let no one assume I am suggesting that nothing be done. When lead shot used in hunting was shown to be hazardous to wildlife, particularly to waterfowl, the government implemented a phased-in approach to the regulation and ban of the use of lead shot when hunting waterfowl. This phased-in approach worked well and perhaps will serve as a solid model for the reduction of lead fishing sinkers and jigs.

I should emphasize that it is the government's position that these phased-in regulatory approaches, supported by needed consultations, have been most effective especially when coupled with both education and awareness activities. I would like to add that the government has not been sitting idly by, ignoring the problem of lead fishing sinkers and jigs. We have already been active in reducing the use of lead fishing gear.

In 1997, under the Canada Wildlife Act, the Minister of the Environment banned the possession of lead fishing sinkers or jigs weighing less than 50 grams in national wildlife areas. In the same year, under the National Parks Act, Canadian Heritage prohibited the use or possession of lead sinkers and jigs weighing less than 50 grams for use while fishing in national parks. Together, these restrictions are estimated to have reduced lead sinkers and jig deposition by up to five tonnes annually. Environment Canada has developed a communications program around the theme "fish lead-free". The goal of this communication strategy is to raise awareness and promote the availability and use of lead-free alternatives to lead fishing gear. The Canadian Wildlife Service has developed an active website that outlines the issue and identifies suppliers of lead-free alternatives. It has also distributed close to 30,000 fish lead-free pamphlets this year as well as supporting several lead sinker exchange programs, including, for example, those at the Toronto fishing show and the Ottawa boat, cottage and sportsmen show.

A third important action we are planning is to expand the public awareness efforts around the issue of lead sinkers and jigs and the impact they are having on our wildlife. We have worked and will continue to work with government and non-government agencies that can effectively and efficiently get information to anglers. We will work to expand this partnership. Our fish lead-free campaign is available to any organization that wishes to work with us. It is a campaign that can be adapted to the unique and particular needs of each partner and one which we believe will help build a national momentum toward fishing lead-free.

I should add that over time Environment Canada has also in addition to its own programs actively supported independent collection programs for lead sinkers and jigs instituted by several organizations in Ontario, including the Ontario Ministry of the Environment, the Bay of Quinte Remedial Action Plan and the Hamilton Region Conservation Authority. To date, these programs have successfully netted more than 800 kilograms of lead sinkers and jigs from anglers who participated in exchanges around the Great Lakes. The success of this type of initiative is an important awareness building which will support as well as enable the government in moving ahead on reducing the use of lead sinkers and jigs.

*Private Members' Business*

● (1125)

I wish to thank the member for Saint-Bruno—Saint-Hubert for having brought to the attention of the House the lead fishing sinker and jig problem and for her interest in protection of the environment, in particular migratory birds. I assure the member that the government is acting on this issue which is important to all Canadians.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I wish to thank the member for introducing this motion. I was particularly pleased to listen to the parliamentary secretary who indicated that we need continued scientific proof in this matter.

If I were to tell members this morning that my mother was born in Missouri that might not have any connotation for the House. It is the show me state, and that is a bit of show me in me. I am old enough to know that I have been through many of these things where I have to be shown.

I remember, as a young person going to school in Ontario, lining to take a thimbleful of an iodine mixture. We lived in the goitre belt. People said that it was mass medication and it would kill everyone. We cannot buy table salt today that is not iodized. No one died from drinking the iodine either.

It also reminds me of when I was building a little farm site and I wanted to get the water tested. It had four times as much fluoride as what the cities were trying to put into the water. Again the cry came about mass medication.

Let me tell members about the Migratory Bird Act. Let me talk about driving down a road to visit one of my schools in the western part of my riding. A whole section of yellow stubble would turn black. About 90% of all the fly away from the Canada geese came down that way.

I, and everyone else, co-operated, as the parliamentary secretary said, when it came to doing away with the lead shot in shotguns. Many hunters were American and they would take a big goose when it came down, cut it down the middle, peel back the skin and slide out the breast meat. All the lead shot remained in the bird. Other predators would come along and eat the lead shot, and were killed. Therefore everyone agreed to the removal of lead shot.

The member who introduced the motion talked about the support of Ducks Unlimited. That is rather ironic because Ducks Unlimited is a prairie organization. It is not really engaged in fishing but it was one of the supporters with regard to taking out the lead shot in the shotgun shells. Lead is really poisonous.

I can tell members what happened one time that ended up being very costly. We were unloading grain after midnight. We had an old truck providing the lights for the loader to unload. We were so tired that we forgot to put the hood down. When we went out in the morning there was my neighbour's cow, good for two things, and that was nothing twice. It was dead. It died by licking the lead around the battery. That is how poisonous lead can be.

The Canadian Alliance does not want to move on a motion that does not have any scientific proof about the lead sinker. There was nothing relating to lead poisoning of these birds. One report talks

about a little history of the true agenda. This reminds me about people telling me about gophers. The other day a scientific fellow told me about gophers. He said we should not kill gophers because they chase and eat mice. No one ever heard of that before.

The experimentation the parliamentary secretary mentioned has never resulted in scientific proof of the actual destruction of large numbers of birds. That has never taken place. The government must take the lead through experimentation and show, with the co-operation of all the fishermen from across Canada, that there is scientific proof. When it does that we will be right there to support the banning of these lead sinkers.

● (1130)

Until now there has not been sufficient evidence to prove its demise. We will have to find another item which is as heavy. I did not know that fishermen bite this thing with their teeth. I could not do that. Then they throw it out on the line. What happens if it disconnects from the line? Lead being one of the heaviest metals, it sinks to the bottom.

I am reading from an article by a wildlife biologist who is also chairman of the fish and wildlife advisory board in Ontario. He states there is not sufficient evidence. He too, along with the parliamentary secretary and my caucus, would support the motion. We will support further evidence and findings but at the present time that would be like me supporting what the government has put forth in gopher poison which does not work. Let us have true evidence and we will support it. Until then we will wait for the testing to take place.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, I would like to congratulate the member for Saint-Bruno—Saint Hubert for bringing this important motion forward to the House of Commons.

I listened to the parliamentary secretary indicate her support for the intent of the motion but that the government, for all intents and purposes, would not vote for the motion. It is most unfortunate that she would not allow a free vote on this. I am sure many of her backbench Liberals would support a motion of this nature.

The reality is that she talks about the government getting rid of lead and gasoline. The way the government did it was through regulation. It told the industry it had until a certain date to remove it and the industry complied.

The government is saying we must have consultations with all the stakeholders to see what they say about it. The Liberals never consulted with Canadians when they introduced the airport tax and bought the two new Challengers. Yet on a simple solution like removing lead from our lakes and rivers they have to consult with people. It is another delay tactic by the government in refusing to protect wildlife in the country. It absolutely refuses to do it.

I will provide the solution; it is very simple. It should decide that by the end of 2003 no more lead weights or sinkers are allowed in the country, period. That is it. The industry and communities will adjust to it. In the end our fish, lakes, rivers and wildlife, especially those in the bird world, will be thankful for that. Why does the government not just do it? I do not understand why there has to be delay and no support for a motion of this nature. It is a no-brainer politically and helps everyone out environmentally.

*Private Members' Business*

There is a chance the government will invoke closure on the species at risk bill at a later stage. The government again will fail to protect the interests of not only our environment but the other species that we share this planet with. I could stand here all day and complain about what the Liberals have done in terms of our environment but it is quite obvious they have no intention of supporting the motion with their feet. They will support it with their continuous delays and in the end nothing will happen. That is most unfortunate.

I wish that the fisheries minister who happens to be listening to the debate right now would go over to the parliamentary secretary and say that it is the fisheries minister's role in life to protect fish and fish habitats. Why does he not exercise the fisheries authority that he has and ban this toxic substance? It is not that difficult.

It is a simple motion brought forward by the member for Saint-Bruno—Saint-Hubert. There is absolutely no reason that the House could not pass it in the span of a couple of hours. We can give ourselves a raise in three hours. We can give ourselves another raise by doing it in the back room. Certainly we can support a motion that is so clear and simple and would do so much to protect bird life and other species.

While I am on the topic, it is no surprise that fish like tuna and swordfish on the east coast now contain high levels of mercury. In fact, Health Canada is issuing warnings to pregnant women about the high levels of mercury in these fish. That is an indication the government is still refusing to protect those species. I have little faith in the government to actually enact this type of motion quickly, which is so dearly needed.

I thank the member for Saint-Bruno—Saint—Hubert for this very important motion. The New Democratic Party will be supporting her and we only wish that the Liberals would do the same.

• (1135)

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, it is a pleasure to speak to the motion put forward by the hon. member for Saint-Bruno—Saint-Hubert. It states:

That, in the opinion of this House, the government should, in compliance with the Migratory Birds Convention Act, 1994, amend its regulations to replace the use of lead fishing weights and baits by any other non toxic matter that would end the intoxication of migratory birds, including the loon, caused by the swallowing of lead.

I too listened to the parliament secretary. I heard her say that the government was consulting and that it would not support the motion. The last time I checked private members' legislation was whipped. However let us say for example that private members' legislation would not be whipped, that there would actually be a free vote. I would not expect a member of the government to speak on behalf of all the members of the government on private members' business. However that seems to be what is taking place.

I will make a suggestion to the government. It should take the 500 tonnes of lead that we are putting in lead shot every year and replace the metal substance with the loonie because it is only worth 62¢. We are calling it a dollar. If we were to make it out of lead we would get rid of the 500 tonnes. We would still sell it and everybody would benefit. Then we could call it the 62 center instead of the loonie.

However the loon is a bird that is directly affected by lead poisoning and certainly bears the brunt as one of our national emblems. I think it is as significant to most Canadians as the beaver.

The Alliance member for Souris—Moose Mountain who wanted to speak on the fact that there is no scientific evidence obviously has not gone to look for it. I suggest he check the websites of the Canadian Wildlife Federation and the Canadian Wildlife Service. If he were to do that he would find lots of evidence linking lead fishing weights to migratory bird loss.

Although loons in particular still nest in large numbers across Canada, recent studies have shown cause for concern about low breeding success, especially in the common loon. Loons are dying from lead poisoning by eating fish with lead sinkers. There is some suspicion they are also contacting lead poisoning after picking up discarded sinkers from lake bottoms. The lead is partially dissolved in the loons gizzard and absorbed into the blood and body tissue. Other tissue damage besides this also occurs, including nerve and kidney damage.

North American studies indicate that a significant proportion of adult loon deaths on the breeding grounds is attributed to lead poisoning from direct ingestion of sinkers. I would call that fairly conclusive evidence that lead sinkers cause lead poisoning in migratory birds.

The member for Souris—Moose Mountain started to make a point concerning lead shot. On that point there is some relative merit to replace lead shot across the nation for migratory birds and waterfowl. The government talks about consultation and discussion with advisory groups and wildlife groups but it missed a group in its consultative process. We may be causing more crippling of sea ducks with the exclusion of lead shot. When we are in deep water in the open ocean in a boat that is rocking up and down we would like to have every advantage and the lead shot carries slightly further than the substitute.

The hunting community has changed its tactics to accommodate the anti-lead shot bylaw and again both groups benefit. Wildlife benefits and the hunters have adapted to the regulations.

• (1140)

Environmentally safe alternatives to lead sinkers and jigs exist and are made from substances that include tin, bismuth, steel and tungsten-nickle alloy.

We talked before about the 500 tonnes of lead sinkers that are lost each year and it should be pointed out that nearly three million pounds of lead sinkers are lost in the United States annually as well.

Waterfowl or water birds can die from the ingestion of just one lead sinker. Birds affected include dabbling ducks, loons, grebes, sea ducks, cranes, herons, geese, swans, eagles, hawks, ospreys and vultures. Endangered species such as peregrine falcons and whooping cranes are also affected.

In eastern North America up to half of all common loons found dead died from eating lead sinkers or jigs. Since people are looking for some scientific data to back this up and this is a little piece of scientific data. I guess though one really has to look for this.

*Private Members' Business*

From 1980 to 1986, the U.S. University of Minnesota raptor centre reported lead poisoning in 138 of 650 eagles treated at the centre. That is approximately one-fifth of the total birds treated at the centre. We know that lead is extremely dangerous to migratory birds, raptors, waterfowl and to human beings as well.

Lead weights lost in water will slowly release toxins into the environment. The rate at which the lead dissolves depends on levels of nitrates, chlorine and oxygen in the water. The waterfowl can ingest lead weights and also absorb toxins through the water. Lead poisoning affects birds in a number of ways as lead is broken down in the stomach and moves into the blood stream. The end result of that is that the majority of birds who ingest lead die. Some simply become sick from lead poisoning and very few of those recover, but by far the majority of them die. Depending on the amount of lead ingested, the death may occur quickly from acute lead poisoning or the birds may become weak and die of starvation from chronic lead poisoning. The end result is the loss of the animal.

Polluted sediment from accumulated toxins can affect aquatic bottom dwellers, the crab, shrimp, oysters and clams and make them unfit for human consumption. High mercury levels in some types of fish, as it was mentioned earlier, already limit the fish consumption of those species to once a week. We could expect that if Health Canada did the real checks it needed to do on lead poisoning, the same could occur for other species.

I have the privilege to live on a farm in Nova Scotia beside a lake. I watch the loons return to that lake every year. Over a number of years I have been treated to watching them on their nests and have watched the little loons with the mothers.

Statistics in Nova Scotia on the number of birds affected by lead sinkers and jigs is mostly unavailable because the majority of the birds that die from lead toxicity are not located. Many of them are eaten by scavengers, whether they be eagles or crows. Many of them sink to the bottom of the lake and are eaten by eels. The ones that are found have been linked to lead poisoning.

In the past few years alone a few loons have been found by the Nova Scotia department of natural resources and have been directly linked to lead toxicity from jigs. They found jigs inside loons. That is basically proof that the loons died from lead poisoning.

Loons are implicated species in the Atlantic region and are likely ingesting more jigs and lead fishing weights than of which we are aware. Jigs often have a lead core with a plastic covering to resemble leeches or small fish and can easily be mistakenly eaten by loons when they are searching for food. The problem is greater in some areas than in others, but we should take a look at the bill.

● (1145)

A number of groups support the legislation such as Ducks Unlimited Canada. The Canadian Wildlife Service has already initiated a ban in national parks in the national wildlife areas and Parks Canada has joined that ban. The Nova Scotia department of agriculture and fisheries has issued lead advisory pamphlets. The Cape Breton Sportfishing Advisory Council has issued a lead advisory in its pamphlets. The states of New Hampshire and Maine have banned lead sinkers and jigs with diameters of less than one

inch and there are a number of other states with legislation on the books.

Certainly it is a free vote. I intend to support the bill. It is a very timely and good bill, and I hope that the rest of the parliamentarians would deem it responsible to do the same thing.

[*Translation*]

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I am pleased to address the House today in connection with the motion by the hon. member for Saint-Bruno—Saint-Hubert concerning the regulation of the use in fishing of sinkers and lures containing lead.

In this motion, it is proposed that the government should, in compliance with the Migratory Birds Convention Act, 1994, amend its regulations to replace the use of lead fishing weights and baits by any other non toxic matter that would end the intoxication of migratory birds, including the loon, caused by the swallowing of lead.

I would like to add that, like all other members who have spoken on this matter, I too support the environmental objective of the hon. member. I believe that any decision aimed at attaining this objective must be made based on the best available knowledge and that, where information is limited, we should opt for prudence.

The government has taken the necessary precautions to limit the various routes by which lead gets into the environment, such as lead-based paints, leaded gasoline and lead shot. As for lead sinkers and lures, we are in the process of determining their effects on the environment.

I would therefore like to take this opportunity to inform the members of this House on what we know about lead sinkers and lures and their effects on wildlife. I will also present other information which might be of use to people before adopting any approach, regulatory or other, aimed at limiting the production, import, sale or use of these products.

Recreational fishers use lead sinkers of various sizes and shapes to weigh down their hooks, lures or bait when engaging in their sport. Frequently waterfowl pick up lost sinkers and lures, taking them for something to eat, a seed or part of something like a snail or clam. Species that prey on fish, the loon in particular, ingest lead sinkers and lures most often by eating bait still attached to the hook and line.

Waterfowl in Great Britain, the United States and Canada have been poisoned and died as the result of ingesting lead sinkers and lures.

Sport fishing in Canada is governed for the most part by the Department of Fisheries and Oceans and its provincial and territorial counterparts. In 1975, these agencies conducted a study on recreational fishing in Canada. These surveys, which were co-ordinated across the country, included estimates of the total number of sport fishers in Canada, the fishing effort in the various regions, as well as the social and economic impact of the recreational fishery in Canada. This survey is conducted every five years.



*Private Members' Business*

In 1981, Environment Canada also started conducting a survey described as a nature survey, together with the federal, provincial and territorial departments and ministries, to collect information on recreational activities related to wildlife and nature that interest Canadians.

Starting in 1991, Environment Canada started including questions on the recreational fishery on this survey. Together, these surveys have made it possible to collect information on the recreational fishery in Canada from 1975 to 1996. Data on the food fishery is not included in these surveys.

Overall, these surveys have revealed that approximately 5.5 million people fish in Canada, or one Canadian in five. However, these surveys also reveal that almost two thirds of the recreational fishery takes place in waters in Ontario and Quebec.

Angling pressure in Canada varies between less than one rod day to more than 47 rod days per square kilometer at the provincial and territorial level. This increases to more than 230 rod days at the regional level, in central Ontario.

This information helps us identify the geographic regions in which we must concentrate certain activities, such as communications programs, lead sinker exchange programs or possibly adopt a gradual approach if and when it is deemed necessary to adopt regulations in order to identify the issue.

Members may not know how we estimate how much lead is in the environment. We estimate that approximately 550 tons of lead sinkers and lures are left in the environment every year. For example, we know that in 1995, Canadian fishers spent \$2.5 billion, an average of \$533 for each fisher, on goods and services directly related to recreational fishing. We estimate that the average annual amount spent on sinkers and lures is \$3.25 per fisher, or \$17.9 million for all Canadian fishers.

• (1150)

Based on the cost of sinkers and lures, it is estimated that approximately 559 tonnes of this metal are sold annually for this purpose in Canada. The bulk of it ends up in the environment, with almost no chance that it will be recovered or recycled.

We have observed a major increase in imports of lead fishing tackle from Europe since 1994, with one of the largest exporters being the United Kingdom, where the use of lead sinkers and lures is now banned. Approximately 100 tonnes of lead sinkers and lures are imported annually. Domestic production is much lower, holding at around 40 tonnes a year. There has been only a slight increase in the quantity of non toxic tackle available.

Imports or mass production account for only 25% of the lead weights and baits which end up in the Canadian environment every year. It is believed that the remainder of the products, some 400 tonnes, used in Canada come from lures and sinkers made in the home or by small companies and sold individually to anglers, retailers and distributors. Although we have no direct information about home production of sinkers and lures in Canada, we believe that an industry of this size must exist, because the estimated volume of annual purchases is much higher than the import and domestic production figures available from major fishing tackle manufacturers would suggest.

There are some who may find these figures hard to believe at first, but the studies and surveys done of anglers in the United States and in England have confirmed the large quantity of lead lost in this way. U.S. studies have found that each angler loses approximately one sinker or lure for every six hours of fishing, while British anglers have lost or thrown out an average of two or three of them per day of fishing. If we take the average of these figures and assume that a Canadian angler loses only one a day and if we base our estimates on the average number of fishing days in Canada, approximately 61 million of these sinkers and lures are lost annually. This does not include the number of weighted jigs or hooks.

To wrap up, while Canada is reducing the many other ways of releasing lead into the environment, by eliminating it from paint, gasoline, lead shot or smelters, for example, the percentage of lead which finds its way into the environment from lead sinkers and lures will continue to increase.

Since the early nineties, the swallowing of lead sinkers and jigs has accounted for 22% of deaths among adult common loons examined in Canada. It is the primary cause of death in breeding areas. Since Canada is responsible for over 80% of the loons' world population, any decision on the measures to be taken cannot be made lightly.

Cases of ingested lead sinkers and jigs have been reported for 10 wildlife species in Canada, including common mergansers, herring gulls, waterfowl, several other types of birds, raptors and snapping turtles.

While cases of ingestion of lead sinkers and jigs were reported for wildlife species in seven Canadian provinces, the documented cases of death from this form of ingestion are largely the result of accidental discoveries by cottage owners, fishermen, boaters and others. Therefore, the total number of loons or other species that die of poisoning following the ingestion of lead cannot be estimated with any degree of certainty.

Also, we do not know for sure if the deaths caused by the ingestion of lead have a bearing on the total population. The obstacles that have to be overcome to arrive at an accurate estimation are complex and costly. It is important to know if this information is absolutely necessary to arrive at an answer. We feel that this issue deserves to be publicly debated.

For this reason, the government will publish a scientific magazine in the fall of 2002, to promote such a debate. I am anxiously waiting for this document to be released and for the public to get involved in the debate, to identify the best way to deal with the problems created by lead sinkers and jigs.

I thank the hon. member for Saint-Bruno—Saint-Hubert for having brought the issue of lead toxicity in our environment to the attention of the House of Commons.

*Private Members' Business*

• (1155)

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to speak today to Motion No. 414, moved by my colleague, the member for Saint-Bruno—Saint-Hubert. This motion is most commendable, and I support it unconditionally. I congratulate her for having moved it.

The situation as it stands is ironic, and my colleague's motion attempts to change this state of affairs. Currently, the use of lead is prohibited in the migratory bird hunt. Yet, the use of lead in sport fishing has not been prohibited. It is of no use to protect a species halfway. If we decide to protect it, it must be fully protected, as the member for Saint-Bruno—Saint-Hubert has proposed.

It is estimated that fishers lose approximately 500 tons of lead sinkers and lures in Canadian waters every year. Some may reply that other more toxic substances are left in waters every year. However, these lost lead sinkers have a significant impact on the health of birds, because they poison birds when they are swallowed. It is estimated that between 20 to 50% of the deaths of adult diving wildlife is caused by lead lures found in our lakes. Lead fishing sinkers are the main cause of unnatural death in loons in Quebec, as poisoning occurs extremely quickly.

Hon. members will see how important a motion this is. The hon. member for Saint-Bruno—Saint-Hubert has, moreover, had the support of Ducks Unlimited for her initiative. Its director of research wrote her on March 25 indicating that support. My colleague's motion is in line with the thinking of Ducks Unlimited, which passed a resolution in that vein in 1995. It read as follows:

—because lead shot is a substance of persistent toxicity which, when consumed, can lead to death for waterfowl and other species, and because non-toxic equivalents are available, Ducks Unlimited Canada supports the use of non-toxic shot in hunting waterfowl.

However, notwithstanding the most definite justification for Motion No. 414, the Minister of the Environment does not seem in any rush to legislate on this matter. It would seem that he would prefer a consciousness-raising campaign instead. I have always respected the Minister of the Environment but on this he is really hiding his head in the sand like an ostrich. If he is incapable of backing a well thought out motion, I seriously believe that, like a bird with lead shot in its wing, Kyoto will not fly.

Yet he has admitted himself that lead may have been the cause of death in 20% of the loons in certain regions. This is serious. Even if he is aware of the problem, he prefers to launch an awareness campaign and then, if that is not sufficient, claims he will then be prepared to support the proposal by my colleague from Saint-Bruno—Saint-Hubert. Time will be lost, and how many more birds will be lost as well during that time? He knows very well that, sooner or later, he will have to pass legislation to ban lead in fishing, just as he has banned it for hunting waterfowl. He has the means available to act now, and needs only to say yes to this motion. We are not asking him for the moon.

Judging by the position of the parliamentary secretary, we can see that the government has again decided to put off till tomorrow what it could do today.

I trust that all members of this House will realize the importance of the motion introduced by my colleague, the hon. member for Saint-Bruno—Saint-Hubert, and will support it.

We are all aware of the problem posed by the death of migratory birds. We have the solution right at hand. Let us act, for action is urgent, and let us not slough off what we are able to do about it today.

• (1200)

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I am pleased to support Motion No. 414 presented by the hon. member for Saint-Bruno—Saint-Hubert. This is a critical issue in the context of environmental protection, particularly wildlife protection.

In 1999, the House passed legislation on the use of lead projectiles for hunting, because we recognized that spreading such projectiles in the environment was causing serious harm to our wildlife. Some experts agree that, since we passed this bill in 1999, there has been a 40% reduction in the lead that may be found in the environment from sport hunting and fishing.

Today, the hon. member for Saint-Bruno—Saint-Hubert had the wisdom to present a motion that complements the work undertaken in 1999, by proposing that we now deal with the problem caused by the use of lead sinkers for sport fishing.

As the hon. member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok mentioned, each year, more than 500 tonnes of lead sinkers and jigs contaminate the environment. Depending on the regions, between 5% and 50% of the birds, waterfowl, loons—and now gulls, herons and cormorants—are harmed by swallowing lead shots used in sport fishing.

These figures are bad enough in and of themselves. But it is more troubling, more appalling than that. According to studies, a lake in Quebec or in Canada may contain up to 180,000 hunting or fishing lead devices per hectare. Now, these are essentially lead fishing weights, since the issue of lead shots was dealt with in 1999.

The hon. member opposite said that there are not enough studies, but I listened to him and he provided us with horrifying figures. Why is it that, in light of these horrifying figures on the destruction of wildlife species, including loons, waterfowl, and so on, the government cannot make a decision?

I will support the motion—

• (1205)

**The Speaker:** I am sorry to interrupt the hon. member for Saint-Hyacinthe—Bagot, but the hour provided for the consideration of private members' business has now expired. The order is dropped to the bottom of the order of precedence on the *order paper*.

When the debate will resume, the hon. member for Saint-Hyacinthe—Bagot will have seven minutes left to conclude his remarks, on which I congratulate him.

*Government Orders***GOVERNMENT ORDERS***[English]***SPECIES AT RISK ACT**

The House resumed from April 18 consideration of Bill C-5, an act respecting the protection of wildlife species at risk in Canada, as reported (with amendment) from the committee, and of the motions in Group No. 4.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, it is a pleasure to rise and speak to the bill today and to the Group No. 4 amendments. This is the first time I have spoken to the species at risk act.

All of us support the overall goals of the act: to protect species that are genuinely at risk; to use scientific evidence and data to identify such creatures whether they be two, four, six or eight legged; and to make sure the ones truly at risk are protected. In some ways doing this is not rocket science. First, we must identify the species. Second, we must see what steps can be taken to mitigate whatever is putting the species at risk. Third, we must make sure there is enough land base and a proper stewardship plan to make looking after the creatures viable and sustainable in the long term.

It is no good to take a species at risk such as a marmot and save it by putting it in a zoo somewhere. That is not a long term, viable and sustainable project. We must protect not only the creature but the environment in which it lives. We must make sure that in the long run these creatures are viable in the wild and not behind glass somewhere in a zoo.

While we in the Canadian Alliance are committed to protecting and preserving our natural environment and endangered species, we have consistently said there are problems with the act. We have heard in committee and across the country that Bill C-5 would not do the job it sets out to do. With respect to the Group No. 4 amendments, we are concerned about some of the things that have been proposed by the government in the creation of the stewardship action plans.

It is interesting that the extensive work done in committee would be undone by the government's own amendments. The amendments would undo the work of the committee and backbench MPs who spent an enormous amount of time listening to, consulting and talking to stakeholders and experts across the country before putting forward proposals only to find the government wants to undo them.

For example, the standing committee had proposed that the stewardship action plans include a commitment to regularly examine tax treatments and subsidies and eliminate disincentives that would put species at risk. The government wants to delete that language but the standing committee put it in for good reason. It demonstrates that compensation would not just be a cash payment but could involve other things like tax treatments. It would also see if there were cash disincentives that kept landowners and others from properly protecting species identified as at risk in their locales. The government wants to delete this portion, make it less specific and take out the work the standing committee put in place. That is wrong. The government should revert to the original language.

The government wants to delete the standing committee's requirement that the stewardship action plans provide technical and scientific support to persons engaged in stewardship activities. Instead the government wants to send out pamphlets to Canadians saying it is important for scientific reasons that certain species be protected. If people asked for scientific and technical support to make it possible to protect species on their land be they burrowing owls, marmots, salamanders or frogs, the government would tell them to get on the Internet and figure it out themselves.

If we are to obligate landowners and others to help with the stewardship of resources or species at risk, and even if they want to help, we had best give them the resources and technical and scientific data to make it possible. There is no sense in telling landowners there is an animal on their property we would like them to protect but that it is up to them to figure out how. The best of intentions will not save a species unless landowners have the help to make it possible.

● (1210)

It is interesting that a growing number of people who want a strong species at risk legislation are saying that the types of amendments in Group No. 4 and others are either making the bill ineffective or are just not doing the job of protecting the rights of landowners. Landowners want to do the right thing but they are finding it impossible to accomplish that goal.

This is where the phrase shoot and shovel came up. People are so frustrated with the idea of having an endangered species on their property that they feel that maybe they should just shoot it, get a shovel and bury it because dealing with the government on this is impossible. It is so difficult that even if they have the best intentions of looking after a species at risk in their area, they cannot get the help, the compensation, the resources or the moral support from the government to make it possible. They are increasingly left to rely on the government to some day bring in legislation to help landowners make it possible; that is, if it happens to be the right minister at the right time with the right budgetary surplus. That is not the way to draft legislation.

I have noticed that while the Canadian Real Estate Association supports the species at risk legislation, it is absolutely worried about the future of real estate values and its clientele who are trying to either buy, sell or maintain their properties. The Canadian Real Estate Association says that it supports the purpose of the bill but that when landowners are deprived of the use of their property while protecting an endangered species, then before the bill is passed it should state for sure what kind of compensation landowners can expect.

*Government Orders*

As an example, I live up on a hillside in an area just outside Chilliwack. Some new development is going on in the area and there is a concern about a particular species of west coast salamander which is somewhat rare and may exist in the creeks of this hillside area. I say may because no one has actually ever caught one of the little suckers. It is there in theory because it is painted onto the map as the area where the west coast salamander may live. However, people who happen to have a creek running through their property are left with the conundrum of dealing with the reality that there may be a salamander somewhere, although no one can find it, but if they are there huge restrictions have been put on what can be done on that property. The landowners say that whatever they can do to protect it they will do it but that they need the scientific data and they must be shown where its habitat is. They actually have to find one so that they know they have something to protect. They want parameters to work within.

As this hillside receives lots of rain, some landowners who own 10 acre parcels will have two or three creeks coming together somewhere on their property. When the federal government says that it wants a 100 foot setback on either side of the creek, times three creeks going through the property, plus no roads, landowners will be lucky to have an area the size of a city lot to work with let alone their 10 acres. The whole thing is protected with no compensation to the landowners who are trying to do their best but who are frustrated with the legislation and with the sorts of ambiguities in Group No. 4 that make it impossible to do the job.

The problem with the amendments and the bill in general is that while we all want to protect species at risk, we want to do it based on supportable scientific data and, when possible, based on compensation for landowners who are involved in this protection process. The bill does not do it and the amendments do not do it which is why they are not to be supported.

•(1215)

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, it is a pleasure to speak to Bill C-5 today and the Group No. 4 amendments.

The species at risk act has been much anticipated by parliament. The last time it was introduced it died on the order paper because it was an atrocious bill and utterly unworkable. The government which drafted it knew it was unworkable and yet still introduced it. Thankfully, it died.

This bill, in many cases, is no different. For reasons unfathomable to people on both sides of the House, the government has introduced a bill to protect endangered species that it knows full well is unworkable. It is a bill rife with problems. It is a bill that will be destroyed in the courts. Furthermore, it is a bill that will not protect endangered species.

What a sad thing for the House to see members from across party lines working hard to craft a bill that will work for the protection of the most vulnerable species in our country and find that the government, out of contempt for the committee and for the MPs, introduces motions that simply override and destroy the good work that committee members attempted to do.

Why did the government choose to do that? I will give some examples as we go through some of the amendments in Group No. 4.

Before I do that, let us talk a bit about the problem. The most important thing we can do to protect endangered species is to protect their habitat. Critical habitat loss is a primary driver in the extinction of endangered or threatened species, regardless of where we are in the entire world. That, above all else, is the major reason that species are disappearing from the face of this planet, and our country is no different. This bill was an attempt to correct that. Yet the bill only protects a small fraction of land within Canada, a small fraction of that critical habitat that is essential to protect endangered species.

Furthermore, the bill does not reflect the fact that species of animals do not respect borders. They do not know when they come to the border between Saskatchewan and Manitoba. They do not know when they come to the border between Manitoba and Ontario. Species move and as a result we have a situation where there is little or no control in the protection of the critical habitat.

Species are disappearing at an ever increasing rate. All we need to do is look at the increasing numbers of species that are being added to the threatened, endangered and extinct lists each year, not only within our own country but around the world.

We have proposed that a few fundamental things need to happen. First, the determination of what species have become extinct or are endangered has to be done on scientific grounds. COSEWIC, a group of scientists who are objective and apolitical, is the best group to do that and there is bipartisan support for that notion.

Second, we absolutely must have a compensation mechanism when we appropriate land that is critical for habitat. The best thing would be to work with landowners and the provinces to accomplish that goal. If we did that we would find that in the vast majority of cases private landowners and the provinces would be apt to work with the feds to save the habitat.

Innovative things could be done along those lines. We could have financial compensation or even tax breaks. Tax breaks would work well for the landowners if only for the critical habitat and the loss therein.

We must also identify those potentially endangered species. COSEWIC can do that, as well as identify the critical habitat that I mentioned before. We do not see that in the legislation and we feel that is a serious problem.

One of the amendments in Group No. 4 calls for having a national aboriginal committee. This basically means having different laws for different people based on race. We have always argued that we need colour blind laws in this country. I will give an example.

*Government Orders*

• (1220)

Where I work as a physician in northern British Columbia some of my colleagues like to fish. In one of the areas there is a beautiful river where a large, beautiful female grizzly bear frequently brought her two cubs. It was her favourite fishing hole. Many people also fish there. One day a couple of aboriginal men came out of the bush and saw the bear and her two cubs. Although they knew she and her cubs had visited that river over a long period of time, they killed them. When the horrified fishermen who were there saw this, they asked them why they had killed the bears. The aboriginal men laughed and said that it was because they could and then they walked away. They did not use the meat nor the hides. They merely shot the female and her two cubs dead because they could.

I told that story not to impugn aboriginal people because many aboriginal people follow the laws and are superb stewards of the land. All I am saying is that the law should be applied to all people regardless of their race. One of the things these two aboriginal men said to the fishermen was that they shot the bears because they could get away with it and that nobody would prosecute them.

When the fishermen brought this killing to the attention of the fish and wildlife people in the area they were told that the aboriginals could not be touched because they were aboriginals.

I think that case would horrify law-abiding aboriginal people as it would horrify law-abiding non-aboriginal people. Both aboriginal and non-aboriginal people would like to see laws that protect endangered species, regardless of their circumstances, and to ensure that everybody follows the law. The bill does not do that.

We encourage the government to implement laws that are colour blind, racially blind and laws that uphold the principles of the law for the benefit of endangered species.

One good thing in the bill is the notion of a stewardship of action plans, and that means working with people, not above them. Unfortunately the government has a habit of pushing things through without proper consultation and without acting in the best interests of what it has heard.

One example of that is in the public consultation amendments in Group 4. Government members and opposition members met and decided that a five year mandatory review would be reasonable to have in the bill. The bill would then be workable because the act could be reassessed to ensure that it was working in the best interests of endangered species and the public. That was a good motion.

However, the government's motion, Motion No. 130, removes that amendment, that viable and effective suggestion on the part of members from all sides.

Why would the Prime Minister's office, or the minister in that case, choose to put a motion that runs roughshod over the hearings and the deliberations of members from all parties? It shows an utter contempt for the work of the individuals on the committee and of the witnesses they heard. I strongly encourage the government to review the situation and listen to what committee members from all parties have said in terms of the amendment.

I only have a few moments and I want to draw attention to a couple of other issues that ought to be in the bill. In the end the bill

must be a workable bill and one that is largely immune from challenges within the courts. It must be a bill for which we can all be proud. It must be workable and it must protect endangered species.

Unfortunately time is not on our side. As time moves inextricably forward we know that more and more critical habitat will be destroyed and it will never come back again. As a result, more and more endangered and threatened species will become extinct. That march has not changed for many years. Not only does it continue but it continues with increasing rapidity.

It is up to the members of the House to listen to the best solutions that we have heard from members and from the public, earnest and effective solutions that have been put forth by many different groups that know these issues far better than any of us.

The committee has done good work in crafting a bill that can work. The government has intervened and run roughshod over those good solutions. While we still have a little time on the bill I encourage the government to sit down with members of the committee and implement the solutions that they have.

• (1225)

I first ask the government, for heaven's sake, not to run roughshod over the solutions that they have put forward, and second, if they have better ones, I ask the government to work with them to craft a bill that will work for the benefit of all of us, because in the end endangered species are a legacy not only for ourselves but for our children.

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I am happy to speak in this debate. I was glad the previous speaker mentioned that the stewardship action plans are good because that is what I will primarily address.

One of the previous speakers from the Alliance said that we all agree with the aim of the bill, which is to protect species at risk, and I think everyone in the House does agree with that. After 7 to 10 years of working with various groups across the country to come up with this solution, I think it is high time to get it into place soon. It was a bit disconcerting when the previous speaker appeared to be speaking against it and it is disconcerting that his party might actually vote against this bill that would help start the process of protecting species at risk. There are compensation provisions in the bill, in case people are worried about that, and there are provisions for the protection of habitat.

It was also interesting that the previous speaker talked about the fact that species do not respect boundaries in the sense there is an important role for the federal government to play in things that are national. Many other members of his party are constantly pushing for more provincial autonomy, more provincial control and more of a role for the provinces, which we have actually allowed in the bill. We have allowed them the first chance to protect species right across this country. Once again, it seems a bit incongruous.

It also appeared a bit incongruous that he talked about us giving up some parliamentary control and responsibility in one of the amendments to the bill after he spent last week seemingly wanting more parliamentary control and more parliamentary input into issues. He has now given a speech in which he wants to abrogate that.

*Government Orders*

What was most disappointing to me were his comments against an aboriginal committee, one that would put its wise and traditional knowledge into the process. If it is valuable it will help make better provisions, but of course it would be advice and people would look at it. I do not think anyone could claim that aboriginal peoples do not have things to add, based on their history, their culture and knowledge from having lived for centuries in the area where these species live. I do not think anyone would claim that they could not add some information that would be helpful in the debate. To bring up one incident of aboriginal people inappropriately killing a bear is, first, not related to the bill at all and, second, we do have a tremendous problem with people poaching bears in Canada. I do not imagine that most of the people prosecuted for that are aboriginal people. Bears are constantly killed and just their paws or their gallbladders are taken. This is a serious problem in our country and is of course dealt with in other bills. I think that would be much more appropriate for comment.

We have talked about stewardship a great deal in this debate. We have heard that the government considers this a key part of the overall strategy to protect species at risk. I want to take a minute to talk about what this really means.

• (1230)

We can legislate and we can debate. We can consult and we can research. We can listen to the constant letters and articles in the media and we can look at laws in other countries. This is what we have done for a very long time, for nearly a decade in fact, yet during this time species in Canada have not been abandoned. Who has carried on while we have talked, debated, researched and postured? The people of Canada. They have put in hedgerows between fields so that the birds have nesting spots. They have helped protect nests of turtles and built special crossings under highways. They have left fields to lie quiet during nesting and they have proudly displayed their actions on the ranch fence, on the farm gatepost, on the fishing boat and on the logger's truck.

In Yukon we have a site on the Yukon River near Marsh Lake. It is called Swan Haven. Every year, just before this time of year normally, the ice opens up and the swans stop there on their migration north. Yukoners come to the site to appreciate them and they appreciate that the swans have to be protected in their environment; they stay a good distance back. Through school trips, the children learn about the life cycles of these swans.

We owe all Canadians great thanks for protecting species at risk through all these years while we have been working to get legislation in place, so we cannot turn around now and say that their co-operative efforts, their partnerships and their hard work mean nothing. No, we have to make sure that everything that has been done is recognized and that we have measures in place to do even more to assist them.

The habitat stewardship program has been on the ground for two years out of the five set aside, with \$45 million to assist in stewardship activities. It has helped foster partnerships among first nations, landowners, resource users, nature trusts, provinces, territories, the natural resource sector, community based wildlife societies, educational institutions and conservation organizations. Through the ecogifts program we are providing a more favourable

tax treatment for the contribution of ecologically sensitive lands. Over 20,000 hectares have already been donated as ecological gifts.

I am speaking today in favour of the government motions on the development of the stewardship action plans in Bill C-5 itself. The principle of the proposal to develop a stewardship action plan introduced to Bill C-5 by the standing committee is well accepted by the government. Work is already underway on the development of a Canada-wide stewardship action plan.

I also speak in favour of government motions to remove the arbitrary timelines for completion of action plans. Legislated deadlines could unnecessarily limit the number of action plans and their scope, as well as consultation in their development. Action plans must be completed in a timely manner. At the same time, action plans must be developed with the participation of landowners, resource users, aboriginal peoples and others who may be impacted. Action plans must also satisfy a range of requirements if they are to be effective. The time to fulfil these requirements will vary just as the threats faced by the species vary. The decision for timelines is best left to scientists and practitioners. To this end, the bill requires recovery strategies to include a statement of when action plans will be completed.

Now let me turn my attention to the original stewards of the land, those who have led the way for us, Canada's aboriginal peoples. They are the people of the land, with vast and rich stores of history and knowledge. They have been at the table for many discussions on the legislation. Their advice and input cannot be stressed too much. We simply could not have done this without them. We do not want that input and process to end, so we are entrenching the role and importance of traditional aboriginal knowledge.

We all share in the responsibility for protecting wildlife. Canada's aboriginal peoples have shown us how and why. We are proposing to recognize that contribution through the national aboriginal committee on species at risk. The committee is consistent with the Government of Canada's commitment to strengthen its relationship with aboriginal peoples. One reason among many that I want to have as much input as possible for aboriginal peoples is that one-quarter of my riding is made up of aboriginal people of the great first nations, the Tlingit, the Northern and Southern Tutchone, the Han, the Gwich'in and the Kaska.

*Government Orders*

• (1235)

Of course recently we had the experience of a great problem with a species, the Porcupine caribou herd, and its migration to the ANWAR coast. We are delighted that over the years the efforts of Canada, the Canadian embassy in Washington, our Prime Minister and the Ministers of the Environment and Foreign Affairs to protect this herd have led to success so far. With that great vote in the United States senate last week, which was 56 to 44 against drilling in ANWAR, once again a species that is important for rural people in various parts of Canada will be protected. Hopefully we can go on protecting these species.

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, the opportunity to speak today in the debate on the amendments to Bill C-5, the species at risk legislation, is indeed a privilege. It is a very important piece of legislation and if passed would have many repercussions for the property rights of our landowners and indeed for the species that it would try to protect.

As I have said before, we all want to protect endangered species. Unfortunately this piece of legislation would have a devastating effect on the landowners, the economy and the animals it would actually be trying to protect. Bill C-5 would have the greatest impact on those who live in rural Canada who already have a difficult time. Some are Canadian farmers or loggers who would bear the brunt of the financial responsibility for protecting our endangered species, an unfair burden on industries already neglected by the government. Urban, SUV-driving environmentalists must realize that their Starbucks and their mini malls are built on what once was natural habitat. We need legislation that will be effective on the ground. A confrontational approach to landowners in protecting at risk animals only will lead to a more rapid decline of those animals. If landowners do not buy into the process, the process and the bill will surely fail.

The Group No. 4 amendments of which we are speaking today highlight the arrogance the government has shown toward parliament and all Canadians. They show the arrogance of a government that does not listen and that goes ahead without understanding the repercussions of a piece of legislation. They show contempt for the hard work the standing committee has done, including that done by its own MPs and Liberal backbenchers.

I will deal specifically with Motions No. 6, 16, 17 and 30, which deal with aspects of the national aboriginal committee. The idea of the aboriginal committee is reasonable. In many places, especially in the north, clearly natives have a close knowledge of the land. Consultation with the aboriginal communities, as well as with the stakeholders such as property owners and resource users, will be necessary if we are to protect endangered species. For the government to change the name from council to committee reverses the standing committee's work with absolutely no justification. The government seems to have ignored the necessity for landowners to be partners in the process of protecting endangered species.

Motion No. 25 eliminates any recognition that a tax system might be used to provide incentives for property owners as well as any recognition that property owners face disincentives in protecting endangered species. This fails to recognize the financial burden that this bill potentially places on landowners. Simply removing

disincentives would be far more effective in protecting endangered species than punitive measures alone.

My main concern with Bill C-5 is the lack of respect for property rights. What is needed in the legislation is fair compensation for landowners for the costs of achieving biodiversity. The majority of Canadians believes that owners of private property should be free to use it as they see fit. It is only fair and reasonable for a government to compensate landowners financially if they are restricted from using their land if it is the home of an endangered species. Expropriation of farms and forest lands cannot go uncompensated.

Protection of endangered species is big business. From the resource industry side, legislation that does not fairly compensate landowners for loss of their land will have a devastating effect on the Canadian economy. Farmers and loggers cannot afford to face another burden on their bottom line. No fair compensation will cast a chilling effect on the investment in resource based industries. Over 200,000 Canadians are directly employed in the logging, forestry, mining and oil well industries, and the mishandling of the softwood lumber dispute has already sent many to the unemployment lines.

• (1240)

Protecting the environment does not exclude commercial activities. Farmers, logging companies and oil companies have active voluntary participants to ensure a sustainable environment. The reality is the companies that are economically strong will be able to contribute more resources to protecting endangered species.

Without a legislated commitment for fair compensation, a chilling effect on investment and resource based industries will occur. I am sure the logging, forestry, mining and oil companies that directly employ the 200,000 Canadians will not have environmental stewardship as a top priority in an economic downturn.

Farmers and loggers cannot afford to face any further hits to their bottom line. They have already been casualties of this government's gross mishandling of the softwood lumber agreement and unwillingness to fight foreign agricultural subsidies. Government, industry and environmental organizations must work together to protect endangered species.

I would like to speak to Motion No. 127 put forward by my hon. colleague from Skeena dealing with the release of information and if it is in the best interests of the species. I support the amendment which changes the wording to public release of information. As has been pointed out, under certain circumstances it is understandable that landowners might not want the general public informed of the presence of endangered species on their property. The possible damage from trespassers or harassment would not be good for the landowner or the at risk species.

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However, given the harsh criminal sanctions contained in the act, it is completely unacceptable for the minister to have information about the presence of a listed species and not share it with landowners. It is only fair that they be informed because they will be guilty of a criminal offence even if they unknowingly harm the species or its habitat.

I am also concerned with the removal of the clause requiring the review of the act every five years. If the government feels so strongly that the legislation is good today, for what reasons does it not think it will not pass a review in 10 or 15 years? Mandatory review of any legislation to determine if it is working is only good government.

The Canadian Alliance and the majority of Canadians are committed to protecting and preserving Canada's natural environment and endangered species. We all agree that those who wilfully endanger habitat should be punished. The reality is that those people are few and far between. Most property owners and resource users are responsible citizens who wish to protect species at risk.

I cannot support a bill that puts the responsibility of protecting endangered species solely on the shoulders of landowners. The act will not work without guaranteeing fair and reasonable compensation for those who suffer loss. Farmers, ranchers and other property owners want to protect endangered species, but should not be forced to do so at the expense of their livelihoods. If endangered species become a liability, farmers and other landowners who are already facing economic crunches will be tempted to eliminate the liability.

Overall I believe that the government has once again shown its contempt for parliament by its flagrant rejection of the recommendations of the standing committee and the unnecessary confrontational approach to dealing with landowners.

• (1245)

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I have a cottage in which I believe is probably in the most dangerous part of Canada in terms of wildlife and it is only an hour out of Toronto. My cottage is on the Moon River just west of the Muskoka, which those in other parts of Canada might not realize that the Muskoka area is one of the earliest settled cottage countries in Canada outside Quebec. For the most part the land in Muskoka for cottages is extremely expensive. This is where the rich people come to play.

I happen to have a cottage there not because I am rich, but at the time I bought my cottage, which was built in 1890, it was surrounded by forest. It was not in the area of Muskoka that had high status. It is only in the last 10 years that roads have been put in and development has moved around on the river opposite my property.

I tell this story because the wildlife community around my cottage is moose which is one of the largest land animals in North America and very dangerous. We hear wolves all the time. Even though the cottage settlement is along the river there is a lot of wilderness immediately behind us. We have had bears on the land. I saw a bear move by my cottage a couple of years ago. That does not sound unusual, particularly to MPs from out west.

However my cottage is also the habitat for the eastern massasauga rattlesnake. I have rattlesnakes galore around my cottage. Every one of those rattlesnakes is quite capable of dealing with a politician in a

very summary way. The massasauga rattler is an absolutely gorgeous snake. The particular land that I have is wilderness right down to the shore. The south section of the Moon River where I am is still undeveloped after all these years. It was logged at the turn of the century but nothing more after that.

When we bought the cottage, which as I said was built in 1890, there were very few cottages around us. It is still very wild right down to the shore. We had heard about the massasauga rattler. It did not take long before my wife saw one. My wife hates snakes. She saw this snake, curled and hissing. The massasauga rattlesnake knows that it can deal with anything that comes its way, so it does not run away and makes quite a display.

This is a creature on private property that literally can kill a person. We made our choice very early on that we would not cut the weeds along the shore of the property that we own. We wear boots when we go down to the cottage because we know that the snake will not run away and if we step on it will strike. In the 10 to 12 years we have had the cottage we have seen the snakes about a dozen times. What we do is carefully step around the snake or preferably get a long stick and bother it to persuade it to go away and not come back.

As I was describing, on the opposite side of the river where we are located a road was put in. Because Muskoka is very expensive cottage country, suddenly in the course of the last eight years all these huge \$200,000 cottage homes have gone up along the opposite shore. The first thing people did was slash and mow down all the weeds. The lawns are now beautifully manicured with pansies right down to the shore. Of course, the massasauga rattler lives on a diet of frogs and insects. If the shoreline is destroyed where we live in Muskoka, we destroy the critical habitat for the massasauga rattler.

At any rate, these new cottagers soon discovered that the snakes they were seeing were not the friendly type. They complained to the local municipal authorities and a public meeting was held.

• (1250)

These cottagers, most of them very well heeled from Toronto, filled the room. Basically what they said to the politicians was that the snakes were dangerous and they all had to be killed. It was quite an interesting meeting. If we follow the theory and logic, that every time one moves out into the wilderness or countryside, or has a cottage or goes hunting or camping, which I suppose is the better analogy, and in Canada we are used to species that are dangerous, of these people from Toronto who own \$200,000 cottages, we would not have any bears or wolves or moose because they are all dangerous.

I tell that story because the whole question of preserving habitat and preserving species is, in the end, political. The massasauga rattler is common where I live because that is its only range. It extends from Lake Muskoka to Georgian Bay in a narrow swath only about 10 miles deep, and that is it. One of the reasons it is listed as a threatened species is because it does not exist elsewhere in the country. My cottage is right in the centre. The snakes only exist where my cottage is but they are very abundant there.



*Government Orders*

The problem is, if we bring in legislation that were to decree that the protection of the massasauga rattlesnake is punishable by law and we bring in absolute sanctions, it is impossible to provide compensation because governments could not afford these cottages. These people have a lot of political clout. If we do that, if we take away the political process from these landowners who were so upset because they discovered that their beautiful property also included a dangerous snake, they would just go out and kill it.

The range is small. It is perfectly easy to go out in the countryside and exterminate the snake. I think enough people armed with .22s would be able to do the job in a couple of seasons. That is why I think that in the general theme of this legislation, which I do support, if we are going to protect species and habitat, we will have to make it political to some degree and discretionary to some degree. In the end there are always people I think who, and I hate to use my own analogy, like me will instead of wanting to civilize the wilderness to the point that nothing wild exists, will realize that what makes us Canadian and why it is so wonderful to be Canadian is the fact that every one of us, no matter where we come from in the House, are on the threshold of the wilderness. We as Canadians interact with the wilderness.

This is why earlier today we had this most interesting debate about preserving the loon. This is an essential part of the Canadian psyche. It is very important to have species at risk legislation. The bill before the House is exactly what is necessary, but it has to be discretionary and it has to respect the fact that in the end the common sense of Canadians will prevail and they will try to do the right thing. Even though my neighbours right now are busy mowing down the shoreline and destroying the habitat of the frogs in which the snakes live, I would like to think that in a few years perhaps they will realize that they are guests in the wilderness, not the owners.

• (1255)

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, conservation of the environment is a difficult issue. Some of the issues raised by my hon. colleague across the way demonstrate the difficulties.

I think it is safe to say we are all in favour of conservation as long as the responsibility is on someone else's shoulders. I heard it said here or elsewhere that the definition of an environmentalist is someone who already has a cottage in the forest. We are all strong on environmental issues when we already have a piece of property. However as there is more and more interaction among people living in urban, rural and protected areas we must come up with a solution to address the tension.

One point is clear from the American experience of adopting legislation without a rock solid guarantee of compensation: Inadequate or no compensation would fuel the destruction of the environment. We must place the burden equally on everyone and not just on landowners like farmers, ranchers and cottage owners. We must be prepared to compensate these individuals.

If we believe our environment and endangered species are important we need to compensate landowners. Failing to do so would put the onus on a small segment of our society and encourage it to destroy endangered species. As pointed out in the example of the hon. member, if we forced landowners out, restricted their activities and did not give them compensation some of these

individuals would destroy species before we could act to protect them. The issue of compensation is fundamental to preserving our environment.

This is the context in which I address Bill C-5 and the amendments. I will speak in favour of the amendment put forward by my hon. colleague from Skeena. I will also speak to the flaws in the government amendments, many of which would reverse months of painstaking work by the environment committee.

The arrogance and cynicism displayed by the minister is nothing new to us in the opposition but it is beginning to grate on upperbenchers on the Liberal side of the House. The real concern here should not be politics. It should be to make the legislation work.

During report stage debate my colleagues from the Canadian Alliance and other opposition parties proposed a number of amendments to Bill C-5. The grouping of amendments we are addressing stresses the fundamental importance of making public consultations for the act as broadly based as possible. The changes my colleagues and I are proposing are intended to ensure public consultations have a real and substantive impact on the act and on any further action by the government to protect endangered species.

The requirement for a basic level of public consultation lies in the need to make the process as transparent as possible. It also ties in to the issue of compensation for stakeholders. As we have argued, there must be a clear and open process to ensure the compliance and co-operation of stakeholders. However as with the issue of compensation, the government's amendments with respect to public consultation do not come at all close to ensuring we meet the important goals of co-operation and compliance.

Although some government amendments are a move in the right direction, even the positive ones are technical and do not go as far as they should. Many are counterproductive to what we are trying to achieve. They would reverse the work done at committee without giving any justification to parliamentarians or Canadians.

Initially Bill C-5 provided for a parliamentary review of the act after it became law within a period of five years. The committee added a provision to the effect that the bill would be reviewed at five year intervals. Government Motion No. 130 would revoke the committee amendment entirely. This displays a blatant disregard for the decisions and integrity of the committee and its members.

With respect to the legal listing of endangered species, we agree that the final list must be subject to government approval because ultimately the government and cabinet must take responsibility for the decisions. However the listing should be as scientific as possible. It must ensure transparency and accountability. To achieve these goals the committee urged that the government, as soon as possible and to the extent known, must notify all landowners affected by the listing.

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However we have before us government Motion No. 126 which would remove the requirement for ministerial reports to be entered into the public registry, reports that include decisions with respect to the listing of species. The government's refusal to provide listings of species to the public absolutely defies common sense. It would reduce transparency in governance and create a far more cumbersome process for ordinary citizens to obtain information regarding endangered species. Failure to provide reasons for including or not including certain species on the list would make it impossible to ensure accountability and the co-operation of the public.

• (1300)

My colleagues in the Canadian Alliance have done a thorough and comprehensive job of trying to counter the senseless tactics of the government. The hon. member for Skeena introduced Motion No. 127 which would ensure that if the minister decided to restrict information relating to a species or habitat he would be required to advise the affected landowner. One would think this would be common sense but there is no such requirement at present. Despite the reasonable arguments of the opposition I have little hope any of our amendments will be accepted.

Not only has the government failed to calculate the long term cost of Bill C-5 to every taxpayer. Not only has it miserably failed to estimate or even consider the burden it may place on landowners and farmers. It has totally ignored the need of members of the public to be informed and consulted on matters their way of life depends on. This serves not only to foster mistrust of the federal government. It ultimately renders the bill less effective because it does not further a spirit of co-operation.

This is a heavy-handed, top down, government knows best approach. Co-operation with landowners and resource users is critical to the success of Bill C-5. I cannot stress that enough. Unilaterally imposing federal laws on the provinces and imposing harsh penalties and strict liabilities on property owners and farmers does not demonstrate good faith on the part of the federal government. It destroys co-operative federalism.

This legislation demonstrates that the federal government is not interested in making federalism work. The government wants to see decisions made unilaterally from downtown Ottawa. It wants to tell people in the various regions of the country what is best for them. That is the wrong approach. It is the approach reflected in Bill C-5.

Without the amendments we have proposed Bill C-5 would have disastrous results for the government, landowners, resource owners and, most importantly, the endangered species we mean to protect.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I am pleased to speak to Bill C-5 and the group of amendments before us.

I want to begin by referring to a poll that appeared in the *Vancouver Sun* today. It makes it clear that more than three-quarters of Canadians support mandatory protection of the habitat of endangered plants and animals as well as of the plants and animals themselves. The story included a photograph of the Vancouver Island marmot which is one of 112 species that are at risk in British Columbia. It is part of 388 species that have been identified as very much at risk.

The poll was very interesting because it reflects significantly the outpouring of concern that has taken place right across the country in urban and rural areas. Canadians understand the importance of having legislation that will have a real impact in saving endangered species. The feedback I have had in my community is that people are not going to be satisfied with a piece of legislation that glosses over the fundamental issues that are at risk in terms of species at risk.

The poll in today's *Vancouver Sun* very much echoes a town hall meeting which I held in my riding a while ago on this bill. We heard from a number of speakers, including Jamie Woods of Defenders of Wildlife; Jacqueline Pruner, of Western Canada Wilderness Committee; and David Cadman of the Society Promoting Environmental Conservation. I held the meeting because I had had so much feedback from people who expressed their concern about how the government's attempt the second time around, not even the third time around, was still significantly weak. In that meeting it became very clear that people believed if we enacted legislation that allowed political interference in making decisions about what was deemed to be at risk and if it was not based on science then we would have a piece of legislation that was gutless.

The most significant concern from my riding is that unless the bill can adequately lay out protection of the habitat where these various species live then again it will be a gutless piece of legislation. True enough, one of the major criticisms of the bill is that it does not adequately protect habitat.

In terms of the Group No. 4 amendments, the member for Windsor—St. Clair, our environment critic, along with other members of the Standing Committee on Environment and Sustainable Development have worked incredibly hard to counter the intransigence of the government in thwarting the will of the Canadian public in dealing with this legislation. It has gone back and forth. The Standing Committee on Environment and Sustainable Development has done a good job in trying to develop a consensus and come up with amendments to make the bill significantly stronger, to make it reflect what Canadians are telling us they want in terms of protection of habitat and consultation and the involvement of first nations communities.

We have some difficulty with the amendments before us today. This reflects a process of how the Minister of the Environment and the government have sought to weaken the committee's report and have sought to undermine the work that has been done to strengthen the bill. We find it very difficult to accept some of these amendments. Some of them are a modest improvement over what was originally proposed. Nevertheless they undermine and weaken what has been worked at for so long and so hard by the committee.

The NDP position on SARA, the species at risk act, has been consistent from day one. We believe very strongly that the identification and listing of species at risk should be done by an independent committee of scientists wherein scientific evidence and not political interpretation of data is the primary consideration.

•(1305)

On that point it is very interesting because the government has taken the other position. On Thursday, April 25 in question period the Minister of Canadian Heritage responded to a question from the Alliance about the rate of TB in elk herds in Canada's parks. She was being criticized for the fact that TB cases were increasing. The minister in reply to the member said:

Mr. Speaker, the reason we asked scientists to carry on this very important work is precisely because it should not be left in the hands of politicians.

We could not have said it better ourselves. That is exactly the position the NDP put forward. It is ironic that it is now coming from a Liberal cabinet minister. It really contradicts the position that has been put forward by the environment minister. This is despite all the criticism and scientific evidence that it is important there be an independent committee made up of scientists, and its objective and primary consideration be factual work rather than a political interpretation.

The NDP has also made it very clear there should be comprehensive nationwide natural habitat protection, including protection for species that range or migrate over Canada's domestic and international borders. As someone who comes from British Columbia, this is especially important. Many of our wildlife areas are very close to a geopolitical boundary.

Habitat does not know about the boundary; it does not know about the 49th parallel. A very fundamental point is that nationwide natural habitat protection that includes cross-boundary measures should be front and centre in the bill. Unfortunately it is not.

The NDP believes there should be inclusion of stakeholders in the development of species recovery plans. This is something that the committee grappled with. In the back and forth between the committee and the government and the point we are at now, these positions have been significantly undermined. This is regrettable.

In many respects the people who watch the debate see it as a test of how legislation passes through the House. They also see it as how public feedback is incorporated or not incorporated, how the wishes of the people actually become part of the legislation.

I can think of many pieces of legislation that have come through the House. Consistently, significant concerns have been expressed from all over the country in terms of the bill being much too weak.

We in the NDP have concerns about the amendments before us today. We certainly have voiced our opposition to the bill as a whole based on the current status of the amendments. It is unfortunate the government did not listen to the wisdom of the committee and seek to strengthen the bill.

Many people will be watching the debate and the vote. We should take heed of the fact that three-quarters of the Canadian population want to see national habitat protection.

•(1310)

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, I am very pleased to speak to Bill C-5.

Over the eight years plus that we have worked to bring forward species at risk legislation we have asked for a great deal of

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assistance. Many people have provided input. Many people have told us things that were invaluable in the development of the policy.

It must be very clear to everyone here that the aboriginal people of Canada have been helpful and insightful. They have provided us with information and we have listened. As a result we have parts of the proposed species at risk act that are unusual in the annals of Canadian law making and we are very proud of that. The aboriginal people of Canada should also be proud of that same fact.

During the development of the legislation and even as we speak, the aboriginal working group on species at risk has been there to advise and to guide. It has helped us to understand the issues, needs and capacities of aboriginal people and to help them in the protection of species at risk. The knowledge of Canada's first people will help us protect the species at risk and to further plan effective recoveries. In fact we are incorporating aboriginal traditional knowledge into our assessment and recovery process in a formal way and that is certainly unique.

The government supports the establishment of a national aboriginal council on species at risk that advises the minister on the administration of the species at risk act and advises the Canadian endangered species conservation council on its very important role. This council is in keeping with the kinds of discussion and advice that went into the making of the legislation. It is consistent with the ongoing commitment by the Government of Canada to make its relationship with aboriginal people stronger. Recognition, acknowledgement, a partnership entrenched in law; we are all very proud of this.

I would like to turn my attention in my remaining time to talk about stewardship, a logical transition from the aboriginal questions as they are certainly Canada's first stewards and a key example for all of us. We have emphasized from day one that stewardship is essential to effective action. In fact, while we have researched, debated, revised and begun again for the past eight and a half years, others have been working hard on the lands and the waters of Canada to protect species and their habitat. It is a good thing that they have.

Stewardship is the cornerstone of the co-operative approach. It is the approach we must have in Canada. It is the essence of our constitution and of our way of life. A nest box for a blue bird; a special fishing net; a different planting regime; a scouting troop or a seniors group; farmers; ranchers; fishers; miners; foresters; there are thousands of stories all over Canada of small and large actions that all do something for species. We cannot say these efforts mean nothing. We cannot say thanks for everything, now here is a law with a forceful approach. We need a law instead that says to keep up the good work and here is help to do more.

We have backed up the commitment to this approach with the establishment of the habitat stewardship program. Under this program \$45 million over five years has been targeted for stewardship activities. Entering its third year, the program has established partnerships with first nations, landowners, resource users, nature trusts, provinces, the natural resources sector, community based wildlife societies, educational institutions and conservation organizations. On the ground things are happening and we certainly have consulted with everyone.

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We have also provided more favourable tax treatment for the contribution of ecologically sensitive lands. Over 20,000 hectares have already been donated as ecological gifts.

I am speaking today in favour of the stewardship component of the strategy and also in favour of the government motions on the development of stewardship plans in Bill C-5 itself. We accept in principle the proposal to develop a stewardship action plan introduced into Bill C-5 by the standing committee. In fact work is already under way on the development of a Canada-wide stewardship action plan with our provincial and territorial colleagues. We must not however, make future resources commitments for programs in law. This is simply good government.

● (1315)

We want to ensure sufficient time to develop a plan in cooperation with others, including landowners, resource users and lessees. That is why government motions would remove the one year deadline and provide the minister with discretionary authority to develop, in consultation with the Canadian Endangered Species Conservation Council, a stewardship action plan.

I also speak in favour of the government motion that would remove requirements, imposed by the standing committee, on the minister to provide the public with an opportunity to comment on draft contribution agreements and to publish them when complete. This would serve as a disincentive for voluntary actions.

Let us continue to make stewardship an easy thing to do. It is what works; it is already working. Canadians are the ones who are delivering. They must be encouraged, and these motions would assist in that encouragement.

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, it is not my pleasure to engage in this debate today. This is the fourth time I have risen and the message has been almost the same each time. The government does not seem to be listening. I wonder if the debate is worth the time and effort we are putting into it. We need a government that, as the previous member just said, not only consults but also listens to the people who have given input and has legislation reflecting what those people have said.

The NDP member who spoke previously said we need legislation that strongly protects species. I agree with that member and that is what our amendments are trying to do. Our proposed amendments would strengthen the legislation so that the aim it purports to have would be realized, and that is to protect endangered species.

I find it unconscionable that the government would not tell landowners who have endangered species on their land that is the case and get their co-operation to preserve that species. Our amendment would attempt to do that and I cannot understand why the government would not accept it. Why remove a requirement to review legislation that was in there? In fact I would say that all legislation passed in the House should be reviewed every five years. That only makes sense.

I have had a lot of experience with the Firearms Act. If that piece of legislation were properly reviewed every five years, a lot of money could be saved and resources could be directed into areas that would truly improve public safety. The same is true of this particular

bill we are debating today. If we were to review this and ensure that the resources being put toward this were effective, it would make our taxpayers' money and legislation that we pass in the House much more effective.

The government is showing contempt for parliament far beyond the touching of the Mace by ignoring opposition views and refusing to improve legislation. My hon. colleague opposite from Ancaster—Dundas—Flamborough—Aldershot said that it is necessary that this legislation be political and discretionary. That will absolutely not work. He said that common sense would prevail and that people would realize their mistake. It is absurd to think that is actually going to work. Incentives matter. We must have proper mechanisms within the legislation that would provide incentives for people to preserve species at risk.

Politicians are too slow in reacting when problems arise. They are out of touch with reality and subject to lobby groups. Many of those lobby groups have the exact opposite effect that they intend in some of the lobbying they do. A species may be long gone before anyone knows what is happening. Having the approach of making it political and discretionary is absurd. It would be like Kyoto. We need a science based approach. When we present a position or put legislation in place, it must be politically sound.

One of the key messages I want to send to the government is that the legislation as it now stands would foster civil disobedience, just like the Firearms Act has fostered a lot of civil disobedience. A non-co-operative approach would do exactly the same thing with trying to preserve species.

We must search out ways that would effectively work given the society and culture we live in today. It is absolutely essential that incentives be there. If not, we will end up with a lot of civil disobedience with people discovering endangered species on their land, not being properly compensated and not letting anyone know about it.

● (1320)

It would have the exact opposite effect to that intended if the amendments we proposed were not accepted. I feel the government is out of touch with reality and would endanger species if we do not accept these amendments.

I listened to my hon. colleague from the Yukon a short time ago and he said that there is compensation in the bill. That is a misleading statement. For government members to say that is in the bill is totally misleading. Yes, those words may be in the bill but the way it is worded in the legislation is not effective. There is no proper compensation.

The property values for people who have endangered species on their land are not properly protected in the legislation. Therefore that is a completely misleading statement, and the government should come clean on that when it tells the public that somehow there is compensation in the bill. As it is presently worded it is not adequate and will not serve the needs necessary to preserve species.

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I also heard the previous member claim the government consulted with the public. Why then does the bill not reflect that? It is not in there. The amendments we are proposing reflect some of those things and some of the consultation that was done. Unless they are made, as we are proposing in these amendments, the bill will be seriously flawed.

Most of the amendments are of a technical nature but there is the fact that they pose a serious concern. Motion No. 109 from the government side would eliminate the requirement to develop regulations for compensation. This strikes at the heart of the message I am delivering today. The motion would wipe out an amendment made by the Standing Committee on Environment and Sustainable Development asking that regulations be set up for compensating landowners. The environment committee said that if the government were to compensate then there would have to be regulations in regard to claims and procedures. Motion No. 109 of the government would reverse this and should be defeated.

Compensation would revert back to the minister's discretion, but even worse he would not be required to make necessary regulations. Talk about a government that is acting like a third world dictatorship. Compensation is not an extra available option. It is essential in order to support the framework for protecting endangered species. Compensation shows that the government understands the fears of landowners and the need to take their interests into account. If this motion were to pass, it would make compensation not a requirement but something that the minister would do when he feels like it. This is absolutely unacceptable.

Let me stress that property owners, resource users and others, with a direct on the ground interest in the administration of the endangered species act, should be involved in every step of the process. Voluntary agreements, recovery strategies action and management plans for the preservation of endangered species and habitat are important, and we support this objective in Bill C-5.

Incentives matter. The bill would allow the minister to enter into agreements with other governments or with environmental groups but does not specify the possibility of entering into agreements with landowners. Our amendments correct this. More money would be spent on litigation than would ever be spent on compensation to preserve the species if the bill were to go forward as it is. Just like in the Firearms Act, the money that is being spent is grossly misplaced. We must put money into preserving species and we must decide what is most cost effective. It is not cost effective to pass a bill that would lead to a lot of litigation and the actual further endangerment of species.

Our Motions Nos. 21, 22 and 26 would make this an explicit option for the minister. I ask all government members opposite to take a serious look at the overall effect that the legislation would have and support our amendments. They are there to strengthen the bill and ensure that the species that are at risk would be properly looked after.

• (1325)

**Mr. David Price (Compton—Stanstead, Lib.):** Mr. Speaker, parliamentarians have dedicated many hours and days to the consideration of federal species at risk legislation. In this process members of the House have heard from Canadians from all across

the country. We will continue to listen, monitor progress, watch implementation, and we will do our jobs as parliamentarians in overseeing the legislation of the land.

Our work at this stage of forming the legislation is over. We can debate, delay, and listen to the same positions over and over again. While we do that we have no law. I do not think that is what any of us want. It is time to move on and get the proposed species at risk act into place. We have a science based process that is already at work. Let us get it verified in law.

We have discussed that science based process at great length. We must remember that under the proposed act the committee on the status of endangered wildlife in Canada would be recognized in federal legislation for the first time. COSEWIC would provide for rigorous independent and scientific advice regarding the status of species at risk. It is already doing so. It would continue to do so but this time with the full weight of the law that would recognize the importance of its role.

The assessment process would continue at an arm's length relationship from the government. This was and never would be in doubt. COSEWIC would keep its impartial scientific and expert judgment. Our approach depends on it. This law would verify it. Species and habitat would benefit from it.

Members will recall how the assessment works. First, COSEWIC would determine whether a species is eligible for assessment by asking specific questions. These include determining if the species is native to Canada. Second, a subcommittee of specialists would develop a list of species to be considered for assessment. Third, when a decision has been made to assess a species a status report is commissioned. These are very detailed reports that can take many months to prepare.

COSEWIC would use the status report to assign the species to one of seven categories: extinct; extirpated, which means the species is no longer present in the wilds in Canada; endangered; threatened, special concern; species not at risk; or data deficient.

The COSEWIC assessments are at the core of Bill C-5. Everything in the bill depends on what it says. That is why we have ensured it would be done using the best scientific advice we can find. COSEWIC would present its completed assessment to the Minister of the Environment and the Canadian Endangered Species Conservation Council. The COSEWIC assessment would also be placed in the public registry established under the legislation. Anyone can see them at any time.

The minister would use these scientific assessments as a basis for recommendations to the governor in council to add a species to the schedule attached to the law. In keeping with this process we have debated at great length the importance of accountability. When a species is added to the legal schedule things start to happen. There are automatic prohibitions, mandatory recovery planning and the authority to take emergency action to protect the habitat.

*Government Orders*

For that reason our democratic process demands that the government have the ultimate responsibility for making decisions on which species to add to the legal list should the situation arise where there would be serious economic or social implications.

The decisions made under the proposed species at risk act could affect the livelihoods of Canadians, for example, hunters and trappers. All aspects of the listing must be considered and we want to ensure the job gets done right, not just done fast.

Such decisions could affect the way in which these people make their living. With all due respect, they should not be made by scientists. They must be made by the people who can be held accountable for their implications and that is us, here in the House, the ones elected by the people of Canada, the ones accountable to the people of Canada.

Let me also address the issue of critical habitat. This is one of the most complex parts of the policy and has preoccupied us for years.

• (1330)

This protection must be applied in a manner that is in the best interests of the species. It must take into account Canada's constitutional structure. We must respect jurisdictions, and of course throughout all of these considerations we must ensure that the provisions for protection are workable, efficient and integrated with other Canadian law and conventions.

Not only would the bill protect the critical habitat of endangered and threatened species, it would also protect the critical habitat of extirpated species. These are species that exist elsewhere but are gone from the wild of Canada. Should an extirpated species be reintroduced in the wild in Canada, the provisions in the bill would give authority to protect its critical habitat if needed.

Part of the government's approach involves a proposal for automatic critical habitat protection in national parks, marine protected areas, migratory bird sanctuaries and national wildlife areas. Surely we must all agree that federal lands warrant such a measure.

The government has also proposed to require the competent minister to recommend protection of critical habitat anywhere else in federal jurisdiction that is not protected, within 180 days of being identified, in an approved recovery strategy or action plan. In this way we ensure nothing falls through the cracks.

These measures on critical habitat are reinforced by a further motion that requires all federal ministers to consider the possible impacts on identified critical habitat prior to issuing any licence or permit for any activity.

These measures are for every eventuality. Many of these may never arise but they are provided for in the bill. However all this has to be done in a way that makes partners of those involved, not criminals. It has to be done in a way that works on the ground and works quickly, not that grinds its way through the already overburdened court systems.

Coercion is not here. It is not our way. Stewardship and co-operation come first. That is the Canadian way. That is the way it

works. Strong measures in case the co-operative approach fails are of course in the bill.

I summarize by saying that the legislation would ensure that there would be a rigorous and independent scientific process to assess species, operating at arm's length from the federal government. It would also create mechanisms and powers to do something about those assessments by mandating plans to help species recover. It is strong, it fosters co-operation and it begins the premise that Canadians will do the right thing. It is time to put it to work.

• (1335)

**Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, I would like to first address a basic premise relating to this legislation, and that is a genuine concern for the proper preservation of the environment and its species and a genuine concern for a proper preservation of property rights. These concerns are not mutually exclusive. Not only should they go hand in hand, they must go hand in hand. Without proper respect for property rights, we will see a degradation of the environment.

It is a fact that a vigorous defence of property rights is essential to the health of any local, national or global ecosystem. However it is just as obvious that a vigorous defence of property rights is essential to the health of local, national and global economies.

The history of the last century is very clear on this point, painfully clear as a matter of fact. Jurisdictions which had little or no respect for the rights of private property were the jurisdictions and in fact the countries that suffered the greatest degradation to their environments and to the species that inhabited those environments. The two are absolutely and clearly linked. The federal government's cavalier approach to property rights, to the notion of private property, its total lack of understanding of basic economic and environmental issues and how the two are linked will put at greater risk the very species that we are all concerned about.

Government members who are really concerned about this bill and about the species would want to take the time to visit the constituency I represent or the constituencies represented by my colleagues. I invite them to come out to the Okanagan—Coquihalla and visit. Whether they talk to orchardists in the Okanagan area, or farmers in the Keremeos and Hope areas, or ranchers around Merritt or miners or foresters, they will see a common thread woven throughout not just the conversation but in fact the practices of those groups of people. That common thread is a genuine concern for the health and vitality of the environment of which their property is made up and the species which inhabit those environments.

History proves that it is those private property interests which will best serve to protect the environment, its health and the species that go with it. It is their land. They understand that properly caring for the land and its inhabitants, animal or human, is the secret of seeing the land itself to yield year after year, cycle after cycle and to continue to return the produce or products that humans need to exist on this planet.

*Government Orders*

However this reality, this link between a proper respect of property rights and preservation of the environment continually seems to escape the minister and the federal Liberal government. This paternalistic, centralized, all knowing approach toward either environmental or economic issues continues to prove disastrous.

I focus on the area of a proper appreciation of property rights because it is the core of the issue. If the bill moves ahead without the reasoned amendments of the Canadian Alliance, in effect what we will have is an undermining effect on the farmers, the ranchers, the orchardists, the foresters and the miners not just in my constituency but across the country. It will undermine their usual strong motivation to be good stewards of the land because it will undermine stewardship itself.

I look at what the minister is proposing, for instance, in the area of expropriation. If dealt with at all, it will be left to regulation. The very fact that compensation will not be included as mandatory upon expropriation, goes beyond words. How can that notion of disregard for the rights of private property even be entertained? That is what we will see if the bill is left uncorrected by the amendments proposed by the Canadian Alliance.

● (1340)

There can be no secret agreements entered into by the minister. He has indicated that there could be agreements, but they must not be entered into in secret.

Every year representatives of the Real Estate Association of Canada attend to this House. They meet with MPs and they talk about and press for the constitutionality of property rights and how those should be enshrined because they are so important.

Every year the government members of parliament and the ministers involved nod their heads, giving an appearance of assent to this most basic of freedoms and recognition of values. Then the hardworking representatives of the Real Estate Association go back to their jobs, yet nothing is done to preserve the constitutionality or enshrine the constitutionality of property rights. As a matter of fact they are not only left alone, those very rights are also eroded with approaches like we see in Bill C-5.

We have to address these very basic issues. There has to be a change in the bill where the minister recognizes that there will be consultation and that it will not be left to regulation. This must be discussed here in the House. The issue of compensation upon expropriation cannot be left at a whim; it must be stated as mandatory.

Further, the minister talks about delegation of responsibilities but the bill only contemplates delegating those responsibilities to other so-called competent federal ministers. There is a total disregard for provincial jurisdiction as reflected in the constitution.

We have to address these items. The Canadian Alliance is not opposing these things just for the sake of being in opposition. We are opposing the eroding of some very basic rights which are fundamental to the preservation of our economy and our environment. We are also offering some suggestions as to how these terrible wrongs can be righted. We will stick with those points and see this through.

● (1345)

**Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.):** Mr. Speaker, I am pleased to take part in the debate on Bill C-5, the species at risk act, at report stage. The bill would have grave consequences for the riding of Dauphin—Swan River. The bill ostensibly aims to prevent wild species in Canada from becoming extinct or lost from the wilds, to secure their recovery and to prevent others from becoming extinct. Unfortunately these goals are unattainable with the bill. Report stage has seen the introduction of Liberal amendments to reverse dozens of key committee amendments made to the species at risk bill. Opposition parties, backbench Liberals, environmental groups, the provinces and even landowners are critical of the minister's move.

It took three attempts for the Liberal government to finally put through legislation to protect species at risk. Two previous attempts died on the order paper. This is the first significant piece of environmental legislation introduced by the Liberal government in three terms.

With these reversals, the bill effectively does not require the government to do anything to protect species at risk or to support landowners who are integral to the process of saving endangered species. If the bill would have been allowed to pass as it was after the intensive committee process, it would have been one of the weakest endangered species laws in the industrialized world.

The bill is devoid of the elements considered critical by both the Tories and the species at risk working group, composed of major environmental and industry groups: elements such as critical habitat protection, a specific scientific listing, a compensatory regime, landowner notification and stewardship.

In the Group No. 4 amendments the government has introduced a series of amendments to reverse the consensus of the committee with respect to having an inclusive consultation process that would include aboriginal peoples. I note Motions Nos. 6, 16, 17 and 20. The committee set up an aboriginal council composed of aboriginal representatives and ministers of the crown to advise and make recommendations to the Canadian Endangered Species Conservation Council. The government now wants to remove the ministers from participation on the council. The council was changed to a committee, its establishment was made entirely discretionary and its mandate severely limited. As the Inuit association of Canada wrote in a letter recently, this reversal effectively inhibits the voice of Inuit and aboriginal peoples in the conservation of wildlife in the country.

We support the amendments put forth by a Liberal MP that are a compromise in regard to these reversal motions of the government. The member's motions are a compromise that address the major concerns of aboriginal and Inuit organizations and preserve the essence of what was achieved in the original language unanimously agreed to by the standing committee.

*Government Orders*

The government has put forth Motion No. 76 to reverse committee consensus on timelines for the completion of parts of the act. The government is gutting the committee's consensus to have the act specify time limits for completion of action plans. Without time limits the development of crucial action plans could be delayed indefinitely. Bill C-65, which was the precursor to Bill C-5 and died on the order paper, did set out specific time limits for completion of all recovery plans, but the government apparently has no interest in maintaining that crucial component of the bill.

In Motion No. 114, the government also seeks to gut the specific reference in the bill to the minister having to consult with provinces and territories as well as aboriginal organizations with reference to proposed management plans. Wildlife preservation is a collaborative project that requires consultation with all stakeholders, especially the provinces and territories.

• (1350)

In Motion No. 130, the government is gutting a committee amendment to conduct a parliamentary review of the act every five years. During committee review at clause by clause, the government actually said that in certain cases it would take years to know if an action plan were successful. By the same rationale, it could take years to know if the act itself is working. We must have regular five year reviews of the act.

We support a science based approach to listing species at risk. Scientists, not politicians, should decide which species are at risk of extinction. This was also a consensus recommendation of the species at risk working group, which included environmental groups and industry groups such as the Canadian Pulp and Paper Association. Bill C-5 would leave the decision to list species at risk in the hands of cabinet, although it is a matter of scientific fact, not political choice. Social and economic implications must also be taken into account, but this should be done in the recovery plan stage, not with regard to listing. Government motions at report stage aim to further weaken the listing process. There is no timeline for cabinet to make a listing decision and respond to scientists' assessments.

The federal government must protect the species at risk in its own backyard, on federal lands or within federal jurisdiction. Bill C-5 would provide no guaranteed habitat protection on federal lands. In other words, protection would be discretionary on a case by case basis. It is wrong and ironic for the bill to have provisions allowing for federal interference on private and provincial lands without specifically containing mandatory protection of critical habitat on federal lands. Scientists have firmly established that habitat protection is central to protecting endangered species.

Bill C-5 does not provide enough clarity for addressing the concerns of affected landowners and land users. The minister's bill is devoid of a clear compensatory regime. Regulations pertaining to compensation should have been brought in and tabled simultaneously with Bill C-5.

I will conclude by saying that no one supports the bill. The Government of Canada has failed to do its homework. It has foolishly ignored the consensus of the species at risk working group and of major stakeholders. It is now further gutting an already weak bill not supported by environmental groups, industry and the provinces. A broad coalition of major environmental groups,

together with the Mining Association of Canada and the Forest Products Association of Canada, agrees that at the very least a scientific listing process and habitat protection in federal jurisdiction should be in the species at risk act. Let me conclude by saying that the bill may do the opposite to the intent of the legislation and that Bill C-5 itself would be a danger to those species it is trying to protect.

**Hon. Ethel Blondin-Andrew (Secretary of State (Children and Youth), Lib.):** Mr. Speaker, I know that hon. members from all parts of the House have spoken to Bill C-5 in great detail, from the perspectives of property rights as well as the whole issue of endangered species. What I would like to do is bring it down to the most common denominator. I would like to speak about the people who are involved and have the most direct contact with the stewardship of these species. They know how important it is because they have acted as stewards for generations.

Last night in Montreal, the fur institute of North America had a huge exposition, a premier event at which gathered together were all the retailers, the designers and the people who do the frontline work in this industry, people who are involved in much of the value added regarding this industry. It is a huge economic issue. I want to speak to it not just from the perspective of stewardship but also from the perspective of the economy. I want to talk very briefly about how the proposed species at risk act would ensure that there is involvement of the people closest to the species and to the land. This involvement would stem from an overall co-operative approach.

The industry, which was once in jeopardy, is now flourishing because of the efforts of the people involved. For example, in the Northwest Territories, I come from multi-generations of people who have lived with endangered species, who have worked on the land and who have worked with these species in a great deal of detail as a work of passion and as a way of life. We in the Northwest Territories have worked hard. Our fur is labelled as genuine Mackenzie Valley fur. For example, we have the best lynx fur in the world. We have 800 to 1,000 trappers in the Northwest Territories with wild fur sales between \$800,000 and \$1 million annually. This has great economic implications. The good news along with this is that our fur prices are good and Northwest Territories fur brings in the highest prices. Some 60% of our wild fur export is marten, followed by muskrat. Our Fort Reliance wolves have sold for as much as \$750 U.S., with wolverines going for approximately \$450 U.S.



In the mid-1990s, there was a devastating impact when the European Union introduced regulation 3254/91 banning the import of pelts and products of 12 fur bearing species. It had a devastating impact on people who were self-sustaining and who had dignity. It had devastating economic, social and cultural impacts on many aboriginal communities. It was the same as the whole fishing industry and now the forestry industry. The impact was great. It led to the destruction of an integral component of the mixed economies of northern aboriginal communities. There was a loss of millions of dollars in annual fur income for those communities.

There are actual figures in relation to this. There are some 80,000 trappers in Canada. There are 2,000 people involved in fur farming, 2,500 in manufacturing and processing, 2,500 in retailing and 1,000 in related services. From 1992-97, Statistics Canada said the total fur exports doubled, from \$143 million in 1992 to \$287 million in 1997. Raw fur exports in the same timeframe went from \$74.5 million to \$149.8 million, dressed furs from \$11.3 million to \$25 million, and fur garments from \$57.2 million to \$112.6 million.

The reason I am rattling off these numbers is to show that when we bring this down to the most common denominator, people learn how to live with the industry they have with respect and dignity. These people do not need a lot of guidance from the outside on how to deal with and work with these endangered species. For generations there has been balance, there has been co-operation and there has been conservation unguided by any legislation.

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## STATEMENTS BY MEMBERS

• (1355)

[English]

### ARTS AND CULTURE

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I rise today to honour General Choi Hong Hi, father and founder of the Korean martial art of taekwon do. For over 50 years, General Choi's lifelong dedication to this unique form of physical and mental discipline has led to the practice of taekwon do in over 72 countries worldwide.

Since its inception, students of the art have been taught to follow the basic tenets of taekwon do: courtesy, integrity, perseverance, self-control and indomitable spirit.

Today General Choi still trains every day at the age of 82 and he continues to travel the world promoting the benefits of physical and mental training to people of all ages.

I wish to salute General Choi's lifelong work and his dedication to peace, harmony and justice and extend to him wishes for health and happiness.

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### AGRICULTURE

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, as we speak farmers across the country are preparing for another crop season. December's budget mentioned an agricultural strategy, but as we have seen this is just another all talk and no action plan on the part of the Liberal government.

S. O. 31

The United States government is not just talking about helping farmers. It is doing something to help farmers. A new U.S. farm bill is due to be passed that would provide for the continuation of agricultural programs through to the fiscal year of 2011. It also outlines the need to strengthen safety net programs for agricultural producers.

What do Canadian producers receive? They receive nothing but interim reports and lip service.

Agriculture in Canada is a national industry. Producers are expected to compete in a global market, yet the government has abandoned them when they need it most. It is time to stop talking and start doing.

\* \* \*

• (1400)

### RALPH WALKER

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, my riding recently lost a passionate volunteer and founder of the Huntington Society of Canada.

Ralph Walker worked non-stop to help thousands of Canadian families affected by Huntington's disease, a brain disorder that can cause total disability and even death. This organization now has 50 branches throughout Canada. In 1974 Ralph helped found the International Huntington Association with chapters in 27 countries.

For his dedicated community service he received the Canada Volunteer Award, was named Cambridge's Citizen of the Year and was inducted into the Cambridge Hall of Fame. Ralph always had time to assist those in need and volunteered at the local food bank and in schools. Despite an all-consuming dedication to community he always found time for his family.

Our community has lost a rare individual who touched many lives.

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### ROSS MACKENZIE WHICHER

**Mr. Ovid Jackson (Bruce—Grey—Owen Sound, Lib.):** Mr. Speaker, I rise today to pay tribute to a former colleague of this House, Ross MacKenzie Whicher, who passed away a week ago last Friday in Warton.

Ross served as mayor of the town of Warton, MPP, and MP for Bruce. He was a great citizen and made a great contribution to his community, and those of us who knew him loved him.

J.F. Kennedy once said that for those of us who serve much is asked and much is done, but if we are to be judged in that high court of history by people about what we contributed to our society we will be judged by the answer to one of four questions: Were we men or women of courage, dedication, integrity or judgment? For Ross Whicher the answers to those questions are yes, yes, yes and yes.

Ross loved the House and he loved *Hansard*, and wherever he is at this time I give him the old Irish blessing: "May it rain upon your crops, may the sun shine upon your face—"

*S. O. 31*

**The Deputy Speaker:** The hon. member for Parkdale—High Park.

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#### INTERNATIONAL DANCE DAY

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, today Canadians across the country are celebrating International Dance Day.

Since its founding in 1982 by the International Theatre Institute of UNESCO, the aim of International Dance Day has been to bring all dance together on this occasion; to celebrate this art form and revel in its universality; and to cross all political, cultural and ethnic barriers and bring people together in peace and friendship with a common language: dance.

April 29 also commemorates the birthday of Jean-Georges Noverre who was born in 1727 and is credited as being the creator of modern ballet.

I ask all members to join me in celebrating International Dance Day and to celebrate dance as an art form to bring people together in peace and friendship through the shared language of dance.

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#### ETHICS

**Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance):** Mr. Speaker, when I was elected in 1993 someone asked me the question “What can politicians do to clean up their image?” I said “That is easy. Do not lie, do not cheat, do not steal, and do not pay off your friends with taxpayers' dollars”.

In the last nine years I have watched scandal after scandal follow the Liberal government, from Shawinigan golf courses to HRDC waste to the fixing of procurement contracts to the paying of fundraisers with taxpayers' dollars.

If government members ever get serious about cleaning up the image of politicians, I say again “Do not lie, do not cheat, do not steal, and do not pay off your friends with taxpayers' dollars”. If they want a memento of this I will frame it and send it to each and every one of them.

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[*Translation*]

#### NATIONAL HOCKEY LEAGUE

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, *Le Petit Robert* defines sport as physical activity with a recreational and competitive purpose, requiring methodical training and observation of certain rules.

It is these rules which I wish to address today. It seems to me that the managers of the National Hockey League do not wish to see the consequences their failure to observe these rules might have on the values of our Canadian society.

First of all, I am thinking of the poor example being set for young players learning this sport and for those hoping to become professionals one day. I am also thinking of the negative influence on the public in general of broadcasting acts of violence which are

normally prohibited under the criminal code. Such acts of violence should result in swift and stiff criminal charges.

What is the National Hockey League waiting for to get serious and enforce its rules? For a player to get killed? For children less well trained and not as well protected to suffer the same fate?

National Hockey League officials—

• (1405)

**The Deputy Speaker:** The hon. member for Joliette.

\* \* \*

#### MIDDLE EAST

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, in the interests of peace and justice, for Israelis and Palestinians alike, the United Nations has decided to send a fact finding mission on site to find out what really happened in Jenin.

According to Secretary of State Colin Powell, this mission is in the best interests of Israel and of all those concerned about the current situation in the Middle East.

Israel, which had originally agreed to an international fact finding mission, is now expressing serious reservations about its composition and mandate. On Sunday, the Sharon government again categorically refused to give the mission a green light.

The situation in the Middle East is still just as volatile, and this umpteenth delay of the fact finding mission is far from calming matters. We therefore urge the Canadian government to add its voice to that of the UN secretary general and all those who believe in peace and justice, and to make clear to Israeli authorities the urgent immediate need for the UN fact finding mission.

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[*English*]

#### ANTI-DOPING IN SPORTS

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, Canada continues to be a leader in the worldwide fight against doping in sport.

In fact, this past weekend as co-chair of the meeting of the International Working Group on Anti-Doping in Sport in Kuala Lumpur, Malaysia, Canada proposed the creation of an international instrument against doping in sport, and I am pleased to report the development of a memorandum of understanding to strengthen the collective efforts against doping in sport.

The World Anti-Doping Agency is leading a parallel process to develop world anti-doping codes, and Canada has a strong international reputation in the area of anti-doping and we will continue to show leadership. Both the memorandum of understanding and the code are expected to be in place in time for the 2004 Paralympic and Olympic games in Athens.

I congratulate the team that worked so hard on this initiative.

S. O. 31

**SPECIES AT RISK ACT**

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, by threatening to invoke closure on Bill C-5 this arrogant Liberal government continues to show its total lack of respect for the parliamentary process and democracy in Canada.

Members on both sides of this place continue to have serious concerns with Bill C-5. The lack of adequate means of compensation to farmers, landowners, and resource users such as mining and forestry companies, guide outfitters, hunters and fishermen leave the legislation seriously flawed and unacceptable. If the government truly wishes to protect endangered species and their habitat then a requirement for compensation at fair market value must be included in the legislation.

I urge the minister to amend Bill C-5 to make it more acceptable to those who would be affected. It is not too late.

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**CITIZENSHIP AND IMMIGRATION**

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, let us imagine what it must be like to live where one's children grow up seeing violence and death every day. Let us imagine then what it must be like to arrive in Canada and find peace, safety and the warm hand of welcome.

This is exactly the story of an Afghan family of three who now live in Kitchener, Ontario who on April 14, along with 35 other newcomers from all over the world, took the oath of citizenship and became Canadian citizens. The ceremony was especially significant because it was hosted by the Ismaili community, a local Islamic group. Officiating at the ceremony was a long-time member of the community who said "When I became a citizen little did I know that 10 years later I would be swearing in new Canadians from 14 different countries".

The road from Kabul to Kitchener is a very long one but I too am proud, proud to say that at the end of their journey there are groups all over Canada just like the Ismaili organization which welcome and support newcomers.

Kitchener may be a small community but clearly it has a big heart and is open to people who are willing to contribute to Canada and help us build a better future.

\* \* \*

**NATURAL RESOURCES**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, reports today that Alberta may want to withhold more of the water which currently flows from Alberta into Saskatchewan, and indeed ultimately into Manitoba and Hudson Bay, raise serious questions not just about the effect on downstream communities and provinces but also about water policy in Canada in general and the lack of an overall water policy based on sustainability and the maintenance of water as a public good and not a source of profit or the object of various privatization schemes.

We need a federal water policy, but before we can have a serious discussion about what that policy looks like we need to know that the government can be trusted. So far it has not been willing to live

up to its own commitment made in the House to ban the bulk export of water. Until it does, or until it admits that it is NAFTA that keeps it from doing so, we cannot have an honest debate about water policy in the country.

\* \* \*

● (1410)

**PEACEKEEPING**

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, I have the honour to inform the House that this afternoon at the United Nations headquarters in New York, Canada will participate in the second Dag Hammarskjöld Medal Awards ceremony. The Canadian permanent representative, Mr. Paul Heinbecker, will be presented with a medal honouring the 108 Canadians who have lost their lives while serving in United Nations peacekeeping missions.

I ask all hon. members to join me in playing tribute to all peacekeepers, military and civilian, who have served since 1948 and especially those who have died while serving under the United Nations flag.

Since its inception over 50 years ago Canada has participated in almost all UN peacekeeping operations. I am sure I speak for all Canadians when I say how proud we are of these men and women, military and civilian, who made the supreme sacrifice while serving in UN peacekeeping operations. The recognition of their unequalled contribution to international peace and security is long overdue.

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[Translation]

**NATIONAL DEFENCE**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, yesterday at Edmonton's Skyreach Centre, a memorial service was held for the four soldiers who died in theatre in Afghanistan on April 17, 2002.

The solemn ceremony acknowledged the supreme sacrifice made by four soldiers. Richly deserved tributes were paid to Corporal Ainsworth Dyer, Private Nathan Smith, Private Richard Green, and Sergeant Marc Léger.

The Princess Patricia's Canadian Light Infantry, which incidentally served in my riding and in all of the Montérégie area in 1998 during the ice storm, brought out all possible military pomp and circumstance to pay tribute to their fallen comrades.

In the opinion of many, this ceremony was a first in the annals of the Canadian military. Four members of the military led the march bearing helmets and weapons symbolizing the four who lost their lives while on duty.

Needless to say, this was an emotional event for the 16,000 in attendance, who were overwhelmed with sadness and feelings of great solidarity in honouring these soldiers.

The Bloc Québécois extends its condolences to the families and friends of these worthy men. Rest assured that their contribution and the gift of their lives will never be forgotten.

*Oral Questions*

[English]

**FISHERIES**

**Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.):** Mr. Speaker, since last November unlimited net fishing by aboriginals in my riding has cost two stocked lakes an estimated 250,000 pounds of walleye spawning stock. Lake of the Prairies, a man made PFRA structure which has never seen a net, has lost an estimated 100,000 pounds of walleye while Lake Dauphin, having an annual controlled commercial net fishery of 25,000 pounds, has already lost more than 150,000 pounds.

No one disputes the aboriginal community's right to sustenance fishing, but hauls of more than a quarter million pounds of fish for commercial use should not qualify. Most of the illegal fish was sold through the Manitoba Freshwater Fish Marketing Board which is a federal agency.

Manitobans are demanding answers and action from all levels of government. Every lake in Manitoba is at risk. Manitoba is the only prairie province which does not regulate sustenance fishing.

Will the Minister of Indian and Northern Affairs, along with the Minister of Fisheries and Oceans, please intervene in this crisis so that Manitoba does not become the next Burnt Church?

\* \* \*

[Translation]

**SOFTWOOD LUMBER**

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, last Saturday I took part in a meeting in Val d'Or concerning the imposition of a tax on Canadian softwood lumber, which is unfair and punitive toward all Canadians.

This meeting was organized by Diane F. Raymond, on behalf of the FTQ regional council for Abitibi—Témiscamingue and Northern Quebec.

In attendance were a number of representatives of unions, the forest industry and the federal MP for Témiscamingue.

We believe we must consolidate our efforts in order to get special measures put in place to help out the businesses and workers affected by President Bush's tax.

The Government of Canada must, in conjunction with the provinces, find a long term solution in order to protect the interests of the forestry communities and their workers. Let us keep softwood lumber in Canada.

\* \* \*

[English]

**KYOTO PROTOCOL**

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, despite denials from the natural resources minister that a 10 cent a litre Kyoto tax is in the works, Canadians are suspicious. The Liberal government's track record on Kyoto is murky to say the least.

Just in case the Liberals are wavering, I want to remind them of some very important contingencies.

First, nearly half the price of gasoline at the pumps is already taxes and there is no evidence that higher gas taxes curb consumption.

Second, a tax hike of this nature would do serious damage when the Canadian economy is still vulnerable.

Finally, since the United States will not implement Kyoto, any drastic moves on Canada's part will only ensure that our standard of living will continue to fall behind those of our neighbour.

Canadians remember the NEP. Who can blame them for being suspicious when the Liberals start thinking out loud about new ways of taxing energy.

\* \* \*

● (1415)

[Translation]

**NORANDA WORKERS**

**Mr. Georges Farrah (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, Lib.):** Mr. Speaker, the following resolution was unanimously passed at a symposium held on Saturday by Liberal supporters from eastern Quebec:

Whereas Noranda closed its smelting plant in Murdochville;

Whereas this closure will result in the loss of a \$17 million payroll for the Gaspé;

Whereas the 300 workers who were laid off are now without any income;

Whereas the economic situation in the Gaspé is not only worrisome, but also extremely precarious and even dramatic;

it is resolved that a request be made to the Minister of Human Resources Development to have an exclusion order passed by the Government of Canada, so that the Murdochville workers who were laid off on April 27, 2002 can immediately qualify for employment insurance benefits, notwithstanding the sections of Employment Insurance Regulations that would defer the payment of such benefits.

It should be noted that this request would not result in any cost for the federal government. Denial of this request would only delay the payment of employment insurance benefits to the workers who were laid off in Murdochville.

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**ORAL QUESTION PERIOD**

[English]

**TERRORISM**

**Mr. John Reynolds (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, for years the government has ignored the warnings of the opposition and its own security services that terrorist organizations are operating in Canada.

For almost eight months it seems that the government has ignored the lessons of the September 11 attack.

Last night our U.S. neighbours heard from its most popular and respected news program, *60 Minutes*, that this government has been indifferent to reforming our refugee system. Americans are hearing that Canada is a safe haven for terrorists.

*Oral Questions*

Will the Deputy Prime Minister now admit that our refugee system has failed and needs immediate reform?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, one thing I can say in defence of *60 Minutes* is that it started its series by attacking its own system first.

What Americans did not hear last night was that so far in 2002, 72% of Canada's refugee claimants have entered Canada from the United States of America. Another thing they did not hear was that in the December budget the Government of Canada devoted over \$7 billion to increased defence and security measures. Another message that we need to ensure is repeated over and over again is that the 19 terrorists involved on September 11 entered the United States not from Canada.

**Mr. John Reynolds (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, last week the Liberals blamed our own media in Canada. They blamed the opposition. Now they are blaming the American media.

Ahmed Ressay did not go through the United States. He went from Canada. Nabil Al-Marabh went from Canada. PLO convicted 50 years still in Canada. It was not this party or the media that corrupted our immigration and refugee policy. It was that Liberal government over there.

Since September 11 Canada has accepted 15,000 refugee claimants. We are for real and legitimate refugee claimants and so are most Canadians.

When will the government help secure North America and stop surprise refugee claimants from walking the streets of Canada?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, I remind the hon. member that a huge percentage of our claimants are entering Canada from the United States.

Let us face reality. If we want to have open, democratic societies where people move about freely, then there will be people in those societies who try to do it harm. That is not just true of Canada or the United States. It is true of western Europe and other countries.

It was not the Canadian immigration service that issued a visa to Mohammed Atta six months after he flew a plane into the World Trade Center. It was the U.S. INS.

**Mr. John Reynolds (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, it was Ahmed Ressay who tried to blow up parts of the United States who was allowed to stay in Canada for seven years because CSIS did not have the money. We did not catch him. The Americans caught him. It was the security service of Canada that warned two ministers on that side of the House not to go to a dinner but they went anyway.

We must take the lessons of September 11 seriously. The United States has a number of countries where it requires people from those countries to have visas. Canada, for those same countries, does not require visas.

Will the government ensure all Canadians that we will work with our American neighbours and make sure we blend together so that both countries—

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

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, we have certainly endeavoured to review visa requirements. The hon. member will know that we have a completely different system from the United States in terms of visa waivers versus visa requirements. At the same time these requirements are constantly under review.

The government will not simply accept U.S. visa requirements as being the standard against which we apply ourselves. We will look at the facts and determine for ourselves what is in Canada's interest.

• (1420)

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, the fact is that last night on national television the former chief of strategic planning for CSIS said that if one were in the business of destroying the western world one could not have a better jumping off point than Canada.

He and other experts, including the former director of Canada's immigration system, told Canadians that we had no effective enforcement system to protect us from abusers. Experts who know the system best have been sounding the red alert.

Why has the government ignored those warnings?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, we can count on the Alliance Party to hug those who are ready with their criticisms of Canada. People who have not worked for CSIS for a decade count on it.

We have in fact responded, not just on the basis of September 11.

**Mr. Richard Harris:** You're a disgrace.

**Hon. John Manley:** The hon. member says that I am a disgrace. I will tell you something, Mr. Speaker, when we build a country like Canada we build it on the basis of principles and values that we share as a country. This country is based on those principles of democracy and openness. We will not shut it down just because somebody in the Alliance Party thinks we ought to live in a police state.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, the Deputy Prime Minister can huff and puff all he wants but the fact of the matter is that the former chief of strategic planning for CSIS, the former director of Canada's immigration system and the auditor general have all been saying that Canada's refugee system is a problem as far as security is concerned and it is rife with abuse.

The auditor general says that there is inadequate training for frontline officers and that airlines are not made to return passengers arriving with no documents. The government has ignored all these warnings—

**The Speaker:** The hon. Minister of Citizenship and Immigration.

*Oral Questions*

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, first, I would like to congratulate my colleague for her new appointment as the critic for immigration. I hope she sees that as a promotion and not as a demotion. However I would say that she needs more briefings.

When we consider every refugee or immigrant as a terrorist, it is not the case. Maybe now Le Pen has a franchise in Canada.

We have to be very careful of what is going on. We have made a lot of movement since September 11. We have put more money into resources. We are implementing a new system. This country was built on immigration.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, after operating for 47 years, the Murdochville smelter will soon close its doors and 300 workers will lose their jobs. This is a difficult blow to the municipality, which has lost its only plant, but it does not have to be a fatal one if the federal government does its part quickly to ensure that Murdochville retains its specialized workforce, the key to an industrial recovery that will benefit the entire region of the Gaspé.

If the government is determined to keep Murdochville open, is it prepared to provide people with the financial means to stay, by not taxing their severance pay, as was done in 1985 in Gagnon?

**Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, the Government of Canada has been working for a long time on development in the region. We have worked together with the Government of Quebec. We will continue to do so.

We have created a new region with the Gaspé. We have invested \$35 million over five years under the federal support program for the Gaspé and Magdalen Islands economy.

Since its inception, 139 initiatives have been approved. This has generated \$50 million, including \$19 million from the Government of Canada. We will continue our presence.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I was in Murdochville this weekend. I put a specific question to the government regarding an agreement that was reached with Gagnon in 1985 to avoid taxing severance pay. People want to know more about this, including the mayor of Murdochville, the chamber of commerce and the union.

I would like it if there were co-operation. I do not want a squabble. People want to know if the government is prepared to enter into the same agreement that was reached with Gagnon in 1985. This is a very specific question. I am not interested in knowing everything the government intends to do, but can we get an answer to this question?

• (1425)

**Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, we will study the request if it is tabled. As we have always done, we want to co-operate and help the region, which is

experiencing a difficult situation. We are always there and open to ideas based on the programs and opportunities that we have to assist the region. We want to co-operate.

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, workers in Murdochville will not receive their EI benefits until they have exhausted their severance pay.

Does the government not think that it is time to review the EI system and stop considering severance pay as regular pay for workers permanently laid off by a company that is shutting down?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I would like to take this opportunity to recognize and thank the member for Gaspé—Îles-de-la-Madeleine for working with us and making sure we clearly understand the impact this foundry closure will have on employees in Murdochville and the surrounding area.

I will continue to work with the member of parliament; with my colleague, the minister responsible for economic development in the province of Quebec; and with our provincial partners to make sure all government services are there, that workers have access to them and that those who are eligible have readily apparent connections with the programs that are important to them.

[Translation]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, the government should consider EI insurance, because it is in fact insurance paid for by workers to cover job loss.

By requiring people who have been permanently laid off to have exhausted their severance pay before they are paid benefits, is the government not turning employment insurance into a social program of last resort?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the government knows and appreciates how significantly important employment insurance income support is for workers who find themselves in the position of being laid off. We have also recognized the importance of making changes to the employment insurance program, like repealing the intensity law.

I would again remind the House that it was the Bloc that voted against those changes that were made specifically in support of seasonal workers in this area and others.

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**NATIONAL DEFENCE**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Deputy Prime Minister or perhaps the Minister of Foreign Affairs and it has to do with the northern command and the need for the government to make its position clear with respect to this.

*Oral Questions*

It is not enough for the House to simply know that discussions are going on. We need to know the principles those discussions are based on. If parliamentary process is to be observed, it is imperative for the government to make a statement as to what things it intends to protect in the course of embarking on this practical co-operation with the United States.

Will the government make that kind of statement here in the House so that we can know what the government thinks about this?

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, as I have indicated previously, I think there is concern beyond reason in terms of what we are talking about. We are simply looking at the fact that the United States has created a new internal command, internal to its structure. We want to make sure that any relationship we have with the Americans is not prejudiced by it, for example, things such as NORAD. We have been assured of that. If there are any other ways we can work together in terms of practical co-operation, then we are also exploring those possibilities at the same time.

It is not something that deals with our sovereignty at all. It is not something that involves any deepening or integration of the relationship. It is just practical measures.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, if it is a concern beyond reason, then perhaps the Minister of National Defence should come before the House and make a statement as to why that is so instead of just asserting that it is so.

Clearly there are questions relating to sovereignty, to the ability to maintain an independent foreign policy, et cetera. These are all legitimate concerns. If the minister does not regard them as legitimate concerns, most Canadians do. All they want is an answer instead of being palmed off as if it is not an issue at all when it is.

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I have made it quite clear that any of these discussions do not relate to the matter of sovereignty or to our foreign policy. We still have control over our foreign policy. We still have control over our troops. The hon. member should know that none of those are at stake.

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**TERRORISM**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, last June CSIS warned the government that Canada was a potential venue for terrorist attacks, yet six days after September 11 the Prime Minister told parliament “I am not aware...of a cell...operating in Canada with the intention of carrying out terrorism...”.

CSIS has warned that there are some 50 terrorist groups active in Canada. The former CSIS director says that there is no doubt their targets include the United States.

Will the minister tell the House how many terrorist groups are operating in Canada today? How many terrorist groups has the government shut down since September 11?

• (1430)

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, one would expect that a former prime minister would be fully aware that I will not disclose information of that

nature. He should be fully aware of that. I do not get my information from former members of CSIS. I get my information from the director of CSIS.

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, he gives none of it to the House or to the public.

On February 28 *La Presse* revealed that official Canadian immigration forms were being recycled to smuggle people into Canada illegally from Afghanistan and Pakistan. Some of these people were allowed entry into the United States because they were carrying illegal Canadian papers.

The Deputy Prime Minister said “I think we have a grasp on terrorism”. Does this grasp include shutting down human smuggling rings? Specifically, has the government stopped the ring of human smuggling from Afghanistan and Pakistan? How many other rings have been shut down since last September?

[Translation]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, there were several television broadcasts. There was also one on CTV Newsnet, where Mike Duffy said that the Progressive Conservative Party had offered its research bureau to *Sixty Minutes*. If this is the kind of thing he is telling us with this sort of question, I can see where he is coming from.

[English]

He should be ashamed of it.

Second, we act and we react. After September 11 we added more resources. We have created the maple leaf card which is fraud resistant.

We have taken responsibility. The member should be more responsible than that.

**Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, we have obtained the factum that was filed by present members of CSIS, not former, in the federal court case against a member of the terrorist group Hezbollah who was arrested here in Canada for his involvement in the 1996 bombing of the U.S. military barracks in Dhahran, Saudi Arabia. The factum states “Hezbollah has established an infrastructure in Canada that can assist and support terrorists seeking a safe haven in North America”.

With this and other pieces of evidence that we have provided for the minister, will he now do as he did with the Hamas terrorist group and slam the door on Hezbollah fundraising in Canada?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, that is precisely why we shut down the military fundraising by Hezbollah in this country, because there was evidence that there was fundraising for improper purposes. We have shut that off.

I repeat what I have said in the House before. We will not shut down fundraising by legitimate organizations which are doing work that is helpful in the region. We are constantly willing, as I have told the member and all members of the House, to review our policies in light of all relevant circumstances. We will continue to do that.

*Oral Questions*

We have shut down many terrorist organizations since September 11. The list is long. We will not hesitate in doing it. We have done it and we will continue to do so when appropriate for Canadian interests.

**Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance):** Mr. Speaker, this is the only place in the world where we will hear Hezbollah referred to as a legitimate organization.

Again from the CSIS document filed in federal court, this is the nature of Hezbollah. In Buenos Aires, March 1992, there was a Hezbollah suicide attack on the Israeli embassy. In July 1994 there was a Hezbollah suicide truck bombing of an office building in Argentina with 96 people killed. In July 1994 in Panama City, a Hezbollah suicide attack killed 21 people.

By just saying no to Hezbollah, will the minister strike a blow to terrorism, change the perception of Canada as a safe haven and retract his statement about Hezbollah being a legitimate organization?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the hon. member knows full well that his statement is wrong that in no country with Hezbollah is this distinction made. The precise same distinction that we have made has been made by the authorities in the United Kingdom for exactly the same reason. That country has a great deal of experience with terrorism and knows that in the course of dealing with terrorism we must be careful not to shut off places which will enable ultimately peace to take place if we can encourage the right type of actions.

Canada will not be terrified by the hon. member deliberately misstating what the facts are and deliberately trying to mislead us by using one term to cover two separate situations.

\* \* \*

• (1435)

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, in Murdochville, 84 workers are 50 or more years old and their opportunities for relocation are considerably diminished.

Is the tragic situation of the people in Murdochville not one more clear indication to the government that it must urgently restore a program for older workers who cannot be relocated and trained for another job?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the hon. member will know that the Government of Canada identified \$30 million to use in partnership with the provinces to focus specifically on issues facing older workers. Eleven million dollars of that is invested with the province of Quebec.

I would hope the hon. member would also be encouraging his colleagues there with the Government of Quebec to work with us to look at opportunities in the area of Murdochville in this vein.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, these programs are for workers who can be relocated.

Will the minister not show a little compassion and admit that workers in Murdochville aged 50 and up who have been laid off see their chances of being trained for other jobs and relocated as nil, and that the usual measures are not going to cut it in the difficult situation these people are facing?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, on the contrary, the monies that I identified in my first answer are monies that are there for pilot projects that are specifically able to be flexible to the needs of individual older workers community by community.

We have a positive working relationship with the Government of Quebec. I hope the hon. member will be speaking to it about the importance of developing programs for the workers of Murdochville. This is exactly the approach the Government of Canada has taken in this regard.

\* \* \*

**TERRORISM**

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, the problem is that Hezbollah has two activities; one is social development and the other is terrorist activities. They are two halves of the same whole and cannot be separated. Even CSIS says the same thing. I will quote from a public document:

In addition to direct military confrontation, Hezbollah has engaged in terrorism as a means of achieving its objectives.... Hezbollah has publicly voiced its opposition to any Middle East peace...vowing to continue the resistance with blood and martyrdom.

It is clear according to CSIS that Hezbollah is a terrorist organization. Will the minister ban fundraising—

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

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, we take a back seat to no country on listing agencies that are involved in terrorism. Three countries in the world have listed Hezbollah: Canada, the United States and the United Kingdom. We have listed it exactly the same as the United Kingdom has.

The problem with the Alliance Party is it wants us to always do exactly the same as the United States. That is not necessary in this case.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, whenever the opposition engages in tough questions over the government's incompetence, the Liberals resort to name calling and fearmongering.

In the CSIS documents, 300 pages substantiate the notion that Hezbollah is raising money for social development and terrorist activities.



*Oral Questions*

I will ask the Deputy Prime Minister once again one simple question. Will he do the right thing and ban fundraising by all of Hezbollah?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, we have done the right thing by listing Hezbollah. As I have said already, this is not name calling. We did it like the United Kingdom. We did not do it like the United States. There is no other country that has taken the step we have taken.

They try to create the impression that somehow or other there are terrorists under every bush. It is simply not the case.

\* \* \*

[Translation]

**WIND ENERGY**

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, the government claims to be committed to reducing greenhouse gases in Canada and helping the Gaspé. Since 1970 it has subsidized the oil industry to the tune of \$66 billion, \$3.7 billion of those for Hibernia, which is the equivalent of \$7,000 for each person in Newfoundland.

Is the government prepared to expend the same financial effort to assist in developing the industry of manufacturing wind chargers in the Gaspé that it has for the oil industry in Newfoundland?

**Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, we are already involved in the wind power project. A new request has been received and we are going to look into it.

I must reiterate that we work in collaboration and are always there to work for the development of the region.

●(1440)

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, Murdochville has all the technical facilities for the manufacture of wind charger components. There are consortiums already in place and Hydro-Québec has made a commitment to purchase wind generated energy.

Does the government not believe it has a duty to do as much for the Gaspé and wind energy as it has done for Newfoundland and oil?

**Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, our programs are in place. They exist. We have already done our share as far as wind power projects are concerned. We are going to continue to do so according to the requests and to the criteria we have in place. Rest assured, without any fear, that we are going to work for the economic development of the region.

\* \* \*

[English]

**SPECIES AT RISK**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, as vice-chair of the environment committee, I and other members spent weeks listening to concerned Canadians. These are the people who the minister calls front line soldiers. Environmentalists, farmers, ranchers, foresters and industry all said species at risk could not be saved without providing compensation.

Will the minister guarantee today that compensation regulations will be drawn up within three months of the bill becoming law?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I certainly welcome the good work done by the committee and the hon. members on that committee in listening to representations with many different viewpoints from right across the country.

That said, the difficulty we face with compensation, of which the member is well aware, is that we had a number of studies done. They were put to some of the stakeholder groups and it was not possible, despite very constructive discussion on all parts, to come up with a compensation system which was, we should say, completely acceptable. Therefore we intend in the first months and years of the bill on the basis of experience with providing compensation in an *ex gratia* way, to develop regulations—

**The Speaker:** The hon. member for Red Deer.

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, the real answer is that the minister knows compensation is necessary but he lost the fight in cabinet. A letter from one cabinet minister to another said that removing compensation from Bill C-5 altogether would be the ideal case. That is the truth of the matter.

Instead of telling landowners to trust the government and playing a shell game, why does the minister not admit that the bill will not provide any compensation any time in the future?

**Hon. David Anderson (Minister of the Environment, Lib.):** Obviously, Mr. Speaker, I would not make such a statement because it would be patently untrue.

In the bill we find compensation provisions and I believe the words used are “fair and reasonable”. It is important for us to make sure that where there are costs that are well out of what is expected, exceptional costs, the government does indeed recognize that it is important for the state to come forward and provide assistance.

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**LABOUR FORCE**

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, the G-8 ministers of labour and employment met on the weekend in Montreal. Would the Minister of Human Resources Development tell us the purpose of the meeting and what was accomplished?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I did have the pleasure of hosting my colleagues, the ministers of labour and employment from the G-8 nations as well as representatives from the OECD and the International Labour Organization to discuss the challenges and opportunities facing our labour markets in the 21st century.

We talked about the importance of continuing to build strategies to make sure those who are under-represented in today's labour force have more access and opportunity.

*Oral Questions*

We talked about the importance of enhancing the culture of lifelong learning in our jurisdictions and as well about the importance of better recognizing credentials from one jurisdiction to another.

It is a priority for the government to ensure that our labour force reaches its full potential. These discussions—

**The Speaker:** The hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

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**NATIONAL DEFENCE**

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, before I ask my question, I thank the people of Edmonton for holding such a fabulous ceremony yesterday on behalf of our fallen soldiers in Afghanistan, and of the injured.

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

**Mr. Peter Stoffer:** My question is for the defence minister. The DND supply chain has now been tendered over to Tibbett of England, an \$800 million national interest now given to a foreign company.

My question is quite clear. Why would the supply chain be transferred? It supplies the military with materials and goods from coast to coast to coast. The supply chain contract to Tibbett will destroy hundreds of businesses and wipe out many jobs from the public service.

**The Speaker:** The hon. Minister of National Defence.

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I do not agree with the way the member has characterized it. First, it is a Canadian company. Yes, it is a foreign ownership but we have lots of foreign owned Canadian companies that do a lot of work for the public sector throughout the country.

It will in fact enhance the capabilities in terms of the supply chain operation. We estimate it will save the government about \$70 million or more a year which could be put into core capabilities for other things that the military needs.

On top of that, the employees, 100% of them, will be offered new jobs at the same, or better, rates as they get now and will have job guarantees of up to seven years.

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• (1445)

**INFRASTRUCTURE**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, municipal leaders in the FCM have consistently championed the need for a federal plan and financial support for our cities. However the recent announcement about money for the Toronto transit only highlights the completely ad hoc and political nature of the decisions being made by the federal government.

What about other cities like Vancouver that are just as in need? Do they have to rely on deals on the side, one against the other, or is the government prepared to show us a credible plan that will benefit all our cities and public transit right across the country? Where is the plan or is it just one by one?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, the money announced last Friday for the Toronto transit came about as part of the Canada-Ontario infrastructure program and reflected a priority established by Ontario. Ontario and Toronto, as a priority for that fund, wanted to put money into green transit, capital for green transit. It is entirely within the parameters of the program.

If British Columbia and Vancouver, or any other city in the country, want to do the same, we should be there to support it.

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**GOVERNMENT EXPENDITURES**

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, enough is enough. This government has been plagued by scandals and it seems the only way to get ahead is to have a Liberal contact: Alfonso Gagliano; Grand-Mère; Groupaction and reports; Jean Carle and BDC; and now Lafleur Communications and Groupaction-Gosselin; \$558,000 of untendered contracts, following a trend of Liberal patronage. Canadians are fed up.

Would the minister of public works table all untendered contracts from Lafleur Communications, Groupaction-Gosselin and Groupaction Marketing today?

**Hon. Don Boudria (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the issue that the hon. member has brought to the House is not any new revelation. In fact it appears on our website. We put this information on the website 18 months ago. I am glad that the hon. member and the journalist in question finally read the information.

I would like to report to the House that in fact modifications to the tendering process were made.

**An hon. member:** Come on Gagliano, table the document.

**Hon. Don Boudria:** I will respond once the leader for the fifth party—

**The Speaker:** The hon. member for Brandon—Souris.

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**ETHICS COUNSELLOR**

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, the Prime Minister is shocked that 70% of Canadians hold politicians at such low esteem. He has no one to blame but himself. Corruption is rampant and political patronage is the norm. Even court documents show that the ethics counsellor is anything but independent. He even proposes answers for the Prime Minister on sensitive conflicts.

Would the Prime Minister heed his own advice and help instill confidence in our political system? Will he make the ethics counsellor an independent officer of this parliament?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, the ethics counsellor is called a counsellor because he offers advice. Why would it surprise someone that he offers advice to the Prime Minister? That is his job.

*Oral Questions*

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, in 1993 the Prime Minister promised us an independent ethics commissioner reporting to parliament. Instead he hired this counsellor and the counsellor is actually covering for the Prime Minister.

Since these two things are so different, they are not the same at all, why did Liberals break that promise?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, I am surprised they are back on this when they have not answered why last week the Leader of the Opposition got up and said “The ethics counsellor told us he has no record of the minister asking for his advice on Mr. Palmer”. We discovered that not only did they not receive that information from the ethics counsellor, they did not ask for it. They did not refer to the writer in an accurate way. In fact, they presented a series of statements to the House that were wrong.

If they want to ask about the ethics counsellor, how about if they check the record on the Leader of the Opposition's direct misstatement in this House?

• (1450)

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, they tried this on Friday too. That is called deflecting. I asked a very specific question about the ethics commissioner and why we do not have one. Now we know why we do not have one. It turns out that this guy is actually writing answers to questions for question period for the Prime Minister on an important issue of could he golf with a celebrity.

I will ask the question again. Why did the Liberals break their promise? Why do we not have an ethics commissioner independent of the Prime Minister reporting to parliament?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, I have a sequel question. I quote from the Leader of the Opposition. He said “yet the ethics counsellor, in a letter we received from him today, told us that he has no records on the matter”. The letter was not to them. It was to Mr. J. Murray, P.O. Box 657. It was not from the ethics counsellor and it did not contain the information they claimed it did.

Why is the Leader of the Opposition not on his feet correcting the record and apologizing to the government?

[*Translation*]

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, we have just learned that the government's ethics counsellor plays a much less objective role than the Prime Minister would have us believe. In fact, he prepares political responses for the Prime Minister to provide to questions from the opposition in the House.

Will the Deputy Prime Minister admit that the role the Prime Minister has given his ethics counsellor is nothing more than that of a political adviser whose responsibility is to ensure that his boss makes the best impression possible vis-à-vis the opposition and the public?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, he is

an ethics counsellor. Therefore, it is not surprising that he gives advice to the Prime Minister. That is simply what he did.

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, each time the government is confronted with questionable dealings, it has used the advice of its ethics counsellor. Today, the only thing ethical about this counsellor is his title, because practically speaking, he is a political adviser.

Does the Deputy Prime Minister realize that the Prime Minister's ethics counsellor has lost all credibility?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** No, Mr. Speaker.

[*English*]

**Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance):** Mr. Speaker, the Minister of Finance told the House that he discussed with the ethics counsellor the connection between Jim Palmer, his Calgary bagman, and the fat contract that his department gave to Jim Palmer, but no one in the world has any record of it.

Maybe the finance minister should just clear the air. Does he have some documentation to back up his statements?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, they are going back at it again. They ask the wrong question. The ethics counsellor is clearly on the record in the media as acknowledging that he discussed the issue with the Minister of Finance, that the corrective action was taken and that it was satisfactory.

However they get up and misrepresent the very facts that they tried to present by tabling in the House last week. Why will they not correct the record?

**Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance):** Mr. Speaker, it was the Minister of Finance who told the House that he discussed with the ethics counsellor his connection with Jim Palmer, the bagman who was out tax consulting in the oil patch and at the same time asking for contributions to the finance minister's secret leadership campaign.

Will the minister do the right thing and list all the people that Mr. Palmer talked to on his behalf and also a list of all people who contributed to the finance minister's leadership campaign who Mr. Palmer talked to on his behalf?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, the finance minister said in the House and elsewhere that he discussed the matter with the ethics counsellor. The ethics counsellor said in the media that he discussed the matter with the finance minister.

The problem over there is that they refuse to accept that they asked the wrong question when they used the nom de plume of Mr. J. Murray, P.O. Box 657. Now they are up trying to misrepresent the facts. It is not good enough. There seems to be a bit of a deficiency over there.

*Oral Questions***DIVORCE ACT**

**Mr. Roger Gallaway (Sarnia—Lambton, Lib.):** Mr. Speaker, my question is for the Minister of Justice. Canadians embroiled in divorce proceedings have been waiting for more than three years for some sign that a fairer law with respect to their children will be submitted to the Chamber. Despite a half million dollar joint committee report calling for change, a \$1.5 million bureaucratic manoeuvre and promises of something, nothing has happened.

Could the minister tell us when he will move on the special joint committee recommendations or are we to disregard the former minister's acceptance of the report and its recommendations?

• (1455)

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I would like to thank the hon. member for the work he has done as a member of the joint committee.

I would like to say that based on the Divorce Act, I am obliged to proceed in tabling a report five years after the implementation of the child support guidelines, which we will do right after question period. The results are very positive. There are 12 recommendations.

Of course in the Speech from the Throne we said that we would move ahead, as well as my predecessor, and I intend to personally meet with some stakeholders in order to proceed this fall with changes, whether in the legislation or in the question of services.

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**SPECIES AT RISK ACT**

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, the government's own members realize that compensation of fair market value is essential if we are to really protect endangered species and their habitat. Let me quote from the chair of the Liberal rural caucus:

Landowners must be compensated for loss of property enjoyment that results from compliance with the provisions of the act.

Will the minister tell his own caucus how he expects the bill to work with no provision for compensation in the legislation?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, once more he made the statement that there were no references in the bill to compensation. There are. They are in section 64. I urge the hon. member to read it.

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, more baffle-gab will not satisfy those people who will suffer from this very bad legislation. Saying the Liberal government will put fair and reasonable compensation in the regulations is like saying "Don't worry, just trust us".

Canadians trusted this Liberal government to get rid of the GST and look what happened. To ask Canadians to expect the government to draw up regulations to provide fair market value is a very long stretch.

Why does the minister not simply admit that the legislation will not protect species at risk?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I have been constantly asked by people on the other side to admit things which are simply untrue. The fact is it will protect

endangered species. The fact is there are compensation provisions in the legislation. They are in section 64.

As I am not permitted by the rules of the House to give legal explanations on what is before the committee, I am unable to answer the specifics. I can urge the hon member however to read it. If he needs help, we can provide that.

\* \* \*

[Translation]

**SOCIÉTÉ RADIO-CANADA**

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, the Société Radio-Canada is in possession of a report produced by the firm of Hay on relations between employees and management. According to this report, 75% of the employees are proud to work for Radio-Canada but only 16% believe that the organization is efficient and well structured.

Also, Great West, the company that insures Radio-Canada employees, has complained about the unusually high number of cases of burn out among these employees.

Will the Minister of Canadian Heritage release the findings of the Hay report, considering that Radio-Canada is not governed by the Access to Information Act and that the report was paid for with taxpayers' money?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I did not see the report but I would ask the hon. member to release it.

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[English]

**NATIONAL SECURITY**

**Mr. David Price (Compton—Stanstead, Lib.):** Mr. Speaker, my question is for the Minister of National Revenue. Could the minister explain why our border policy allows allegedly armed and dangerous criminals to enter Canada from the United States and why our customs officers are being compared to bank tellers?

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, the customs directive has been in place for more than a decade. It is similar to banking policy during armed robberies and the hot pursuit policies of police forces.

In the case of potentially armed and dangerous people, we say stand aside and call for backup. The response time for Canadian police is excellent. Customs officers do a topnotch professional job in Canada's interest. Although they do have expanded officers powers, they are not police officers.

*Routine Proceedings*

● (1500)

**SOFTWOOD LUMBER**

**Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance):** Mr. Speaker, we understand that the government is sending some of its ministers to British Columbia today to attend the softwood summit organized by the B.C. government.

We are glad to see that the foreign trade minister is at least attending this event. This is an international trade issue as well as one that is extremely important to British Columbia.

This minister waited for a province to organize a summit and has waited for the industry to launch an ad campaign in the United States. Why is it the minister not taking the lead on this vital issue?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I welcome the hon. member's praise of the ministers for attending this conference. The two ministers have gone there to show that we are solidly behind the softwood lumber industry in our country.

The Minister for International Trade has been working on this file for months. He has managed to keep our producers in this country together and united against the United States. He is in British Columbia to work with governments and the industry, to focus on the future and to put in place conditions for a stronger, more competitive industry in B.C. and across Canada. I think we should welcome his participation in that area.

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[Translation]

**THE ENVIRONMENT**

**Mr. Ghislain Fournier (Manicouagan, BQ):** Mr. Speaker, last week, when I asked the Minister of Transport about his inaction regarding the pollution problem in the beaches area of Sept-Îles, he not only said that I was wrong, but stated "there are only two households with this problem".

It is the Minister of Transport who is wrong. It is not two families, but 24 residents who are forced to use bottled water because of the minister's inaction. Since he is the polluter, he is the one who should pay.

What is the Minister of Transport waiting for to act?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I answered that question a number of times in the House of Commons, and my answer remains the same. We are looking for a permanent solution for the residents of Sept-Îles, but in the meantime some measures have been taken to protect these people's health.

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[English]

**ETHICS COUNSELLOR**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Deputy Prime Minister.

I share the concern of the Deputy Prime Minister and the Prime Minister, politics and politicians should not be dragged through the mud any more than they have to be, but surely the government has some responsibility in this as well.

When we see the behaviour of companies like Lafleur, Group-action and Gosselin steering federal cash in inappropriate directions and the ethics counsellor acting as a kind of coach and spin doctor for the Prime Minister, surely the Deputy Prime Minister can see that something needs to happen here.

Is it not time that the position of the ethics counsellor evolved beyond what it is now so that the position itself is not open to attack?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, it is important to remember that the ethics counsellor has made himself available repeatedly to parliamentary committees when requested to attend.

In the British parliamentary system there is a particularly responsible role that the prime minister himself plays and, in advising on the conduct of cabinet, the ethics counsellor acts as an adviser to the prime minister since the prime minister has the final responsibility for the conduct of cabinet ministers.

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**ROUTINE PROCEEDINGS**

[English]

**PUBLIC SAFETY ACT, 2002**

**Hon. David Collenette (Minister of Transport, Lib.)** moved for leave to introduce Bill C-55, an act to amend certain acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety.

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

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● (1505)

**CRIMINAL CODE**

**Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance)** moved for leave to introduce Bill C-450, an act to amend the Criminal Code (judicial review).

He said: Mr. Speaker, I am pleased to rise today to introduce a private member's bill that would amend section 745.6 of the criminal code. This section, the so-called faint hope clause, allows those convicted and sentenced to life in prison, without eligibility for parole for 25 years, to be legislated by the back door and apply for parole after only 15 years. Eighty-two per cent of these applications are successful and murderers are walking our streets.

Private members' bills to eliminate the section are already waiting to be drawn by a lottery. Legislative rules do not allow me to introduce another bill to do the same thing although I would like nothing more than to speed up this issue in the House.

I am therefore introducing a bill today that would amend the criminal code to allow murderers to use the faint hope clause but only after they have served 100 years in prison. Members should rest assured that any amendment to my bill that would repeal the faint hope clause would be considered a friendly amendment.

*Government Orders*

The faint hope clause is an affront to justice and an insult to victims of violent crime. My bill would stop obstructing justice and start obstructing the terrible criminal loophole. I encourage all members to support it.

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

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**WESTERN CANADIAN WHEAT BOARD ACT**

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance)** moved for leave to introduce Bill C-451, an act to amend the Canadian Wheat Board Act.

He said: Mr. Speaker, I do not believe when the bill became an act that there was anything wrong with calling it the Canadian Wheat Board. However it is now very clear there must be a change to the name. The amendment pays tribute to where the act belongs, in that it is the western Canadian wheat board and clarifies the meaning of the act, its intent and its purchasing powers.

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

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**PETITIONS**

## MACKENZIE VALLEY PIPELINE

**Mr. Rick Laliberte (Churchill River, Lib.):** Mr. Speaker, I am honoured to rise today to present this petition. Residents of northern Canada are calling upon the Government of Canada and the government of Northwest Territories to immediately announce their timetable for the completion of the Mackenzie Valley pipeline and the highway that is required for development in northern Canada. The petitioners call upon Parliament that a timely plan be related to the long term development of the Mackenzie highway in Canada.

● (1510)

## FISHERIES

**Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.):** Mr. Speaker, it is my privilege to present a petition of 2,217 names on behalf of the good people of Dauphin—Swan River and Manitoba over the issue this past winter of unlimited net fishing by aboriginals. No one disputes the fact that aboriginals have the right to fish on a sustenance basis but not under that guise for commercial purposes.

The petitioners pray that parliament enforce the laws of Canada so those who are taking advantage of their status and breach federal laws will be held accountable for their actions. Canada needs a single justice system for all its citizens.

## JUSTICE

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, I have two petitions. The first one calls for the perpetrators of crimes against humanity, including those of September 11, be brought to justice by international police action and tried before the international criminal court or its interim equivalent under the auspices of the UN and return Canada's foreign and defence policies to full respect for and full compliance with international law and the UN charter.

## RAILWAYS

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, the second petition presented by hundreds of people in my riding calls on the federal government to ensure that freight and passenger service on the Esquimalt & Nanaimo Railway occur for one year. It requests that the federal government works with other interested parties to find ways to encourage use of the services offered and provide for local authority responsibility and marketing to create a viable and environmentally sound and economically sustainable rail service for Vancouver Island.

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**QUESTIONS ON THE ORDER PAPER**

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[*Translation*]

**EXCISE ACT, 2001**

The House resumed from April 26 consideration of the motion that Bill C-47, an act respecting the taxation of spirits, wine and tobacco and the treatment of ships' stores, be read the third time and passed.

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am glad to continue with my speech on Bill C-47. As I said last Thursday, when I began my speech, I would like to give the House an overview of the situation. This bill deals with the taxation of spirits, wine and tobacco and the treatment of ships' stores.

The bill was also supposed to deal with beer. Unfortunately, when my hon. colleague from Saint-Hyacinthe—Bagot looked into it, he realized that the government had excluded beer from this legislation. He put forward amendments in committee so that the issue of beer and microbreweries could be considered.

We all know what happened then; everyone has heard about it. It created quite an uproar in the House of Commons. The chair of the Standing Committee on Finance, the hon. member for London West, determined that the amendments brought forward by my colleague from Saint-Hyacinthe—Bagot were not in order.

Because of the new criteria set out in Motion No. 2, which was tabled by the Speaker when the House resumed, when amendments are moved in committee, they cannot be brought forward again in the House at report stage or at third reading.

*Government Orders*

So we can see that the chair of a committee wields a great deal of power, even more than a minister, since a minister cannot accept or reject amendments to a bill in committee.

Everyone knows what happened. The chair received a letter from the Brewers Association of Canada recommending that beer not be included in Bill C-47. Unfortunately, her spouse sits on the taxation committee of the brewers association.

We, in the Bloc Québécois, have said—and I think it is perfectly normal—that when a person is approached directly by a family member or a close friend regarding an issue that has to do with regional development in particular, because microbreweries are most often found in the regions—that person must use his or her right to withdraw. Therefore, the member for London West, with whom it has always been a pleasure for me to work in the past, should have used her right to withdraw to give her place to someone else so that the committee could analyze the amendments proposed by the Bloc Québécois. However, she did not do that.

That is why we said that there was the appearance of a conflict of interest and the appearance of collusion.

After taking all these factors into consideration, we, in the Bloc Québécois, decided that the time had come to modernize this piece of legislation. At this time, we will not be able to vote in favour of Bill C-47. Why? Because microbreweries had to be included.

Microbreweries have enjoyed a nice share of the market these last few years, but it is decreasing. Why? Because they are the victims of unfair competition from large Canadian, American and also European brewers.

The excise tax for large breweries in Canada is 25 cents per hectolitre in Canadian currency, whereas it is 28 cents per hectolitre for microbreweries. In the United States, it is 24 cents.

• (1515)

Microbreweries there pay only 9 cents per hectolitre. We can see how unfair competition is and how it is killing our microbreweries.

As I said last week, in my area, in the Saguenay, we have a microbrewery located in Anse-Saint-Jean. Called Brasserie de l'Anse, it produces three different brands of beers: *Illégal*, *Folie Douce* and *Royale*. The current excise tax is extremely discriminatory for this small business in the Saguenay. As a matter of fact, seven years ago it was producing seven different brands. We can see how, through the years, because of how much money it must give the government, it has become less and less able to face the situation it is in because of the excise tax.

The amendments put forward by my colleague from Saint-Hyacinthe—Bagot at the Standing Committee on Finance would have at least made sure there was fair competition between Canadian, American and European importers. The Standing Committee on Finance chaired by the member for London West turned them down. It is deplorable.

As we know, microbreweries make an extremely important economic contribution to regions such as mine. For the most part, it is in the regions that microbreweries have developed. This has expanded a new niche, which helps the regions develop.

With Bill C-47, we are seeing in the House of Commons something I find unfair for an industry that should have been taken into account, as my colleague, the member for Saint-Hyacinthe—Bagot, said last week.

It is rather deplorable to hear the member for Chicoutimi—Le Fjord, in whose riding the brewery is located, claim to be concerned about the region's development, yet approve the decision by the member for London West and the absence of tax advantages for microbreweries. If the excise tax was lowered, as requested by the Bloc, it would help the Brasserie de l'Anse.

This is unfortunate, and I am truly disappointed by what is happening in this House. We are told to go to committee and put forward amendments. We do the work. We do it honestly. We review the bills. We try to improve them. However, I do not know what is the matter with this Liberal government. It thinks it knows it all. No matter how much we say how important something is, when the time comes to vote on the amendments, a score of Liberal members gang up and turn them down.

The government no longer shows any open-mindedness. What is going on now is beyond me. I can understand the frustration of some opposition members with the government. Enough is enough. Our role is to stand up for the interests of ordinary citizens, not those of the big shots, who have lawyers, associations and friends to help them out. We are here for the ordinary citizens. My role is to stand up for the people in L'Anse-Saint-Jean. They are the ones who create jobs for workers in the regions and who develop new expertise.

I do not know what we will have to do to bring this government to its senses. Our colleague from Saint-Hyacinthe—Bagot explained the situation last week. He painted the whole picture of what happened. The Standing Committee on Finance is the most important committee of the House, the one with the most power. This blunder happened in the Standing Committee on Finance, which should have the greatest sense of fairness. Such an incident cannot be ignored.

If there were not something fishy, the Prime Minister would not have reacted the way he did when my colleague and my leader exposed during the question period last week what happened in the Standing Committee on Finance. I can accuse some people of being sexist, but I am not, and I do not think my colleagues are. This was not a gender issue, but a fairness issue.

• (1520)

It was in order to be able to say that we had done a good job.

Today, the government has not done a good job on Bill C-47. The opposition parties, my colleague in particular, wanted to do a good job because it was important. Since 1997, we have been thinking that there would finally be changes to this excise tax.

Yet, in the most important area—and the Brewers Association of Canada said they represented microbreweries, these small businesses for whom we need to show a little compassion, and who need to be taken into consideration—this very association recommended to the chair of the Standing Committee on Finance not to include the excise tax on beer in Bill C-47.

*Government Orders*

As far as I am concerned, enough is enough. The government will look to withdraw the bill, go back to square one as my colleague asked, and include an industry that is extremely important for Quebec and for all of Canada.

Thirty-eight microbreweries in Quebec, Ontario, British Columbia, Alberta and Manitoba have closed their doors. They created employment. In the past, the regions depended on big business to survive. Today, it is not the biggest businesses that are creating employment; it is small and medium size businesses that are creating employment; it is small and medium size businesses that are fuelling growth in our regions. Shutting these employment generating companies down is an affront to the regions, to the people who live there, to the people who want to take charge of the economic survival of their communities, which are important to them.

As my colleague from Saint-Hyacinthe—Bagot said, Bill C-47 contained some good provisions. Unfortunately, it did not have the essential elements it needed. When we fail to do the essential in everything we do in our life, we need to step back and ask ourselves, “What have I done that is not right?”

I urge this government to withdraw this bill and redraft it, so that people can benefit from what this bill really should contain, support for microbreweries.

• (1525)

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, it is always a pleasure to have you turn the floor over to me in a major debate.

I have a question for my eminent colleague from Jonquière, who adroitly and boldly pointed out the shortcomings in Bill C-47, which is still before us. How did things end up like this and how could this situation be avoided in the future?

We put forward amendments at the Standing Committee on Finance in order to change Bill C-47 in a manner truly in line with the spirit and the letter of the bill. What was not in line was what the Liberals did, which was to remove one of the items in the excise bill.

How could this be avoided? In a departure from the past, the chair of the Standing Committee on Finance, like all committee chairs since Motion No. 2 was put forward by the government, now has the extraordinary power to reject our amendments. This may well be the end of the road because we have no other recourse at report or third reading stage.

First, should the ethics code for holders of public office not be reinforced and, second, committee chairs included in this amended code? Third, should the occupations of spouses and even dependants not also be considered in a conflict of interest case such as the one before us concerning the microbrewery amendments rejected by the member for London West, who is also the wife of one of the seven directors of John Labatt Ltd.? Should this code of ethics not be reinforced and committee chairs considered holders of public office?

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, I thank my colleague for Saint-Hyacinthe—Bagot. I believe that, yes, the more conditions there are imposed, the more equity there will be within this House of Commons. Let us not forget that the number of women in positions of command will be increasing, both in the government sector and in the private sector. There will also be men.

On the other side of this House, they boast of transparency. With the powers Motion No. 2 confers upon the chair of a committee, I believe the code of ethics should include chairs of committees, their spouses and anyone within their close circle who could influence decisions. I am not saying that this would be a good thing sometimes and a bad thing sometimes but there must be evidence of transparency.

According to a poll carried out last week, 70% of Canadians felt that politicians were not to be trusted. This government, being in power, must tell Canadians “Okay. You say we are not to be trusted, so we will take steps to make things clearer and to be more transparent”.

That is the solution. It is one of the solutions that must be advanced so there will finally be some worthwhile debates here in the House of Commons.

• (1530)

[*English*]

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I must say that I was a bit surprised to hear the comments of the member opposite about the issue of conflict of interest with beer when in fact in Bill C-47 the words beer or brewery do not appear at all.

For the member's information, in February 1997 when the discussion paper was originally released, the suggestion was made at that time that we would not include beer because of specific concerns that the brewing industry had. The brewing industry in fact indicated to the government that we should move ahead with Bill C-47 and that, for the record, we look at beer separately. That is currently what the department is doing and the department will come back with specific recommendations which may then come in the form of legislation.

Unfortunately, my friends from the Bloc did not listen when we presented this to the committee originally, they did not listen during committee and they are still not listening. In fact, they are not listening because it does not fit what they want to say. There is no conflict because beer is not in the bill. Therefore, it is very difficult to amend legislation about something which is not there.

I would ask the member to explain to us how we can amend legislation about a commodity which is in fact not even in the legislation.

[*Translation*]

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, the attitude of the parliamentary secretary is truly deplorable and very mean. Initially, the beer sector was covered by the bill and by the excise tax. The Brewers Association of Canada wrote to the chair of the Standing Committee on Finance to suggest that the beer issue be set aside, which is what was done.

I do not know under which minister's authority this parliamentary secretary is working, but I hope it is not the Minister of Finance. If this is the case, I see that he does not understand anything and this is because he probably does not follow what is going on in the Standing Committee on Finance.



*Government Orders*

My colleague from Saint-Hyacinthe—Bagot does good work. He carefully analyzes everything that concerns finance. My colleague wanted everything to be transparent. He was right to ask for transparency but the Liberals did not want it.

The member should not say that the issue will be discussed elsewhere. On the contrary, it should have been and must be discussed during consideration of Bill C-47.

[English]

**Mr. Bryon Wilfert:** Mr. Speaker, the only transparency I see here is the ignorance on the other side of the House. I cannot believe for one moment that the member on the other side of the House, who is not even on the committee, would make the suggestion that it was somehow only decided at the last moment that beer would not be in the bill. In fact, as I said, from the review back in February 1997, as discussions went forward it was decided that it would not be part of the bill. It was made very clear at the beginning that it was not part of the bill. If the member had read it, she would know that.

Although she is getting her cues from her colleague, unfortunately they are the wrong cues. Again, the only transparency is the lack of understanding of the members on the other side with regard to this issue. It is disappointing because, again, we have made this very clear from day one and I would have expected more. However, that may be, I guess, the nature of what the Bloc says.

The question again to the member is this: Can the member cite for me anywhere in the bill where she sees the words beer or brewery?

[Translation]

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, I do not accept the premise of the statement by the parliamentary secretary of I do not know what.

**An hon. member:** Of finance injustice.

**Ms. Jocelyne Girard-Bujold:** He is the Parliamentary Secretary to the Minister of Finance.

Personally, I have always been very honest and I will not allow this individual to question my honesty or the honesty of the hon. member for Saint-Hyacinthe—Bagot.

Initially, in 1997, when it was decided to review the Excise Tax Act, the beer sector was part of the review. However, following a letter of the Brewers Association of Canada asking the chair of the Standing Finance Committee not to include beer, this is precisely what happened. I am not imagining things. This is the truth. If there is another truth it is not part of Bill C-47. Beer was supposed to be covered by Bill C-47 but it is not.

The parliamentary secretary should go back to square one and tell the government to include beer in Bill C-47. This would satisfy us and allow us to hold a dispassionate debate.

• (1535)

[English]

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I would like to take this opportunity to first pay tribute to the chair of the finance committee, the member for London West, a person with integrity, a commitment to public office, an understanding of the issues and an unequivocal sincerity and who has been putting in endless hours,

days, months and years trying to serve her constituents and the people who have elected her. To hear some of my colleagues trying to remotely question the appearance, or the lack of, or whatever they are trying to put before the House, I find totally unacceptable and it certainly does not represent the views of anyone outside of the one or two members who have raised this question.

I also would like to pay tribute to my colleague, the Parliamentary Secretary to the Minister of Finance, the member for Oak Ridges, for his hard work on this legislation and his diligence, as well as his commitment to ensure that Canadian laws are meeting the objectives that they were set out for. I also would like to congratulate him for being so open to consultation, suggestions and ideas, and I also want to commend him for the way he has carried the bill through the committee and through all the different processes that bills have to go through.

Just for the record, so that my colleague will realize that she and my colleague from the Bloc Quebecois who asked the question were wrong when they made the statement that microbreweries are in fact part of the bill, the reality of it is that the bill does not make any mention in any way, shape or form of microbreweries or nanobreweries. In fact, they are simply not part of the bill. What this legislation does is look at the overall federal framework for taxation of alcohol and tobacco products. It tries to bring that up to date and to put in place a mechanism that reflects the reality of the day. As well, it tries to address some of the issues that need to be addressed.

Specifically, I want to quote from the bill some of the things that the legislation deals with. First, one of the key features of this legislation deals with:

(a) the continued imposition of a production levy on spirits, tobacco products and raw leaf tobacco and the replacement of the existing excise levy on sales of wine with a production levy at an equivalent rate;—

In this part of the bill there is absolutely no mention whatsoever of microbreweries or breweries in general.

The second aspect of it deals with:

(b) the replacement of the excise duty and excise tax on tobacco products other than cigars with a single excise duty;—

at the equivalent of the existing combined rate. Here again there is absolutely no mention of breweries, micro or otherwise.

The third aspect of this legislation deals with:

(c) the introduction of excise warehouses to allow for the deferral of the payment of the production levy on domestic and imported spirits and wine to the time of sale to the retailer;—

Once again there is absolutely no mention of brewers in this section of the legislation.

Another section of the legislation deals with:

(d) more comprehensive licensing requirements and new registration requirements for persons carrying on activities in relation to goods subject to duty;—

There is absolutely no mention of breweries in this section.

• (1540)

The legislation also deals with:

(e) explicit recognition of limited exemptions for certain goods produced by individuals for their personal use;—

*Government Orders*

There is absolutely no mention in this section of breweries.

A section of the legislation deals with introducing:

(f) tight new controls on the possession and distribution of goods on which duties have not been paid;—

Once again, for my colleagues from the Bloc, there is absolutely no mention in this section of the legislation of anything to do with breweries, micro or otherwise.

The legislation also contains:

(g) modern provisions concerning the use of spirits and wine for non-beverage purposes and the use of specially denatured alcohol;—

Again, in this section of Bill C-47 there is absolutely no mention whatsoever of breweries, micro or otherwise. Also in this legislation there are provisions in order to ensure:

(h) updated administrative provisions, including new remittance, assessment and appeal provisions that are similar to those under the Goods and Services Tax/Harmonized Sales Tax legislation;—

Again microbreweries are not mentioned in this section of the legislation. Also there are elements that deal with:

(i) updated enforcement provisions, including new offence, penalty and collection provisions;—

Again, in this section of Bill C-47 there is no mention of breweries, micro or otherwise.

There are other provisions included in this legislation, such as the following:

the replacement of the existing provisions in the Excise Act and the Excise Tax Act relating to the excise levies on spirits, wine and tobacco necessitates consequential amendments to those Acts as well as other acts, including the Budget Implementation Act, 2000, the Canada Customs and Revenue Agency Act, the Criminal Code...the Customs Tariff, the Export Act, the Importation of Intoxicating Liquors Act, the Special Economic Measures Act and the Tax Court of Canada Act.

The legislation states:

This enactment also implements changes to the ships' stores provisions, which were announced by the government on September 27, 2001. These changes broaden the enabling legislation for ships' stores regulations and implement a temporary fuel tax rebate program for certain ships that, as a result of the amendments to the Ships' Stores Regulations effective June 1, 2002, will no longer qualify for ships' stores relief.

In addition:

...this enactment implements the tobacco tax increases announced by the government on November 1, 2001.

All these comments are to state to the House, for the record and for Canadians who are watching or who have watched over the past few days the incredibly unfounded allegations of my colleagues in the Bloc, that the breweries are not included in the legislation. Therefore, the attack on the chair is unwarranted and unnecessary. Frankly, it is high time for my colleagues to stand and apologize to the member for London West for the undue stress they imposed on the member, who is incredibly sincere and has an incredible level of intelligence and commitment to serve her constituency.

The legislation would do two things. It would create a provision which would ensure that the laws of Canada are enforced in a manner that is up to par with other legislation in Canada. At the same time, the legislation would create a provision for people growing tobacco or making wine in their homes and would give them the

ability to use that tobacco, alcohol or wine for their own personal use without being penalized by the law. As well the legislation would bring some of the other legislation into line so that the government can continue to fulfil its commitment to the people in the industry who are trying to produce products and create jobs, therefore responding to the needs of Canadians.

• (1545)

Some of my colleagues might wonder whether the bill would harm in any way, shape or form those who are in different sectors. Let us take for example the people who work in the tobacco sector. There are in excess of 1,200 tobacco producers across Ontario creating over 17,000 jobs. Bill C-47 would not affect them in any way, shape or form. It would not touch them.

The legislation would not affect people in the wine and spirit producing sectors in a negative way per se. Rather, it would deal with the issue of people who operate without licences and try to sell their product on the market without proper certification. The element of enforcement exists in the legislation for that purpose.

We cannot look at Bill C-47 in isolation. It is part of the government's overall agenda of revisiting every law on the books to ensure our laws continue to respond to the needs of Canadians. When the Prime Minister was elected in 1993 one of the pledges he made to the House and to Canadians was that we would look at the way we do our job as a government. He said we would look at our mandate which is to respond to the needs of Canadians.

As we have seen, the government has done just that. First, we addressed the incredible amount of debt and deficit that existed when we came to power. It was at an all time high of over \$42 billion. In no time at all the government was able to turn the corner and bring us into a surplus situation that has enabled us to not only pay down the debt but to support the programs Canadians feel strongly about such as health care, education and other issues that affect them.

Bill C-47 is part of the overall government agenda of trying to bring our laws into the 21st century so our industries can do well. My colleagues in the opposition consistently attack the government about where we are on the international scene. I have in my hand a report published in January, 2002 by KPMG, a well respected international organization. The report deals with competitiveness on the international scene. The report is available to my colleagues on the opposition side. It is my hope they will obtain a copy of it and have a look at what the government has done over the years. I will not read through it but according to KPMG Canada has been identified as the best country in the world in which to do business. Canada is way ahead of the United States, the United Kingdom and many other countries in the industrialized world. We continue to strive in that area.

I will read for hon. members what it says about an area in which Canada has been the pride of all Canadians: labour costs and taxation. Canada is still one of the best countries in the world in terms of taxation. I will come to that in a minute.

*Government Orders*

My colleagues on the other side often quiz the government on the issue of competitiveness and labour costs. Hon. members will be happy to know that when it comes to wages and salaries, statutory plans and employer sponsored benefits Canada ranks first. That is ahead of the United Kingdom, the Netherlands, Italy, Germany, France, Austria, the United States and Japan.

• (1550)

I will come back to the issue of taxation and what we are talking about in the bill. When it comes to levels of corporate taxation Canada has been ranked a close second to the United Kingdom but well ahead of all other G-7 countries.

This is all to say that what we have seen from the government over the past nine years is an unequivocal commitment to respond to the need of Canadians and ensure Canada continues to be the best country in the world in which to live and do business. Bill C-47 fits exactly into the government's agenda and where we are going.

I sometimes see my colleagues on the other side taking cheap shots at the chair of the finance committee or the parliamentary secretary. We have seen reports in the press over the past few days indicating 70% of Canadians do not have trust in their elected officials. It is my duty and obligation as a member of parliament to stand and say it is these kinds of unfounded allegations that are eroding the trust of the public in public institutions.

When members of this institution attack the integrity of other members we start to see an erosion of public confidence in our institutions. It is the responsibility of each member of this institution to stand and be counted. We must state the facts, not use innuendos or unfounded allegations. Members must not make comments if at the end of the day they cannot walk outside the House and make the same comments. Such members know they will be sued if they do because their statements are totally false and without foundation. Members of the House must be in a shameful state of mind to stand and attack the integrity of other members without proper foundation, without any legs to stand on, without any brain to guide them and without any soul to go back to.

In that spirit I want the House to know Bill C-47 has nothing to do with breweries. If there is a social or a business problem with the issue of breweries it is our responsibility as parliamentarians to address it in the context of something else, not in the context of what is before us and the House today. To turn around and make an allegation about the chair of the committee puts her in an awkward position. If the issue is not in the bill and she or the clerk have ruled that the issue cannot be dealt with by the committee, it puts the committee chair in a conflict.

What a shameful and baseless allegation. It is my hope that the same member who stood to attack the member will stand right now, as my colleague would say, and apologize not only to the member but to all Canadians because Bill C-47 is supported by the industry. It is supported by the people. It is supported by the same institution the hon. member is trying to protect. He is doing no service whatsoever to his constituents by making these kinds of unfounded allegations.

It is my hope that the House will approve Bill C-47 without any delay.

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I must first remind the hon. member that if public support for members of Parliament is anything like what we saw in last week's polls, I would be very concerned about that support. With only 11% of Canadians feeling that politicians are honest, we have no choice but to try harder to promote honesty. I think everyone agrees that we must avoid being in a conflict of interest situation, but we must also not appear to be in such a situation.

The hon. member is the chair of the Subcommittee on International Trade, Trade Disputes and Investments. We work together, and I think we do a very good job. I am convinced that, as chair of the subcommittee, if an amendment were proposed by a committee member, which dealt directly with the interests of someone close to him, including his spouse or a relative, he would tell us and he would remove himself from the debate and let the committee decide. I am convinced that this is how he would conduct himself. I am asking him to confirm my opinion on this issue.

• (1555)

**Mr. Mac Harb:** Mr. Speaker, first, as regards responsibilities, when a committee is reviewing a bill, the first administrative duty of the chair is to examine the issues before it. The committee was reviewing Bill C-47. Therefore, the first and last responsibility of the chair was to examine the issues relating to Bill C-47.

When an opposition or government member proposes a motion on any topic, the chair's responsibility is to take that motion or suggestion and refer it to the clerk of the committee.

This is precisely what the chair did in this case. The clerk of the committee said that this topic was not covered in Bill C-47. Therefore, the chair agreed that the committee would not look into it. I do not see how we could say that this puts the chair in a conflict of interest position. As we say, this is a slippery slope.

If we start saying that a member of parliament is responsible for what his spouse, mother, father, brother, cousin or any other relative or neighbour does, it will never end.

We need to realize that, for some time now, integrity issues have been important not only for government members, but also for opposition members. When issues like that are raised, they have to be based on clear objectives and a just foundation.

In this case, however, our colleagues are raising an issue that is devoid of any substance. These are very personal issues that reflect badly not only on my colleague, but on the House of Commons and on all Canadians.

We are to blame if the public does not trust us, because we are responsible for what is being broadcast over the speakers in the House of Commons. We are somehow responsible for casting a negative light upon our Canadian parliamentary institutions. All because the opposition parties are making unsubstantiated allegations.

*Government Orders*

I challenge the hon. member to make these same allegations outside the House of Commons and see what the Canadian courts make of them. If the member can prove these allegations in any way, shape or form, he should make them outside the House of Commons.

This bill addresses all the topics, except for the breweries. The hon. member should stand up and apologize to my hon. colleague from London West.

• (1600)

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, our colleague does not seem to know what is in the Excise Act. It contains everything we have in Bill C-47, amending the general excise legislation, except one thing, beer.

Why is that? Because the Brewers Association of Canada, through the chairman of its taxation committee, who happens to be the spouse of the chair of the Standing Committee on Finance, asked her not to include in the bill the beer produced by microbreweries. That is why beer is not included.

In 1986, Justice Parker, who presided over the case of a Conservative minister who was accused of 14 counts of conflict of interest, said that we needed a stronger and legally enforceable code of conduct if we were to prevent public office holders from ending up in this kind of situation. One of his key recommendations involved an examination of the position, assets and economic interests of spouses and dependent children. In this case, it is not a neighbour who is involved, but the spouse.

You did not answer the question of the hon. member for Joliette. As chair of the committee—

**The Deputy Speaker:** Order, please. The Chair should not be left out. I ask the hon. member to make his comments and ask his questions through the Chair.

**Mr. Yvan Loubier:** Mr. Speaker, could you ask the member to answer the question of my colleague from Joliette?

If he, as the chair of a committee, had had a spouse who was involved in an issue that was considered by his committee, would he not have made known, right at the beginning of the examination of the bill, the fact that his spouse was directly involved in the bill and, as appropriate, would he not have proposed that he withdraw from consideration of the bill?

The hon. member for London West never told the committee members that she had a connection with the chair of the taxation committee of the Brewers Association of Canada, which is linked to John Labatt Ltd.

Would he have done the same thing? If he had done the same thing, I would have stepped outside, as I did for the hon. member for London West, and I would have accused him of a conflict of interest. This has already been done.

**Mr. Mac Harb:** Mr. Speaker, as I pointed out earlier, but I think my colleague was not listening, this particular topic was not covered in the bill. Committee chairs do not make laws. My colleague needs a lesson on how things work with regard to bills.

Usually, a bill comes before a committee on the initiative of the ministers responsible. The chair or members of the committee are not involved in the drafting of the bill.

My colleague is not making a positive contribution to this debate. We are here to debate Bill C-47. Frankly, I expected the members to talk about this bill, but they rise and talk about all sorts of things that have nothing to do with the bill. The member talked about microbreweries in his neighbourhood and in his region. But does he have concrete proposals to make about what this House or a future House could do to deal with these issues? Does he have concrete proposals to make about what can be done? Does he have any ideas?

We must deal with the issues before us. A committee chair does not introduce a bill. It is the result of a concerted effort by the industry, the public and the public administration. It does not emanate from a committee chair.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, it is an honour to take the floor to debate Bill C-47.

This is a rather special bill in that the debate involves not only an issue affecting the Excise Tax Act, but also an issue of ethics. The exchange of views we have just had strikes me as very clear in this respect. I will therefore need to speak to both of these aspects.

On Friday, the member for Saint-Hyacinthe—Bagot pointed out, and rightly so, that it is strange, to say the least, that we are being presented with Bill C-47, which covers everything but beer and the excise tax on microbreweries.

This is a general bill, and one that is well explained in the presentation, where it is stated that it re-enacts existing provisions in the Excise Act and the Excise Tax Act relating to the excise levies on these products, together with technical improvements, and incorporates a range of new provisions.

This is, therefore, a re-enactment of existing legislation. In the present legislation, everything is addressed: wine, spirits, beer, tobacco. There are provisions on licensing, rights of accession, offences, collection, record. In this bill, everything is there except for beer and excise tax on microbreweries. This is passing strange.

Why? There are two reasons, as has been pointed out by the members of the Bloc Québécois since the start of this debate, I believe, and by a number of opposition members as well. First, because the government has torpedoed the work of the committee, and second because it preferred to lend an ear to the major breweries rather than the needs of the microbreweries.

When they listen to the major breweries, which must unfortunately be identified as Labatt, Molson and the like, the corporate image of these companies is greatly tarnished in the process. Personally, I find this regrettable, because these are well-established institutions. They have put themselves in the position of being in conflict of interest and this, I feel, will not go over well with the general public.

*Government Orders*

Let us review the facts regarding breweries, and microbreweries in particular. Across the board in Canada, as is the case in the United States, there is a 28 cent tax per litre of beer. However, in the U.S., the mecca of capitalism, as the member for Saint-Hyacinthe—Bagot reminded us again on Friday, there is a distinction made for microbreweries. The tax is not 28 cents a litre, but nine cents a litre. In the U.S., a microbrewery is defined as a brewery that produces a maximum of one million hectolitres. In Canada, a microbrewery is defined as a brewery producing a maximum of 300,000 hectolitres.

This means that what would be considered a large brewery here is considered a microbrewery in the United States. They are three times the size of our microbreweries, yet they are considered microbreweries and benefit from a preferential tax rate of nine cents per litre of beer, rather than 28 cents per litre.

The result of this situation is clear. Since their taxes are lower, they are able to compete with, and really hurt their Canadian competitors. We have witnessed the result: 38 microbreweries have disappeared. They have not disappeared by some miracle; they disappeared because the circumstances of competition led them to disappear.

Why? There are no doubt a number of factors, but there is one that is easily identified. The 28 cents per litre paid by Canadian microbreweries and the nine cents per litre paid by U.S. microbreweries is definitely one of the main reasons.

If the Government of Canada has at heart the interests and the future of its microbreweries, it should react swiftly by accepting to review Bill C-47, to immediately include the beer industry, particularly the excise tax on beer produced by microbreweries.

Europe has done the same thing. This would not be some Canadian invention. We would be falling in line with what is done everywhere else. There are rules—I say this as the Bloc Québécois critic on international trade—accepted by the World Trade Organization. When it comes to microbreweries, they are considered in terms of regional diversification, and the member for Jonquière reminded us earlier, in terms of diversification of products.

• (1605)

There are also cultural aspects to the production of these microbreweries, which are often still using traditional methods.

The Government of Canada dismissed out of hand the concerns of the microbreweries and decided simply to listen to the interests of the big breweries, in particular Labatt and Molson, which dominate the Brewers Association of Canada.

I conclude that there is some sort of collusion between what it was decided to include in Bill C-47 and the interests which are not hidden, but admitted. We have the letter. I have seen it. Clearly, the Brewers Association of Canada is asking that anything having to do with the beer industry and the excise tax for microbreweries be excluded from Bill C-47.

So this entire situation is of great concern, all the more so since—and this brings me to the second point—while the member for Saint-Hyacinthe—Bagot tried to correct matters so that Bill C-47 would include the provisions of the earlier legislation amended to reflect the current state of affairs, the committee's work was sabotaged by the

fact that the amendments to include the beer provisions were rejected.

Earlier, someone said, “Yes, but it was not in the bill”. A bill is just as important for what it includes as for what it leaves out. It seems to me that we are entirely justified in including beer in a discussion of excise taxes on wine, spirits and tobacco. The public would normally group these products together.

In my view, this argument is completely wrong. It is exactly the same as for bills before the sub-committee or the Standing Committee on Foreign Affairs and International Trade. Each time amendments to crown corporations concerning international trade or foreign affairs are put forward, I always put forward an amendment, but this amendment or this concern is never included in government bills.

I will give an example involving the Export Development Corporation. When it was decided to rename it Export Development Canada, there was a key omission. There was no provision requiring a crown corporation, such as the Export Development Corporation, now Export Development Canada, to respect Canada's international commitments. I put forward an amendment in committee. That amendment was accepted. It was not in the bill.

On the contrary, every time we talk about crown corporations, the government systematically excludes this. We have international commitments. Canada tries to be generous, but only if it is of no practical consequence. Every time it is not in the legislation. Every time I put forward amendments, they were ruled in order by the chair and every time they were defeated by the Liberals. However, I managed to do one thing at least—and I say it every time I have an opportunity to do so—to prove that this government speaks from both sides of its mouth.

This is another case in point. Do not give us this misleading argument that we are not dealing with beer. The current act deals with beer. They should have explained to us why we should not be talking about beer. Everybody agrees, including the Brewers Association of Canada, that the situation of the microbreweries is urgent. Why then is the only sector identified as being threatened by competition the one for which no decision is being made? It is being postponed, put off for a month of Sundays. In the meantime, microbreweries are disappearing one after the other. They have lost another 1% to 2% of the market.

Moreover, the committee chair, the member for London West, used a new procedure introduced during this Parliament with Motion No. 2, which in my view is particularly undemocratic. I remind the House that the government put forward Motion No. 2 after the debate on Bill C-20, which attempted and is still attempting to prevent Quebecers from democratically choosing their collective future. It will not work but this is what the Liberal government attempted to do. There is also the Young Offenders Act which the Bloc Québécois, and especially my friend the member for Berthier—Montcalm, tried to stand up for the Quebec consensus on this bill.

*Government Orders*

•(1610)

We moved amendments to correct the bill. To deal with the problem, the Liberals changed the rules of the game. The chair of a committee or sub-committee may now simply decide that an amendment is out of order. This is what happened in the case of the amendment moved by my friend, the hon. member for Saint-Hyacinthe—Bagot.

Democracy is ailing in the Canadian parliament. No wonder Canadians and Quebecers are losing confidence in their parliamentary institutions. Decisions are not taken here but in the Prime Minister's office. This is where it was decided that beer would not be part of Bill C-47. It is the duty of the opposition and it should also be the duty of the members across the way to say, "Bill C-47 should have dealt with the beer industry, especially microbreweries".

Therefore I cannot accept the argument, which is being constantly repeated, namely that since Bill C-47 did not deal with the beer industry, the amendment had to be out of order. This is totally ludicrous.

Unfortunately, this is what occurred. I will not mention the fact that the spouse of the chair of the committee is a lobbyist for the Brewers Association of Canada. This is probably just a coincidence. The facts, however, are real. This is the truth. I believe that if she were a minister, the committee chair would probably be a very good candidate for a position as ambassador in a Scandinavian country.

It seems to me that if the government were committed to the future of the 2,000 employees of microbreweries who earn their livelihood in this sector, mainly in Quebec—I remind hon. members that proportionally Quebec has more microbreweries than the rest of Canada—and elsewhere in Canada, it would immediately bring forward amendments to Bill C-47 dealing with the beer industry and the excise tax as it relates to microbreweries, which everyone considers necessary.

I remind hon. members that even the Brewers Association of Canada has said so. Allow me to read the letter sent on April 12, 2002 to the chair of the committee and spouse of a lobbyist for the brewers association:

Our position remains unchanged: we fully support a reduction in the excise tax for small brewers. It is a priority of the BAC and we want to point out that small brewers in Canada urgently need such reduction. We will support any measure aimed at attaining this objective, but in light of our prior agreement with the government, we cannot support amendments which would include beer in Bill C-47.

On the one hand, the association says that it is prepared to support any measure to settle a situation that it itself deems urgent, but, on the other hand, it did everything it could to prevent the Bloc Québécois from moving amendments that would have corrected the situation. This is a rather serious case of manipulation of the public interests.

If the government cared about the future of these 2,000 employees, it would correct the situation. I believe the opposition would unanimously agree to include this clause in Bill C-47.

Unfortunately, this government, perhaps because it has been in office for a number of years, no longer cares about Canadian and Quebec workers. We can see it in the Murdochville and GM cases. I could list all the issues on which the federal government shown

indifference. This government only cares about one thing: remaining in office, ensuring that the Liberal Party of Canada has enough money to win the next general election. This is its only concern.

There has been an incredible deterioration. I have witnessed it myself, because I followed politics for a number of years before I entered it, in November 2000. The government is no longer protecting the interests of the federal government, of Canadian federalism. It is protecting the partisan interests of the Liberal Party of Canada. If this means that microbreweries must disappear, then they will disappear for this government, for the party in office, but not for us.

We are going to fight to ensure that what has happened to GM and Murdochville does not happen to the 46 microbreweries left in Canada, 19 of which are located in Quebec. The government will have to wake up and review Bill C-47 to include the beer industry and the excise tax for microbreweries, or this will be yet another example of the federal government's failed economic policies.

•(1615)

Just for fun the other day, even though there was actually nothing very funny about it, I decided to make a list of all the federal government's failed economic policies since Confederation.

The national policy artificially created an east-west market. It deprived Quebec of its natural axis, which is north-south. Fortunately, free trade set things straight and we do more business with the Americans than we do with the rest of Canada.

The Borden line made Quebec and eastern Canada pay more for gasoline than we would have paid if prices had been in line with international prices. And why was that? To develop the oil industry in western Canada. It was a completely respectable choice. How strange that Quebec always has to pay for these policies.

Now, for the St. Lawrence seaway. Certainly it had to be constructed but what compensation was there for Quebec, Montreal in particular, southwest Montreal, east Montreal, when the seaway was built and industry moved to southern Ontario? This is perhaps just another coincidence and probably not premeditated in any way.

There was no question of not putting in the St. Lawrence seaway. There should, however, have been investment in restructuring, in worker retraining, in order to avoid the catastrophe that ensued, in the late 1970s and early 1980s in particular. Fortunately, people were able to pick up the pieces. Things are better in Montreal now, without any help from the federal government.

The federal government's R & D policy systematically penalizes Quebec. It took a 30 year struggle to get back occupational training—and we do not yet have it all back—in order to have a consistent employment policy. That took 30 years. We lost 30 years in federal-provincial squabbles. In the end, the federal government had to bow to the pressure and acknowledge it was wrong. Nevertheless, we wasted 30 years. Quebec wasted 30 years on this battle.

*Government Orders*

As for GM, federal government policies have systematically favoured development of the auto industry in southern Ontario. However, when it comes to industries with a solid foothold in Quebec, aeronautics or pharmaceuticals for instance, we see that federal government policies favour a shotgun approach, spreading them all over, in all regions of Canada.

I will give one example from my own experience. When Quebec obtained the space agency for Saint-Hubert, immediately afterward the federal government awarded the F-18 maintenance contract to Winnipeg, just to be sure that the goodies were spread around. This, however, can weaken the situation of the aircraft industry in Quebec. The same thing goes for the pharmaceutical industry.

With a record like that, it seems to me that we now have an opportunity presented to us, a symbolic one of course. Yet with this government, I believe we need to start with something symbolic before moving on to something more serious.

Honestly, the government ought to rethink its intention to push Bill C-47 through regardless. It should redo its homework. We are prepared to be involved, as the member for Saint-Hyacinthe—Bagot has said right from the start. The law needs changing, needs modernizing, but there must be equity with all sectors.

I am not promoting wine, spirits and tobacco over beer. I think they should all be treated equally. That is what the Bloc Québécois is asking for. If Bill C-47 does not meet our expectations, then we will have to fight against it and do everything we can to defeat it.

I will also fight for the microbreweries in the region of Lanaudière, especially one in Joliette, La Broue Pub, l'Alchimiste. It was set up by young entrepreneurs a few years ago and I want this young business to have the opportunity to compete on the North American market and, who knows, maybe even on the world market. But for that to happen, we need to take fairer measures, decrease the excise tax on microbreweries and amend Bill C-47. Otherwise, we will defeat it.

The federal government now has the chance to show that it cares about microbreweries, regional development, especially in Quebec, and more globally the 2,000 people working in this industry across Canada.

• (1620)

[English]

**Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance):** Mr. Speaker, I listened to the member's speech regarding the issue before the House. I want him to clarify a few things for me. From what I was hearing in your speech, you were saying that small breweries are—

**The Deputy Speaker:** Order, please. I am very sensitive and I feel left out.

**Mr. Darrel Stinson:** Through you, Mr. Speaker, you are saying that small breweries—

**The Deputy Speaker:** Let me see if we can get this straight. I am not saying anything. I will make it clear, I am not saying anything on either side. I would like to hear it, but that is not the debate today.

I want the question or the comment to be directed through the Chair to the hon. member for Joliette.

**Mr. Darrel Stinson:** Mr. Speaker, the member was saying that small breweries will have to pay the penalties and the large breweries will not be paying the same tax.

My understanding in the committee was that a spouse, who is the chair and is married to somebody that works for the big brewery company, is making part of the decisions in the committee. The member had a hesitation in saying whether or not this was right or wrong or he did not want to say it. I do not have a problem with saying it. To me it sounds like it is very off colour.

I am wondering if maybe that is not one of the major concerns with committees as a whole here on the Hill. I really have very little faith in them myself. After reading the paper just a few days ago, most people in Canada think there is a basic point of corruption in government. Does that not contribute to that factor?

• (1625)

[Translation]

**Mr. Pierre Paquette:** Mr. Speaker, maybe the irony in my remarks did not come through in the translation.

The facts speak for themselves. When a member and his or her spouse are both working on the same issue, they may not be acting in bad faith, but there is certainly a lack of judgment involved.

As the member for Saint-Hyacinthe—Bagot pointed out earlier, I think it calls for a tightening and a clarification of our rules, especially where the chairs of the committees are concerned.

Motion No. 2 has given committee chairs more responsibilities than ever before and they need rules to guide them. I still think, however, that the chair of that committee made a bad judgment call. I hope that is all it was.

**Mr. Robert Lanctôt (Châteauguay, BQ):** M. Speaker, I apologize to my colleague, the hon. member for Saint-Hyacinthe—Bagot. He will certainly have the opportunity to speak later. My question is very simple.

The defence for what happened in the Standing Committee on Finance is based on the fact that the bill did not deal with beer. The Excise Act is a comprehensive piece of legislation, and the only thing that does not included in the new bill is beer. This is what the government side is saying. I did not study this bill thoroughly—I am not my party's critic on this issue—but I find it strange that, already in clause 2, there is a definition of beer.

I hope my colleague from Saint-Hyacinthe—Bagot will hear this comment and the hon. member for Joliette will be able to consider the fact that we already have the word “beer” in a definition and that we find no mention of it in other provisions of the bill. This is extremely important. If one takes the trouble to define beer in the bill and there is no mention of it anywhere else in the bill, it is because there is a blatant lack of work and rigour in these provisions. If one takes the trouble to define this word, we must at least know what happens with beer.

*Government Orders*

I ask my colleague and friend from Joliette to look at the definition and to tell me why the government says there is no conflict of interest or apparent conflict of interest. On what grounds does he say that the issue of beer is not provided for in this bill, while beer is already mentioned and defined in clause 2? I hope this will be discussed. I ask my colleague to comment on this.

**Mr. Pierre Paquette:** Mr. Speaker, I thank the member for Châteauguay for his question. I think we have to realize—and he gave further evidence of this—that we have here a bill that has been cut to benefit private interests at the expense of the microbrewery sector.

The government should not try to make us believe anything else. The member for Châteauguay just gave us further evidence. At the outset, Bill C-47 was designed to amend the existing act, which includes the beer industry. I have no doubt whatsoever in that regard. During the process, specifically at the brewers' request, it was decided to exclude this sector. What I cannot understand is that at the same time, we are told—and the Brewers Association of Canada itself acknowledges this—that the situation is urgent. Still, the association is requesting that the decision be postponed.

I would like to remind the House that there are facts. For each 24 bottle case of beer produced in Canada by microbreweries, the federal government collects \$4.09 when it is sold in a grocery store. When it is sold in a bar, however, the government collects \$6.12. If it were sold in the United States, the tax would be \$1.12 and \$4.09. This is almost a plot designed to close down the microbreweries.

If this is what the federal government wants, it should say so and let us debate the issue. Why does it want the microbreweries to disappear? The government might think that the large companies like Labatt and Molson are part of the campaign for national unity, just like the Canadian dollar and the early railroads.

I can see no objective reason for not including the beer industry and the debate on the reduction of the excise tax for the microbreweries. There is none, except maybe for financial reasons that escape me.

•(1630)

[*English*]

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, we have heard a lot about the beer that is not in the bill. I would like to talk a little bit about the wine that is.

One of the purposes of second reading debate is to examine legislation in detail to try to find flaws or make observations about it and bring the contents of the bill before the House. I certainly acknowledge that there has been some very passionate feelings about microbreweries and the fact that beer is not included in the legislation. I wanted to tell the member opposite that there is no reference to beer, but it is true that beer was defined so it would appear that there was an intention at one time to include beer in the legislation. I will come back to that a little further along.

One of the things that really interests me about the bill and I should point out to Canadians at large is that while it does not deal with brewing our own beer, it certainly does deal with the growing industry in Canada involved in making our own wine. This is a

phenomenon that got its start, at least in Ontario, in the mid-1980s, basically taking advantage of some loopholes in legislation that existed.

In my own community, several of these little shops developed, first I should say, to brew their own beer and then started developing make your own wine on the premises operations. This was an enormous opportunity for Canadians, at least in Ontario. I acknowledge that in Quebec, because of the French heritage of my Quebec colleagues, there is a far greater sensitivity to wine than there ever has been in English speaking Canada, at least up until the time bottle your own wine businesses developed in the 1980s and then spread. They started as make your own beer, but just looking at the small shop fronts in my own riding, beer is now taking second place to make your own wine.

These are wonderful opportunities because we can do it all on the premises. We can get various grape concentrates from some of the famous vineyards in France. We can also get them from Canada. We can make a Merlot, Chablis, or a Bordeaux and many other types of wine. It is interesting because this started out almost as a cottage industry. As I say, it piggybacked on the brew your own beer.

I was looking at some Statistics Canada figures. It is very difficult to find out because I tried very hard all day to get some idea of how large a sector of the market make your own wine is and I was unable to do so. But looking at some Statistics Canada figures from 1980, it is very, very interesting because starting in 1970 we see an overall decline in spirits consumption. That is all kinds of other alcohol. We see a sort of dip and then a rise in beer and then a flattening out. Parallel to that flattening out is a sudden sharp rise in wine consumption and wine sales.

I would suggest that what is happening there, again possibly mostly in English speaking Canada, is the result of so many Canadians being able to go to a little shop in their community and instead of making beer, they make their own wine. They make it for about a third of the price of a brand wine. Actually, a lot less than that sometimes. It has introduced them to the entire experience of wine drinking.

I would suggest that after a certain length of time making our own wine at these shops we begin to develop a taste for better wine, because the reality is that in these places where we bottle our own wine and ferment our own product, it really does come out as different grades of plonk. After a little while, those of us who struggle along and can finally afford a good bottle really appreciate it. I would suspect that the increase in popularity of make your own wine stores has had a very good effect on all kinds of wine sales in Canada.

•(1635)

That brings me to Bill C-47 because it regularizes the actual production of wine in these establishments. As I was saying earlier, a lot of this was done basically as a result of loopholes in legislation, and mostly provincial legislation. Here we have the government, at long last in my view, attempting to formally regulate the make your own wine establishments and set some rules.



*Government Orders*

I draw attention to some of the clauses. In section 62, and there are a number of subsections, the bill would make it legal to produce wine and package it for one's own personal use. There are various other aspects of it. It also covers the possession of wine. One has to possess wine for one's own use.

It sets rules for the establishments themselves. If they are holding wine in bulk then they would not be breaking the law. Up until this legislation, or at this moment I would suggest, it is an entirely grey area as to what is happening on those premises. The bill would attempt to give it some system or regulation. I think it will be a benefit to everyone.

However, there are clauses that are kind of interesting and need to be dealt with by the standing committee that will be looking at the legislation after it passes second reading. Clause 63, for example, states:

No person shall sell or put to a commercial use wine that was produced, or produced and packaged, by an individual for their personal use.

I can see a problem here because a lot of charities and non-profit organizations, and perish the thought, even political fundraisers, rely heavily on trying to bring in beverages that are cost effective, shall we say. This clause has to be looked at.

There is provincial legislation that already applies here with respect to spirits on premises for fundraising events but this particular section in Bill C-47 would appear to forbid a charity from using wine made at a make your own wine store as part of a fundraising effort. I would say that should be revisited because the reality of it is that commercial wine, the wine that comes under label for the most part, is much too expensive to be a beverage at a fundraiser. That indeed is one of the reasons that many fundraisers, if they are to have an alcoholic beverage at all, choose beer. I think we have to look at section 63.

There is a similar section, section 64, about the packaging of wine, that it has to be packaged only on their own behalf. That of course raises questions about packaging make your own wine as gifts. Again, I think we have to look at that.

Then there are some other peculiarities. I found one section that was quite amusing. It is wonderful to prowl through a bill, and I suggest to Canadians that they should get onto the Internet when they see bills like this appearing in parliament and do exactly as backbench MPs are supposed to do, and look through it and make their own inferences. There is quite an interesting section, section 2, on the definition of wine. I found that fascinating because we are talking about make your own wine.

In section 2 wine is defined, among other things, as a beverage of normal alcohol content but it is also defined as a beverage that is not fortified in excess of 22.9%. Well, Mr. Speaker, that is some wine.

•(1640)

What the bill basically does, and this might be something else the committee might look at or other people who have some strong thoughts about alcohol consumption in general, is it makes it permissible to make our own sherry and port. It is quite bold because it suggests that we can fortify it. Quite apart from all the sections about the regulating and the denaturing of alcohol, alcohol that is not denatured can obviously be applied in this bill to make our own

sherry, which I find somewhat amusing. These are positive aspects of the bill.

I think we need to debate this because one nice thing about making our own wine is that it is very much an ordinary person thing. This is what Canadians have been doing. I think the rise of brew your own beer or make your own wine establishments has been a very positive thing.

In that context I would like to allude to the fact that the bill does not deal with the brew your own beer. I have great sympathy for the complaints from the opposition on this. I am a great fan of the microbreweries in Quebec. I have had the happy occasion to visit St-Jean-sur-Richelieu. There are about five microbreweries in that area and they are all excellent.

However I suspect that the government may have run into a problem that is quite different than the problem that is perceived by the opposition involving the major breweries. I think that problem may be the fact that, at least in Ontario, every brew your own beer franchise is a microbrewery. The difficulty is that in Ontario we can go to these establishments, get a recipe to make an English beer, a wheat beer or a German beer. We can duplicate just about every imaginable beer that can be bought under label from a store. I suspect that one of the problems is how to manage the difference between this type of microbrewery and the type of microbrewery that exists in Quebec.

I will say that I would absolutely support trying to find a way in which to ensure that the microbreweries, not just in Quebec but elsewhere, are retained. I would say in passing that it is not quite the same thing with wine because the beer produced in these brew your own stores is a very close imitation of the very best beer we can buy anywhere, including in the microbreweries, whereas at the make your own wine establishments the best wine we can make will never match a French, Canadian or Australian label.

However, the bill is not just about wine and spirits. I would like to also draw the attention of the House to the fact that the bill also deals with tobacco. I think that is very important because in the early part of the 1990s this country experienced a very severe problem with respect to tobacco smuggling. In my view, a lot of it was the government's fault in the sense that the federal government, the predecessor government to the Liberals if I may say so, elevated taxes on tobacco to such a level that contraband taken from across the border from the United States became very profitable.

I well remember in 1995, I had only been up here two years, that we had a crisis basically along the St. Lawrence Seaway where organized crime and other interests were importing not just hundreds of millions of dollars but a billion dollars worth of tobacco products from the United States. The statistics from that period are quite shocking. The government in the end had to lower taxes and, to a large degree, that addressed the problem.

What remained was the fact that a lot of the tobacco products that were being smuggled in from the United States during that particular period were actually made in Canada.

*Government Orders*

•(1645)

We had a situation where tobacco products, as it later emerged in investigations in the United States and in our own investigations here in Canada, that enterprises were producing tobacco in Canada and then shipping it to the United States both in an unfinished fashion and as cigarettes. These products were then being smuggled across the border back into Canada. It was a billion dollar industry and none of that money went to government. There were no taxes. It was a very severe problem.

One of the interesting statistics was that in 1993, just to give members an idea, 18 billion finished cigarettes were being exported from Canada to the United States. Whereas four years earlier it was only 4 billion cigarettes. In other words, the contraband market in Canadian cigarettes increased enormously.

What Bill C-47 does, and I think it is a very positive thing, is it introduces some severe penalties with respect to the illicit manufacture and distribution of tobacco products.

I draw the House's attention to clause 214 which provides that if somebody is convicted of manufacturing and selling cigarettes without government authorization, without going through the proper channels, which would include smuggling, the fines on conviction range from \$50,000 to \$1 million and imprisonment for a term of not more than five years. That is a heavy penalty and I think we all should be pleased to see it there. The one thing we do not want to do is go back to that period when tobacco smuggling was a major industry and, I regret to say, a major industry on our border Indian reserves. I think Canada came to a very near point of lawlessness along our borders as a result.

The key regulations that these penalties apply to are clauses 25, 26 and 29 which basically say that no person, other than a licensee, shall manufacture a tobacco product, and no person shall carry on the activity as a tobacco dealer without the appropriate licence, and so on. I suggest that this is a very positive step forward.

It is good technical legislation. I am very pleased to see that it has sort of addressed the problem of tobacco smuggling in a very substantive way. It has addressed the problem of the illegal manufacture of cigarettes. Cigarettes have been with us for a number of centuries and we are not going to stop people smoking. We might stop a lot of people smoking but it is an addictive product and a lot of people will continue to do so, just as they will continue to drink alcohol.

It is very important that we have the regulations and the legislation in place that administers these two products which do not always do the best for us but two products that people insist they will live with. If I may say so, I could certainly do without tobacco but I think wine and the microbreweries are certainly worth saving.

•(1650)

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I listened carefully to my colleague's speech on Bill C-47. I thought he did a very good job. He should give courses to the secretary of state and the parliamentary secretaries, because they do not often read the bills. He even read part of the bill to us. That was most interesting.

I would simply like to clarify one point and then ask him a question. A distinction must be made between microbreweries and make your own breweries. What the member was talking about earlier were make your own breweries, which allow certain wines to be reproduced, just as some make your own wineries allow certain Beaujolais and so forth to be reproduced, but on a limited scale.

When we talk about microbreweries, we are talking about a production in the neighbourhood of 300,000 hectolitres a year. They are still sizable breweries. They are not brew your own establishments. They produce original beers in Quebec, Ontario and Alberta. Some of these original beers increase diversity in the market and create opportunities for segmentation, while meeting consumers' needs for diversification.

I am sure that the member also has a desire to help the industry, particularly the microbreweries. Since he seems very open-minded and favourable to the microbreweries, and since he recognizes the great diversity and product diversification, especially when it comes to wine, spirits and beer, is he prepared to support a proposal to reduce the excise tax for microbreweries, which is often six times higher than that imposed on American microbreweries?

In asking him this question, I would like to remind him that American microbreweries are making inroads on the Canadian market with this competitive tax advantage. The major problem facing Canadian microbrewers then becomes not being able to compete with this almost unfair competition from the American breweries.

I would also like to remind him, before he gives us his support for reducing the excise tax, that the major Canadian breweries, John Labatt and Molson, have distribution contracts with the American breweries.

It cannot be argued that John Labatt and Molson are defending Canadian microbrewers and, at the same time, taking advantage of the microbreweries' market by selling products from outside Canada. Would the member be prepared to restore justice for Canadian microbrewers?

[*English*]

**Mr. John Bryden:** Mr. Speaker, the simple answer is yes. I think most of us would agree that we would want to support a small industry that has, shall we say, not wanting to be ironic, a Canadian flavour or a Quebec flavour depending on where one happens to be drinking the beer.

It is a quality of life issue. One of my great joys when I go on my French lessons at St-Jean-sur-Richelieu—

[*Translation*]

It is possible to choose among an assortment of microbrewery beers that one drinks in small glasses. It is an experience that I truly enjoyed. It is something that we must protect. So, yes, absolutely.

[*English*]

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I was very pleased to hear the comments of my hon. colleague. He clearly has read the bill but I would like him to respond to something.

*Government Orders*

The Bloc members continue to make comments about Bill C-47 in that they want to see the reduction of excise duty on beer. The bill does not deal with the taxation of beer. In fact it does not deal with the substantive rate issues for any products.

The member across the aisle has made a lot of comments about beer. The member knows that first reading on the bill was in December 2001 so clearly there was no conflict of interest by the chair since she did not become chair until February.

I would ask the member to comment on the fact that the Department of Finance is currently reviewing the analysis with regard to proposals put forth by the beer industry and by the wine and cider industry as well, which I know is of interest to members across the aisle from Quebec. What does the member think of this approach in terms of looking at it specifically, since the government was faced with the situation where the industry asked that beer not be put into the bill so that we could analyze it separately, deal with the issue and then move forward?

**Mr. Yvon Loubier:** John Labatt and Molson.

**Mr. Byron Wilfert:** Will somebody lift the bridge, the foghorn is up again. He is not listening. Maybe he should listen to the fact and get it straight. There is no beer in the bill.

Could my colleague comment on the kind of approach the government is taking in terms of analyzing this separately? Why would that be important in terms of the other issues that are raised in the bill in terms of moving it forward?

• (1655)

**Mr. John Bryden:** Mr. Speaker, I certainly recognized at the very beginning that beer was not in the bill and that is what I said. I also appreciate the disappointment on the part of my colleagues on the opposite side in this sense, and I agree.

As I mentioned in my remarks, there may be some special problems with respect to the micro-beer industry and the beer industry at large that require special attention by the government, and that may have led to the government not including it in the bill. It is certainly true that this bill is not about the excise tax on beer and I would support the reduction.

However what is important here is that the government move swiftly because, and I think all of us would agree, we have to protect these quality of life industries wherever we find them. If I heard correctly what has been said from the other side, the fear is that the microbrewery industry in Canada may be in jeopardy. We all know that there is a temptation by government, when it gets lobbied, to sit on things for maybe a year or two or three or four.

If the message coming from my colleagues on the opposite side is to move swiftly, then it is a good message.

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, I appreciate the comments made by the member. However, since he is interested in this issue, I would like to point out one fact to him.

Is he aware that 38 out of 86 microbreweries have had to shut down over the last five years? How many more will have to shut down if this taxation rate of 28 cents is not reduced, when we know

that it is 9 cents a litre in the United States? It is a problem and it may even be urgent.

How do we know if these microbreweries are doing well or if they are in trouble? They will certainly not say publicly that they are in trouble. However, 38 microbreweries have had to shut down over the last five years.

Does the member think that this particular aspect of the situation requires urgent consideration?

[*English*]

**Mr. John Bryden:** Mr. Speaker, again I think the problem is that this is not the bill that will deal with the problem. It is a tax problem. However this is a parliament that is dealing with the problem. We have heard some comments about parliament being dysfunctional and not working. I can suggest to all members that this is when parliament is working, when members bring forward an urgent issue.

I just regret that the issue got deflected on the chairman of the finance committee. I do not think that is where the issue really is. The issue is that there is a quality of life problem, a small business problem, and we all share the desire to help small business.

We have raised the issue and the message is clear for the government. Regardless of what happens to Bill C-47, the government needs to move very quickly on this issue. Maybe a private member's bill is the way to go if we can make it votable.

[*Translation*]

**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 Acadie—Bathurst, Société Radio-Canada; the hon. member for South Shore, Fisheries and oceans; the hon. member for Saskatoon—Humboldt, Grants and contributions.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I am pleased—

**The Deputy Speaker:** Order, please. I am sorry to interrupt the member, but I just want to check the order in which members are supposed to speak.

**Mr. Paul Crête:** Mr. Speaker, I rise on a point of order. I have no problem with my colleague from the Canadian Alliance having the opportunity to speak even though his name was not on the list. It was probably his party's turn to speak. If this is the case, I have no problem with that.

• (1700)

**The Deputy Speaker:** This is very generous of the member, because that is exactly what is happening. Even though these lists are not regarded as official documents, based on the rotation between the parties in the House and since a member of the official opposition wishes to speak at this time, I am giving the floor to the member for Esquimalt—Juan de Fuca.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, I thank you and I thank my colleague from the Bloc Québécois for his generosity.

*Government Orders**[English]*

It is a pleasure to speak to Bill C-47, an act respecting the taxation of spirits, wine and tobacco. I would like to draw the House's attention to a few bits of misinformation that we have heard in the House today from the government.

Back in 1994 the government was faced with a large problem of tobacco smuggling which was taking place primarily in Ontario and Quebec. At that time the government decided to lower the rate of taxation on cigarettes to address the smuggling issue. That created a huge problem.

Against the advice of the Department of Health and of stakeholders, the government lowered taxation rates which resulted in 225,000 Canadians taking up smoking, particularly teens in the young age group. We know that those people who take up cigarette smoking are primarily in their teenage years or even younger. It took the government some six years to change that mistake by bringing taxation rates up. Unfortunately every year 250,000 new Canadians took up smoking and this will have a devastating effect on all of us.

We know that the biggest thing we could do to decrease the chance of teenagers smoking is to keep the costs high. This is called price elasticity of demand. This means that as the price of cigarettes is increased, it creates a dramatic reduction in consumption, particularly among kids. This dramatic reduction is not only in the number of cigarettes they smoke, but also the age at which they start to smoke. In other words, the more costly it is, the older they are, the less they smoke. The cheaper it is, the younger they are, the more they smoke. Reducing the tax is probably the single most destructive act in public health care policy that we have seen in more than 30 years. We will pay the price in the future.

I compliment the government for increasing the tax rates and harmonizing them across the country. This will do much to decrease cigarette smuggling between the United States and Canada. Cigarettes were going from Canada to the United States and then resold back in Canada. People could make a profit because the price difference between the two countries was so dramatic.

This issue does not address the much larger issue of smuggling in general. Tobacco was just one of the products being sold at that time. We know that smuggling rings were organized crime rings working between the United States and Canada. Yes, they were buying and selling cigarettes but they were also buying and selling weapons, alcohol and drugs and involved in human smuggling.

A massive amount of smuggling is going on north and south, right under the noses of police who have been told not to interfere, in part because a lot of this takes place on aboriginal reserves crossing the boundaries of both countries. It is a serious jurisdictional problem. Many law-abiding aboriginal people living on these reserves are seriously harmed by this situation. The police are unable to intervene because they are understandably scared of an Oka-like crisis.

I ask the government to look at the larger issue of smuggling taking place in these areas. The government has control over the smuggling of tobacco, and it should be complimented for that. It is a good move on the part of the government, not only from a judicial perspective but also from a public health care perspective. For

heaven's sake, the government must look at the larger issue of the smuggling of guns, drugs, alcohol and people.

The way to deal with that is not only to enforce the law, but to also implement what are called Rico-like amendments. The United States Rico amendments refer to racketeering, influence, corruption, organization charges. These laws enable law enforcement officers to go after organized crime gangs in a way they have not been able to before.

Good things happen when we can go after the financial struts and pillars that help support organized crime gangs. If the government wants to do one that is very effective, it should implement Rico-like amendments similar to those in the United States and at the same time ask other countries to implement them as well.

● (1705)

If we could do that on a transnational basis, then organized crime gangs would have a very difficult time doing their work that parasitizes so many in our country.

The second issue is alcohol. My province of British Columbia, as in many other provinces, has a large number of microbreweries and vintners, winemakers. Their biggest problem is the barriers that exist in exporting those wines east-west. It should be noted that the barriers east-west are greater than those north-south.

Vintners in my province can sell fairly easily to people in the United States. However it is very difficult for those individuals living in Ontario, Manitoba or Nova Scotia to buy British Columbian wines. A hodgepodge of rules, regulations and obstructions exist for the export of that wine east-west.

I would encourage the government to do something for a product that, in moderation, is good for the health of people, and that is the drinking of red wine and other wines. It would do wonders for the health of Canadians and also for those vintners who produce some of the finest wines in the world.

I would encourage the government to work and listen to the vintners and to remove those east-west barriers to trade. Canadians would then be able to purchase Canadian wines no matter where they lived. This would do much to support these products which are really a Canadian success story. I also suggest removing and lowering the tax rates not only for vintners, but for small businesses as well. My party has pushed for that for a long time.

My colleague from the Liberals mentioned that they wanted to do something for small businesses. If they truly want to do something, then they can lower the tax rates and remove the egregious rules and regulations that choke off the ability of small business to compete. They can also remove the export tax restrictions so they can compete fairly with other countries.

The other thing the government should do is flatten out the tax system and remove the corporate and personal tax structures.

*Government Orders*

My colleague across the way suggested that we pursue this through private members' business. As we know, 239 private members' bills have been put forth by members from all parties. Absolutely none of them reached committee stage. None from the government ranks have been made votable, which is terrible.

We need to do many things. If the hon. member from the other side truly thinks we should use private members' business to implement some of the fine solutions that have been put forth in the House, then we need to reform private members' business so that every member in the House, regardless of what party they represent, will have one votable private member's bill per parliament and one votable private member's motion.

If we could do that, and we can, then members of the House could have constructive discourse over important issues to Canadians and to our country. There are so few avenues where we can do that. We cannot do that by and large in the House or committees because these venues are primarily talk shops for areas of intellectual interest. They have no real effect on public policy.

I think all members know that there will be a round table on private members' business this week. Members from across party lines will come to it with good ideas. Collectively we can force the government to adopt those good suggestions. By doing that, private members' business would work for the betterment of everybody and ideas such as the ones put forth on this issue today could be employed. This affects all of us.

In closing, we support the bill. I compliment the government for equalizing taxation on tobacco across the country and for raising the tax levels which will do much to decrease smoking, particularly among children.

• (1710)

I would encourage the government not to back down when it hears pleas from the tobacco companies asking for lower taxes. Whatever the government does, it should not lower taxes on cigarettes. If it does, more children will pick up cigarette smoking at a younger age. It would be a devastating public health policy.

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, I have a question for my colleague. We know what is included in the bill, and we know what happened in committee when the chair rejected the amendments. We know the entire story.

The examination of the bill has been rushed, and beer, which is an important element, has been left out. The bill is amending the Excise Act and the Excise Tax Act, and it does it comprehensively. In light of what happened, it seems that something important has been left out, namely beer.

Here is my question. Given what happened in this very important committee and knowing all the facts, how is it that the official opposition supports this bill? How can you support this bill knowing that something important is missing and that there was a total lack of diplomacy? The chair of the Standing Committee on Finance has rejected amendments that should have been included because this is a bill that should deal comprehensively with everything in the Excise Act and the Excise Tax Act.

**Mr. Keith Martin:** Mr. Speaker, I thank my colleague from the Bloc Québécois for his question.

[*English*]

My party has put public health as the number one priority. I think our critic would certainly be open to the suggestion of bringing beer into this. I am not certain as to the reasons that beer was excluded but we are supporting the bill because we feel that of all the public health care issues that exist today, cigarette smoking is public health care problem number one. It is a preventable problem. Our combined efforts are needed to address it. Children truly become addicted to nicotine very early on. The bill, by raising the taxes and harmonizing it, will go a long way to affecting the most vulnerable people in our society. That is the reason we want to do this.

If my hon. colleague wants to add beer to the bill, then we would need to bring it back to the House. We would need to work with the government to show the flaws in the bill and work with other political parties to ensure that beer is included in a reasonable fashion.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, I would like to ask my hon. colleague from the west coast to stretch the argument a bit. He mentioned tobacco smoking and the ill effects it has on children.

In Nova Scotia the provincial government recently put in what it would call a tough anti-smoking law. The reality is it is not that tough at all. Smoking is still allowed in many public places.

The hon. member is a medical professional. Would he agree with what I have been trying to say back home, that smoking should be banned, period, in all public gathering places to prevent secondhand smoke and also to deter people from smoking in the presence of other people?

• (1715)

**Mr. Keith Martin:** Mr. Speaker, my hon. colleague is aware that what he refers to is really a provincial issue.

The issue of secondhand smoke is a devastating one. In my early 20s I did a study for the Ontario government on the issue of secondhand smoke. It was found that there were demonstrably higher levels of morbidity and mortality associated with the spouses of people who smoked. It was quite dramatic actually. Not only were disease rates much higher but also death rates were much higher for people who lived in smoking environments.

I would like to take a moment to make a plea to the public. As a doctor I find it to be absolutely unforgivable when parents smoke in the presence of their children. Some parents smoke in closed cars with their children. Children who are only a couple of years old are brought to the emergency department and their charts are filled with admissions for respiratory problems, asthma and pneumonia. That is a direct result of parents smoking around their children.

*Government Orders*

Mr. Speaker, through you to the public, I make a plea to anyone who is watching to not smoke around their children, to not smoke in their homes if they have children and for heaven's sake, to not smoke in their cars if children are present. Smoke outside the house. Do not smoke around children. Do not poison the lungs of children. That is exactly what some people are doing.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I realize that the member's speech did not focus on the issue of beer.

Still, I would like to ask him a question that seems relevant to me. The Bloc Québécois talks a lot about the microbreweries, because they have a major impact in Quebec. However, there are many microbreweries all over Canada that are going through the same unacceptable situation.

Since we are reviewing the Excise Act and the Excise Tax Act, would it not be appropriate to correct an injustice where, in several rural communities, the rug is being pulled out from under smaller businesses that could otherwise be creating jobs? In fact, would this not be a great opportunity to act and ask the government to bring forward an amendment that would right this wrong?

The excise tax issue will not be back before the House for quite a while. We know that time is not on the side of the microbreweries, but rather on the side of larger breweries, which benefit from the fact that American microbreweries have access to the Canadian market and can sell their products here.

Would this not be the right time for the government to go into committee of the whole in order to quickly resolve this issue and ensure that the tax that applies to Canadian microbreweries helps them compete against American and European microbreweries?

[*English*]

**Mr. Keith Martin:** Mr. Speaker, I thank my colleague who was very generous to give up his time so I could speak.

My friend from the Bloc Québécois is absolutely right. This is the time for us to do that. I would encourage the minister to meet with his counterparts across party lines to implement a tax structure that would enable our microbreweries to be competitive.

We know that wherever they are microbreweries are a Canadian success story. They have been able to compete not only within Canada, but across borders. They provide an excellent product. The United States, with a population of over 300 million, is a huge market. Our microbreweries can and should be allowed to go into that country. The worst thing would be to have an environment where the government puts obstacles in the way so that the microbreweries cannot compete.

I encourage the government to work with members on this side to implement a tax structure that will enable the microbreweries to be competitive. The longer the minister waits, the worse it is going to be. Microbreweries could be put out of business at the very worst, but at the least it could make them not as competitive as they ought to be, thereby limiting the number of people who could work in the industry.

[*Translation*]

**Mr. Robert Laclôt:** Mr. Speaker, for the benefit of the Canadian Alliance member, I would like to ask him if he is aware of the fact that in five years, 38 out of 89 microbreweries have closed?

I would like to provide him with some figures. I remind him that in the United States, the tax is only 9 cents per litre of beer. Here, the tax is 28 cents per litre. The problem is as follows: foreign microbreweries even enter into Canada and are distributed by the large breweries, such as Labatt and Molson. This becomes unfair competition for our microbreweries.

The problem is not one that needs to be discussed. We have been negotiating since 1997 and we are fully apprised of the situation. We have lost 38 microbreweries out of 89. There are only 51 remaining. It is time to do something. It is time to accept an immediate amendment, to include beer and solve the problem of microbreweries immediately, rather than rushing this through.

As my colleague, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques said, the problem is the following: we cannot wait. When will we be able to come back on this and solve the problem in the beer sector? We know that 38 microbreweries have already closed in the last five years. This is an urgent problem that needs to be solved.

• (1720)

[*English*]

**Mr. Keith Martin:** Mr. Speaker, I thank the hon. member for the facts and figures. He articulated the problem very well. It is almost akin to the softwood lumber tariffs that are affecting this country so disastrously.

What is the outcome of putting 38 firms out of business? It is to put many people out of work. What is the impact on the revenues to the government? It is to lessen them.

The intelligent thing to do would be to enable the microbreweries to function properly. The government should not have a tax system worth 9¢ a litre in the U.S. and 28¢ a litre in Canada. Parity would be smarter. If the government believes it would have less revenues, that is actually incorrect. Instead of the microbreweries closing down, they would stay open. Thirty-eight microbreweries would be open. Thirty-eight microbreweries would be hiring people. Thirty-eight firms would have people who were working and paying taxes as opposed to collecting employment insurance.

That is not only smart for Canada, it is smart economics. The government ought to have some level of parity with the U.S. in the tax structure. By doing that we are confident our microbreweries could compete and win on a North American scale. We owe it to them morally to give them a level playing field so they can do the fine work that they do, hire Canadians and generate tax revenue for the government.

*Government Orders*

Some years ago when Brian Mulroney was prime minister he briefly lowered the tax structure. Revenues to the government went up because the private sector could expand. More people were hired. More individuals were working and paying taxes and fewer people were acquiring funds from the public coffers through EI.

The smart thing to do is to lower taxes. It produces higher employment and lessens the demand on employment insurance and welfare. It is good for the public coffers and it is good for Canadians.

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, I appreciate the opportunity to say a few words this afternoon on this excise tax act in front of us, Bill C-47. Sitting in the House and listening to the debate, I have heard a fair bit of discussion about microbreweries, about the competitiveness of microbreweries with respect to our U.S. counterparts, and also about the need for amendment in this piece of legislation so that we can address our concerns for and with the microbreweries. It should be pointed out that Bill C-47 is not an appropriate vehicle for implementing these types of reductions in the excise duty on beer. The bill does not deal with any of the taxation issues for beer.

That being said, though, I think it is fair for members in the House to have this discussion and put forward their perspectives with respect to microbreweries. It is fair to state, and I think it is a statement that all members of parliament would make, that in no way should we as a government or as opposition members or as members of parliament be putting forward taxation policies to try to prevent the growth of industry or industry sectors or of small business. Certainly the objective of being in parliament is to try to assist, to ensure that small businesses continue to prosper, to ensure that in fact those small businesses become larger businesses and that we are able to attract multinationals to this country so we can provide opportunities for young Canadians to stay and continue to contribute.

I wanted to make that point at the outset because I know that the discussion this afternoon really focused on the issue of microbreweries. I personally do not have a problem with what is being said with respect to microbreweries, but I think the emphasis is misplaced. It certainly should not be an emphasis of Bill C-47.

As I am sure members of parliament are aware, and I know that the Parliamentary Secretary to the Minister of Finance mentioned this last Friday, I think it was, when this debate began, it should also be known that Department of Finance officials are in fact reviewing proposals put forward by the beer industry to address concerns. It is not that this issue is not being given any weight. It is not that the government is not aware that there are some issues that need to be addressed with respect to this sector. It is just that Bill C-47 is not the vehicle whereby we can put forward an amendment and deal with it, since it really is a work in progress. There is obviously a commitment that once the analysis and the consultation are completed we can decide whether excise duty and excise tax reductions are warranted.

However, I think the case needs to be made. I am sure that on both sides of the House we will find both support and, I dare say, some opposition to what is being asked for. That is the purpose of having debate. That is the purpose of conducting these consultations. It is the purpose of completing an analysis.

I would suggest to my hon. colleagues across the way that there is an openness on behalf of the government to deal with this issue, but the analysis and the consultations need to be completed. Then we can certainly have that debate, which I would certainly welcome. I look forward to hearing from my colleagues from the Bloc as they put forward their perspective on this. It is one that we need to certainly take note of as this debate continues. Members from both sides of this House certainly have something to say on this issue.

• (1725)

It is also important to note that Bill C-47 is a direct result of a discussion paper on the Excise Act review, which the Department of Finance and CCRA released back in 1997. In coming from 1997 to where we are today, obviously numerous discussions took place with various sectors that were to be affected. It is also important to mention that the beer industry indicated to the government, as I have been told, to continue with Bill C-47 and set aside its own industry perspective for the moment with assurances that we would be dealing with issues pertinent to the beer industry. Therefore the bill went forward and in fact the report has been provided to the finance department and that consultation and analysis are now being completed. That is my understanding.

Hon. members across the way are calling for an amendment because we need to deal with this right away. I do believe that there is an urgency to this matter, but I think it is unfair to say that the matter is not being considered or not being dealt with through the proper channels. Whether or not it is moving fast enough is always an issue for debate and is probably an issue that we will not resolve here today.

With respect to the beer sector, I think it is important to ensure that those points are made. The concerns of the brewers really centre on issues relating to point of imposition, warehousing, licensing requirements, loss allowances and controls on beer exports. These are complicated issues and before any progress in discussions between the government and the brewing industry can be achieved, I think it is fair to say that we need to do the analysis and that further work is required to assess the impact of these proposals. This type of work would not be readily completed within the timeframe originally contemplated by the Excise Act review. I wanted to make those points because we did hear quite often during the debate about the issue surrounding the brewers' association or the brewers themselves.

In recent years, it became quite obvious to both industry and government that the Excise Act, the excise framework, needed to be modernized. That is why the consultations began back in 1997. Industry certainly has introduced new technology, product marketing, and various distribution initiatives that the existing Excise Act was not equipped to accommodate. This is probably an example of where the government machinery was once again trying to catch up to the innovations in the private sector. It is fair to say, as my hon. colleague from across the way said earlier, that there are good aspects to the bill and there are reasons to support this type of legislation.

*Government Orders*

It is also important when we talk about the competitiveness of sectors and companies to pay attention to the compliance costs associated with that industry. It is certainly fair to say that pervasive controls in the act impose high compliance costs on the industry and impair the competitiveness of Canadian producers. That is the broader issue of dealing with the command and control structures of regulation versus the best practices approach to regulation. The act moves toward improving the issue of competitiveness of Canadian producers.

Given the increase in foreign competition in Canadian markets for beverage and non-beverage alcohol, the government, through consultation, found that the problem needed to be addressed. As I said earlier, Bill C-47 is a result of the discussion paper on the Excise Act review which was released back in 1997. It was in fact out of that review that we found three guiding principles, three goals that essentially guided the configuration of this piece of legislation.

The modern legislative and administrative framework introduced in the bill will generate stable and secure revenues needed to address the contraband pressures that are certainly out there. It was found that this can be achieved without imposing unrealistic or unnecessary costs and administrative burdens on industry. That needs to be the objective of any piece of legislation that comes forward in the House. We must always consider the costs associated with implementing legislation and try to balance the benefits of legislation with costs associated with it when it comes to issues like excise tax.

● (1730)

This piece of legislation certainly seems to strike that type of balance, whereby we do not in fact impose unrealistic and unnecessary costs or administrative burdens. It also helps to address the ongoing concern over the smuggling and illegal production of alcohol. The intent is to certainly ensure that the spirits industry, to name one, is no longer hindered by outdated or onerous controls over premises and equipment and that with these controls removed businesses will have the greater flexibility they require to organize their commercial affairs to respond more quickly to market changes. We all know that in an increasingly globalized economy those pressures to change certainly come faster, companies themselves must have flexibility and government should not encumber that type of flexibility through regulatory burden.

If I can just speak for one moment with respect to distillers, there is certainly an issue that I want to get on record. I want to take the opportunity to thank the Parliamentary Secretary to the Minister of Finance who helped resolve this issue with respect to the concerns of distillers. Now I urge the government to follow through on the commitment and proceed as agreed so that we do not in any way encumber this sector through regulation.

My hon. colleagues have talked about small business and the importance of supporting small business. With respect to vintners, it is also important to mention that the bill does in fact deal with the fact that all vintners must be licensed. It also stipulates that those with sales under \$50,000 in the previous 12 months do and will continue to qualify for the small manufacturer's tax exemption. Therefore, for a very small vintner's operation the bill does in fact maintain that exemption.

The bill is really an administrative bill. I think it is important to emphasize that. It is not a bill dealing with tax measures. It is important to mention that the bill does introduce modern collection tools to help address the government's ongoing concerns regarding a number of issues, certainly one of them being the smuggling of alcohol. It certainly enables CCRA to improve its level of service to clients and its overall administration of the excise framework for both alcohol and tobacco.

To go back to that whole debate about regulatory burden, I certainly believe that in today's era of innovation and an innovation agenda, it is incumbent on the government to ensure that the regulatory burden, the making of regulations, is an important part of that innovation agenda. We really need to be able to create a framework whereby our companies are able to innovate, not to be regulated from a command and control perspective but rather one whereby they are able to innovate from a best practices or an evidence based approach to meet standards and requirements that we as a country and certainly as a government would have.

● (1735)

Bill C-47 would move toward reducing the regulatory burden and compliance costs. It is important to mention that. It is also important to mention that under the bill CCRA would improve its overall administration and level of service to its clients.

To sum up, the new excise framework would ensure excise duties on alcohol and tobacco were collected in a more effective and efficient manner, something we always strive for. It would provide for an array of modern administrative and enforcement tools which are important to ensure compliance with the new act.

The new framework for the taxation of spirits, wine and tobacco products would provide greater flexibility for businesses to respond to the challenge of organizing their commercial affairs. This goes back to the pressures companies feel in promoting and creating new markets and the pressures they feel due to globalization and the competitive nature of the industry.

Bill C-47 would provide for enhanced protection of excise revenues. It would provide for improved administration and lower compliance costs. Again, this goes back to the whole regulatory issue. The bill would provide for a more simple and certain taxation structure, something we should all be striving for not only in excise taxes but in personal and corporate tax. I am sure that going forward there will be many an opportunity to debate the issue with members of the House.

I have addressed a number of issues I wanted to put on record with respect to the administrative nature of the legislation. I made the point about brewers because the issue is important. I do not for one moment want to leave Canadians with the impression that brewers would not be dealt with or considered in the larger context of their issues. From 1997 to today there has been an engagement with the brewers who felt their issues could not be dealt with in the timeframe that was set out.



*Government Orders*

A proposal has been put forward with respect to the sector. The finance department is looking at the issues outlined in the proposal and will provide the analysis. We can then have a debate and discussion about how we might best deal with the issues put forward by the brewers.

• (1740)

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, I listened to my colleague opposite. We could have listened to him for 40 minutes. One wonders if he is serious. Since 1997, the repercussions on microbreweries have been looked at and studied. In five years, we have lost 39 of the 89 microbreweries. Would he not agree that it is urgent that we look into this situation? All one has to do is look at the tax rates throughout Europe, in the United States and here. The time has come to stop saying, “Yes, we need to help the microbreweries”. The time has come to do it.

Now we are about to amend the law on excise and excise tax, and we are not even using this opportunity. People are forced to come together and establish the Canadian Council of Regional Brewers. They appeared before the committee here. They were stunned to see that the amendments were dismissed. We are all aware of this. All day long we repeated how this happened and why this amendment, introduced by the member for Saint-Hyacinthe—Bagot was dismissed. We need to talk about this and settle the microbrewery issue. We need more than letters and lip service.

On two or three occasions today, I heard someone say “Yes, we are aware of that”. Stop being aware and start doing something. It is time to act. We are at third reading and we could postpone it to work on some provisions to include beer, along with all the other things that are covered in this interesting and necessary legislation. It is urgent to act. If 38 microbreweries out of 89 have shut down, how many will be left in five years? Will this situation please Labatt and Molson? There are not just breweries in the riding of Lasalle—Émard. There are also people and microbreweries that want to be in operation.

Let us not forget one thing. Five years ago, microbreweries held 5.5% of the beer market. Now, they only hold 4% of it. Do people realize how much money is going into the pockets of large breweries because of that? They are pocketing a net amount of \$17 million. We fully understand why they want to delay the introduction of a new bill to reduce that tax for microbreweries. We can perfectly see why.

You have used an incomprehensible and truly undemocratic ploy. We saw with Motion No. 2 what this government is capable of. Why oppose Motion No. 2? If you really care about microbreweries, you should stop engaging in totally meaningless rhetoric and take action. You have been intending to do so for five years. The bill has now been introduced.

• (1745)

**The Speaker:** I remind the hon. member that he must always address his remarks through the Chair when speaking in the House of Commons.

The hon. member for Stoney Creek.

[*English*]

**Mr. Tony Valeri:** Mr. Speaker, it is fair to say that when members get up in the House and contribute to debate I, unlike the hon. member opposite, believe they are serious about what they are saying and what they would like to see happen. I understand that emotions sometimes run high with my Bloc friends across the way. However we all have microbreweries in various parts of the country.

To suggest the government would sit idly by or is already sitting idly by and encouraging the demise of the microbrewery sector is incorrect. When the committee heard from brewers about their concerns it was acknowledged that the report was presented and there were issues the finance department was analyzing.

It is fair to say we want to ensure we have a vibrant microbrewery sector in Canada. However it is difficult to amend something that is not there. How do we amend a piece of legislation when the component that requires amending is not in it? We are talking about a tax measure. This is an administrative bill. While I welcome the enthusiasm across the way it should be directed toward a bill which could achieve the objective being proposed: to ensure microbreweries are competitive and that we do not continue to see the demise described by my hon. colleague. That objective will be best served when we have full information and analysis. The information is now in and I am awaiting it.

This is an important issue for parliamentarians. Parliament will not wait forever. The information has been submitted. It will be incumbent on the people in the finance department to look at the information, see how the initiatives would impact brewers and decide how best to address their concerns.

I dispute the criticism that the government is not concerned and is not doing anything. This is an administrative process that started in 1997. What is being asked for is an amendment to the Excise Tax Act. In terms of the tax there is a body of information that requires analysis and understanding. An exchange will take place. I am confident that in moving forward we will see a resolution of the concerns the hon. member has outlined.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I have been listening to my colleague for a while and I am somewhat surprised that, five years after the beginning of the consultation, he is not aware that the justice minister himself had given his support to microbreweries in favour of an amendment along the lines of what the Bloc Québécois is suggesting. Microbrewers thought this would be in the bill, but today as we amend the Excise Act and the Excise Tax Act, this situation will not be rectified.

How do you expect citizens to understand what is going on except by saying “the Liberal government has decided to postpone a decision on beer as a result of pressures from big breweries to make sure that microbreweries would eventually disappear and their market share would go back to the big breweries that are contributing to the Liberal Party of Canada?”

*Government Orders*

• (1750)

[English]

**Mr. Tony Valeri:** Mr. Speaker, I dispute what the hon. member is saying in terms of suggesting that the government and members of parliament in this House are here to support a particular company and its sector, and that we are not in fact all striving to improve the lot for companies right across the country. I guess it is easy at times in opposition to throw these comments out there. However I must reflect on whether the hon. member is being serious when he suggests that members would sit idly by and watch the demise of the microbrewery sector.

I enjoy microbreweries from time to time along with others in the House. While hon. members across the way find it quite convenient to be throwing out these types of things in the House I find them lacking substance. I suggest that once the information is analyzed and there is an understanding, there would be many a member in this House who would support the plight of microbreweries and ensure that they remain competitive, that markets are open to them and Canadian small brewers are not less competitive than foreign small brewers selling in Canada. That is the objective and certainly one that members in the House can all share and support.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I am pleased to speak to Bill C-47, an act to amend the Excise Act and the Excise Tax Act, but I will be a lot less pleased with the result if this bill is ever passed.

It is appropriate to remind those who are listening to us that this bill is aimed at amending the Excise Act and the Excise Tax Act, everything that has to do with wine, spirits, beer, tobacco and distilleries. All this is in the current legislation. The government has decided to modernize the act and make it more functional. We think it is appropriate because it deals with licensing requirements, rights of accession, offences, collection provisions, records, book-keeping and warehousing. All these issues are linked to the management of the excise tax on all of the above.

Unfortunately, something was forgotten in this bill. As if by amazing coincidence, it was decided not to deal with the issue of beer in this bill. How did we get to this point?

In Quebec and in Canada, the microbreweries are going through changes. They are experiencing a great many problems. Many have shut down in recent years. When we seek the causes of this phenomenon, we realize that one of the main ones is that the market in Quebec and in Canada has been invaded by other microbreweries in the U.S., and likely Europe as well.

These countries set out in good faith to tax their microbreweries at a different rate than the big breweries. Canadian beer is taxed at 28 cents a litre, while the United States charges 9 cents. This is obviously a big difference. When the American beer arrives on the Quebec or Canadian market, it is in an advantageous position as far as price goes, particularly since the major Canadian breweries are the ones distributing it on the Canadian market.

So, it becomes more understandable why the major breweries have lobbied heavily, right up to and including influencing the chair

of the Standing Committee on Finance, to get her not to include the amendments relating to beer in the bill revising the Excise Tax Act—really now—and revising the entire situation. This is not going to come again anytime soon. The federal government is not going to be dealing with any other amendments to excise tax in the near future.

Why then not take this opportunity to review the entire issue and let our microbreweries enjoy the same advantages as their American and European competition in the Quebec and Canadian markets? The excise tax issue may not be an exciting one, but it does have major impacts.

Let us recall that the present government brags about helping regional and local development. The secretary of state responsible for rural development is currently touring all the major centres of Canada. This seems a bit of a paradox, being responsible for rural development touring around all the major centres to tell people how important rural communities are.

But when it comes to concrete action, when something relevant should be done, something that would help communities develop local beer, for example, and contribute in that way to tourism development, the government drags its feet. Similar markets are being developed for cheese. We can draw a parallel here.

Concerning raw milk cheese, a formidable lobby has tried to pressure the federal government into adopting requirements that apply to industrial cheese. Once again, a lobby group was involved. Right here, in this House, we had to demonstrate that raw milk cheese is something accepted everywhere. Ultimately, we won that case.

Obviously, it is very difficult for the government to admit that its position was influenced by lobby groups. In the medium term, we are bound to win this case, because logic is on our side. We won the raw milk cheese case, and we will also win the case of microbrewery beer.

Most importantly, citizens should understand that the federal government is hiding behind the fact that this bill does not deal with beer, making the amendment out of order. This is completely unacceptable.

This is a complete revision of the legislation. A number of elements should be dealt with right away, and they should be included in the bill, but they have been left out.

When we have had unanimous consent in this place and determined that a problem ought to be remedied, I have seen bills breeze through the three readings in a single day.

Why should we have to debate Bill C-47 today without amending it? Should the government not take the time to send the bill back to committee and, with the consent of all parties, include the beer industry?

*Government Orders*

•(1755)

The argument they give us, that it is not in the bill, is totally give unacceptable. The government has all the numbers it needs to correct the situation. There is no reason to put it off. It should make a decision rapidly in order to help microbreweries have a reasonable and adequate access to markets in Quebec, Canada and around the world, with the prospect of being sufficiently competitive.

The situation must be corrected. The Bloc Québécois, of course, talks a lot about microbreweries in Quebec. But there are microbreweries in many other provinces of Canada. There are seven in British Columbia, five in Alberta. There are some in Manitoba, in Nova Scotia. The problem exists and we must tackle it in order to improve the situation in Quebec and in Canada.

The government has not expressed any substantial argument today. Even the last two Liberal members who spoke in support of the bill said: "We must settle the issue of microbreweries, but we do not think that it should be done in this bill". Will we have to wait for the disappearance of all the microbreweries before talking about it? That is the reality we will have to live with.

Some were tricked in this regard. Unibroue's president said that the Minister of Justice from Quebec, who was then responsible of regional development, supported such an amendment. Where is the Minister of Justice today? Where are the other Liberal members from Quebec, who are not saying one single word in support of an emerging, developing industry that is creating local jobs not requiring very high qualifications. In a village, it can create two, three, five, ten jobs, and allow a microbrewery to operate. This is very interesting, and it could lead to all kinds of spinoffs.

I am very surprised that the federal government could not find anything to say in support of its basic position. Its members simply said, "The legislation does not say a word about beer, so we stick to what we have got".

The flexibility required to solve such a problem is not there. I find this totally unacceptable and irresponsible on the part of the federal government. In some ways, there is something suspicious, and politically unethical.

As for the way the work was done, if we could go back in time, I think the appropriate scenario would have been that, right at the beginning of the committee's work, the chair should have said: "I cannot chair the committee because of this issue. My husband is a major lobbyist for a big multinational, for a big national brewery, and I cannot take part in this debate. I ask that the chairmanship be given to someone else".

Thus, we would not be in the mess we are in with the government trying to defend the indefensible, that is, slowly killing Quebec and Canadian microbreweries. There is no reason for this to happen. The only reason is that, in some regards, the other side is governing according to the funding of the Liberal Party of Canada, instead of according to the interests of Quebec and Canada.

If we continue in this direction, we will find ourselves in a situation where, when the studies are completed, when the government will have made its bed on this issue, the final answer will be: "Of course, there is no point in legislating in this regard,

there are no microbreweries left". The way things are going, this is where we are headed.

What should we do to convince the government to change its attitude? Is there not a way for the government, without losing face, to add an amendment to the bill, perhaps in committee of the whole or at third reading; or with the unanimous consent of the House, the bill could be referred back to the committee so that, quickly, it might be amended to adequately protect microbreweries?

What will it take for the government to decide to budge? What will it take for it to recognize that the lobbying that was done by the big national breweries does not adequately reflect the needs of microbreweries?

•(1800)

If microbreweries had said that they liked the bill as it is, that this issue could be dealt with at a later date, that there was plenty of time and we should just wait, then the government would have something to defend its position.

However, there is absolutely nothing to justify the federal government's position today. The current position of the federal government has the effect of systematically reducing, day after day, year after year, the market share of microbreweries.

For the average person, it is hard to grasp why large breweries that currently have 95% or 96% of the market would absolutely want to have the other 4%. The answer is in the profits that these breweries can make.

Apparently, 1% of the market is worth \$17 million in gross profits. Therefore, it is certainly in the interest of shareholders of large breweries that the government maintain its current position. Their profits continue to grow. No problem. Things are going well so they will be a little more generous with the Liberal Party of Canada. They consider that the Liberals' way of doing things is the correct one and that they protect them well. It is a big business government more than anything else.

However we are here to determine what is for the common good. In this particular industry, the way to create employment, to ensure that microbreweries have their place on the market in Quebec, in Canada and in the United States and to see the positive impact that these cottage-type operations can have on tourism is to give microbreweries some room to breathe. This is not being done at this time and, in the end, it will just lead to the disappearance of more and more microbreweries.

In my riding, there is a microbrewery that produces Bruegel beer. The brewery was established a few years ago. It is now positioning itself on the market. We can be sure that it could really use the difference between 9¢ and 18¢ a litre. This is what it takes sometimes to get into the market and allow more reasonable profit margins for retailers, bars and restaurants selling the beer and thus develop a local market without threatening the survival of large national breweries in the least.

*Government Orders*

Even if their market share were 93% or 94% instead of 95%, none of the large breweries will close because of that. That is not what will bring about closure, but it could lead to the creation of more jobs. Large breweries, with their massive and highly automated production, do not create that many jobs, in the end.

However, microbreweries, with their cottage industry style of production, need a certain number of people to operate their production line. It is to our advantage for them to expand. Until now we have not succeeded in convincing the government to remedy the situation.

I think we could call on all the members of the House to check in their ridings and their regions to see if there would not be any microbrewery. Liberal members should consider whether the stand they will take in the vote on this bill is contrary to the needs of their constituents. This might make them realize a few things that could prompt them to knock at the finance minister's door to tell him something like "I think that we could use a little more time to review this. We have all the documents, all the information and all the analysis that we need. Bill C-47 on the excise tax can be amended. Let us correct the situation".

There are two possible courses of action. If nothing is done, the number of microbreweries could diminish dramatically. In five years, perhaps one, two, three or even four will have survived. The big national breweries will occupy this whole market and may also have bought a few microbreweries just before or after they shut down, to control that market as well. Thus, we will have been instrumental in slowing down the economy in our regions.

Alternately, if we take our responsibilities and act right now, in a few years, in five years perhaps, there will be 100 and some microbreweries in operation across Canada, contributing in a dynamic and interesting way to their communities.

● (1805)

It all depends on the willingness of the Canadian government to make a decision in the interest of the common good rather than that of those who influence the political parties through financing or the roles they can play. There lays the answer.

The Canadian government should go ahead now and address the situation on the basis of our arguments. Let us resume debate where it should be resumed. Let us appoint a committee chair who will be independent, who will not be or seem to be in a conflict of interest and who will see to it that the beer issue is considered and reported on promptly.

I do not think anybody in this House will object to the committee examining only that aspect of Bill C-47. As far as the other ones are concerned, we agree with what is in the bill. We could quickly review the sole issue of beer, include it in Bill C-47, and ultimately achieve the desired results.

Let us not forget that prices are an important factor on the beer market. People who buy a beer for a tasting session may be ready to pay a bit more. However, the difference in price due to the difference in taxes may prevent a microbrewery from selling its product, because its prices will be higher than those of microbreweries in the United States. Often, it is the look of the bottle, the way it is sold or the type of production that make people buy these beers. However,

as far as the price elasticity of the product is concerned, one cannot sell a product that contrasts sharply with other products on the same market and with the same types of products.

So the government has a decision to make. I sincerely hope that, for the sake of our regions and our microbreweries, but also because it is an issue of fairness and almost political ethics, the federal government will reconsider its position and amend Bill C-47 and quickly reconsider amendments on beer. We would then feel that we have really done our job properly and that we were not just listening to those who make the most noise because they have the money and are able to influence the government because of it.

This is the challenge I issue to this house and to all members of parliament. I remind hon. members that when they cast their final vote, they will have made a choice, which will bring economic benefits or disadvantages. Also, they will have made a choice based on the rules of conduct we should abide by in this house but, unfortunately, do not always.

● (1810)

[*English*]

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I listened to my hon. colleague's comments, and as the saying goes we cannot make a silk purse out of a sow's ear. No matter how often we talk about beer, it is not in the bill. However I do want to address some comments that the member made.

What are the concerns of the beer industry? The member did not raise them. They happen to be issues regarding the point of imposition, warehousing, licensing requirements, loss allowances and control on beer exports. What are the facts? Bill C-47 does not deal with the issue of beer and we have already gone through the reasons why it does not. The finance department is reviewing a report on the beer industry with regard to warehousing et cetera.

Excise duty applies to both domestic products and to imports at the same rate. Excise duty does not apply to exports. Canadian small breweries are no less competitive with regard to foreign small breweries when selling in this country.

The government and members on this side of the House are concerned about microbreweries in Canada. That is why the government is looking carefully at this issue. We will not make a change with some magic wand which may turn out to be no improvement at all. We want to ensure we get it right, and we are working in consultation with the industry. That member should know that. If he were that concerned about microbreweries he would want to ensure we get it right the first time. Unfortunately, he seems to have the view that somehow we can go ahead and do something which in fact is not in the bill.

*Government Orders*

We have already had discussions with the industry and it indicated we were to move ahead with Bill C-47 dealing with the merits of the bill itself, tobacco, spirits and wine.

It has been mentioned many times in the House that this is an administrative bill, and again the Bloc would rather play politics. The Bloc made some odious comments with regard to some linkage between large breweries and the governing party. Shame on that member for raising such nonsense when he knows beer is not in the bill. However he wants to play politics. We want to get it right and do the right thing for microbreweries.

The member across the way is correct, we want a strong microbrewery industry in Canada. I say without hesitation that we will act sooner rather than later. We will do it based on getting the facts right and by responding to specific issues rather than going headstrong off in any direction. We cannot amend something that is not there no matter how often that party wants to say it.

Would the member like to give his views on issues regarding tobacco and smuggling? How does he see the bill addressing the issue regarding small vintners which is of concern to members of that party as well. I wonder if he would like to give his views on how the bill addresses those issues.

[*Translation*]

**Mr. Paul Crête:** Mr. Speaker, we have just seen a perfect example of Liberal rhetoric. It is about change, the need to improve things. "We are very much in favour of breweries. We absolutely need to take care of microbreweries. It is important, but we will not do it today. We will do it next year, the year after or after all the microbreweries have disappeared".

This is all so hypocritical. This rhetoric is out of touch with reality. People like the Minister of Justice said these amendments were necessary. It is not the members of the Bloc Québécois who said so. It is the president of a microbrewery, who lives in today's reality, the president of Unibroue, who said it.

If the federal government thinks these microbreweries are so important, why does it not include them in the legislation? In Quebec, when something is important, it is dealt with immediately. When it is not that important or we do not want to deal with it immediately, we say, "We need further study. We need to evaluate. We will create committees and try to find a way to help in the long run".

As to why and how the Liberals were influenced, my position remains the same. There is no reason today—based on the arguments given by the government—not to act immediately, other than the fact that the specific interests of the government, of the Liberal Party of Canada, require things to be done in this fashion. This is totally unacceptable and yet this is how this government is behaving.

The government is invoking the fact that there is a minor amendment missing in the bill and that the legislation does not deal with beer to justify its despicable attitude, an attitude whereby the specific interests of the Liberal Party of Canada take precedence. This is unacceptable.

The hon. member asked me to give my views on the rest of the bill. I support the rest of the bill. I find it interesting. However, the

government's attitude regarding beer is totally unacceptable and irresponsible.

On the one hand, the Liberal Party of Canada, the Liberal government is saying "We believe it is important to foster the development of microbreweries", but, on the other hand, it is allowing a gap that is very beneficial for certain beers from the United States, by allowing them to be distributed by major Canadian breweries. This is unacceptable corporate behaviour on the part of the government.

Liberal members are all aware of this, but are saying nothing, because they were told how to behave when the chair of the committee was appointed. The order came from senior departmental officials. It came from the Liberal government's way of doing things, a way that is totally unacceptable, that does not respect democracy and that does not at all care about the public interest.

In this instance, you are only protecting specific interests. And you will be judged on your actions at the next general election. In this case as in many others, your attitude is designed to protect corporate interests, as if you were members of a company's board of directors, instead of being government members.

• (1815)

**Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, keep in mind that they were elected on a very important principle, that of public funding. They have let it fall by the wayside since then. During every one of their speeches, they talk about the funding of the big political parties in this country. All of Canada's political parties have access to this funding.

I find it reprehensible that they are talking about elections. Speaking of elections, only a few months ago, they were all ready to run as PQ candidates in the provincial election. Now, not one of them is interested in running as a PQ candidate in Quebec. Why? Because they are at 20% to 25% in the polls. These are people who are holidaying here in Canada's Parliament.

It is not true that the the microbrewery issue that they have raised is not being taken seriously by the government. We will look at it seriously. It is not enough to simply apply new parameters. This is an issue that we are taking seriously.

All in all, I would like to ask the member what he thinks about public funding. One of their former members has called into question their funding habits. At every available opportunity, they criticize the Liberal Party of Canada on funding. Corporate funding is allowed in this country. Democracy can also be protected by companies.

I would like to hear his comments on public funding and to hear what they have done in terms of funding.

**Mr. Paul Crête:** Mr. Speaker, first, the Prime Minister himself denounced the negative attitude shown towards politicians.

When the member across says that we are on vacation here, it would also mean that he himself is on vacation, that the 301 members of parliament are on vacation. Furthermore, it means that he personally switched parties and allegiances in order to remain on vacation.

*Government Orders*

I will indeed talk about public funding. Let us have unanimous consent to apply the Quebec legislation on public funding and, within half an hour, it will be passed into law. Those who make such allegations are holier-than-thou hypocrites.

This man dares accuse us of enforcing the law, while they shamelessly rake in enormous amounts of money, Liberal leadership candidates receiving \$25,000, \$50,000 or \$100,000 from people trying to influence them as if they were candidates to an election or party leaders, trying to influence government policies. It is absolutely unacceptable.

I think the member opposite no longer—

● (1820)

**The Speaker:** Order, please. The time for questions and comments has elapsed.

The Parliamentary Secretary to the Deputy Prime Minister and Minister of Infrastructure and Crown Corporations.

**Mr. Réal Ménard:** Mr. Speaker, I rise on a point of order. When one of our colleagues impudently states that the members are on holidays, he is in contempt of the house. Therefore, I demand that you ask him to withdraw what he said. None of the 301 members of parliament is on holidays here. Everyone of us works hard. We do it legitimately, and this member has gone too far. He has offended our role, and this is unacceptable.

**The Speaker:** Everybody knows that the members work all the time. However, from time to time, it has been said that there are holidays. Everybody has holidays. It is not up to the Chair to decide if a member is working or not. Everybody knows that members work very hard.

**Mr. Paul Crête:** Mr. Speaker, I rise on a point of order. I would like to ask the member if it was when he was a member of the Progressive Conservative Party or of the Liberal Party that he had more holidays, and if it is not now that he has more holidays, since—

**The Speaker:** This is clearly not a point of order. The Parliamentary Secretary to the Deputy Prime Minister and Minister of Infrastructure and Crown Corporations.

[*English*]

**Mr. Steve Mahoney (Parliamentary Secretary to the Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, it is astounding. If this is a holiday, I think I will pass. It is not exactly what I would call a day at the beach.

I think all members realize that people work diligently and have their own style and interests. I find it interesting to listen to a debate on issues that are not even in the bill we are debating. Obviously the holiday issue is not here. The issue of election donations is nowhere in the wording. Not once was I able to look through any of the documentation and find anything about beer. Maybe there is a relationship between beer, holidays and good times, I do not know, but it does not deal with the issue at hand.

In the short time I have left I will focus on the bill, which would be an unexpected treat I am sure for members opposite. The bill does three things. First, it is designed to provide a modern legislative framework for a simpler and more certain administrative system that

recognizes current industry practices. We are talking about the tobacco industry, the spirits industry and the wine industry. We are not talking about beer. I am sorry but it is not here.

For years we have heard people say that the government should respond to current industry practices, whatever they may be, so that we can help people who are fighting against foreign competition and who are dealing with the burden of collecting and remitting taxes. It puts in place a more modern system to allow people to pay the tax at the time they actually sell the product instead of when it goes into a warehouse. That seems to me to be something the industry would want and, as my friend says, that everybody would want, including my colleagues on the other side.

I do not understand. They want to continue casting aspersions against members on this side, throwing out all kinds of nasty comments about political fundraising and making comments that do not relate to Bill C-47.

The second thing the bill does is it facilitates greater efficiency and fairness for all parties. Who is against that? This is an industry that needs to be modernized from the point of view of tax revenue. It is \$3.4 billion to the federal treasury. We are not talking about small potatoes. This is a major revenue generator for the Canadian public and for the government so that we can deliver the programs that need to be delivered to the benefit of all Canadians.

This fairness to all parties issue will lead to improved administration. Are the folks on the other side against that? I do not think they are. It will lead to improved administration and reduced compliance costs.

Let us take a look at what happened with the merger of the GST and the PST in the maritimes. We tend to forget. We always say that we have one taxpayer in the country. Would it not be interesting if we only had one tax collector? We have all these different taxes going out by all these different levels of government. It is unfortunate that Ontario and the western provinces refuse to cooperate in terms of tax collection so that we can reduce the administrative burden. The bill would make it easier for companies to comply with the collection of those taxes.

The third thing the bill does is it ensures the continued protection of the \$3.4 billion in excise tax revenue. Why not deal with the substance of the bill instead of the allegations and the nonsense? Why not deal with related issues such as who actually will provide the retail facilities?

In my province of Ontario we all hold our breath as we watch the current Ontario government sell off Ontario Hydro. We all suspect that the next item on the list might just be the Liquor Control Board of Ontario.

● (1825)

It is an interesting phenomenon: taking what amounts to a public monopoly and turning it into a private monopoly with the absolute reality that the taxpayers, the people who are the purchasers of the product, will face increased costs. Why not do what the bill does in terms of providing more effective and efficient operations for the industry rather than just selling off pieces of it willy-nilly wherever the government seems to think it may be a good political hit?

*Adjournment Debate*

It is provincial but there is a relationship. I will use the relationship of the PST and the GST as they are collected on a co-ordinated basis. What we are talking about is more efficiency and more opportunity for the industry and government to work together.

I understand that perhaps members of the Bloc are against that kind of efficiency. They would rather use any opportunity they get to raise a point of order or to speak to issues that have nothing to do with the bill. They would rather use it to perhaps make themselves look a little better back home. Being at 25% or less in the polls in the province of Quebec causes them some concern, and I understand that.

What we are dealing with here is the streamlining of a collection mechanism that generates a substantial amount of revenue. Why not talk about the spin off effects? Why not talk about the taxation effect on smuggling?

We will all recall when we had boats running across the river and people shooting guns in the middle of the night. The police were very concerned about the situation when the smuggling was going on. We all remember those days with great trepidation.

Another issue that I think is very serious in the area of tobacco is the impact on our young people. Would taxation have an impact on whether or not these young people buy single cigarettes in the schoolyard while people actually treat them as contraband and sell them to young people? I did not hear any concerns being expressed on the impact this will have on our young people. We know from targeted experience that young girls are prime candidates to begin smoking because of the peer pressure that exists.

All of this ties in and is related to the tax burden that is involved in this industry.

• (1830)

**The Speaker:** I hesitate to interrupt the parliamentary secretary. I know all hon. members will look forward to the continuation of his remarks the next time the bill comes before the House. He will have 12 minutes remaining.

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## ADJOURNMENT PROCEEDINGS

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

[*Translation*]

SOCIÉTÉ RADIO-CANADA

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, on March 4, I rose in the House to ask the Minister of Labour a question concerning the Radio-Canada negotiations. Radio-Canada employees were here on the Hill, in Parliament, in order to present to members, to elected representatives, the problem they were having with Radio-Canada, particularly in the Quebec and Moncton areas concerning the lockout at the time, which is still going on today.

The minister replied as follows:

Mr. Speaker, both parties have met in the presence of our mediators, last week and again since Monday of this week.

It is important that both parties sign a new collective agreement. At this point, it is crucial to let the parties address their problems so that a good collective agreement will ensue.

This is not the time for us to start taking one side or the other.

CBC president Robert Rabinovitch sent me the following letter:

Furthermore, I would point out to you that Radio-Canada has no objection to its employees presenting their point of view to MPs. What the corporation objects to is the fact that its employees signed a written undertaking to respect the media blackout agreed to on April 3 in order to restore the climate of trust necessary for a negotiated settlement. The union broke its promise by appearing on the Hill on April 10, and Radio-Canada could not let this go by in silence.

Radio-Canada has admitted in this letter that it actually did punish its employees at the bargaining table because those employees came here to Ottawa.

I find this truly discriminatory and against the spirit of democracy. When the Minister of Labour tells us that this is not the time for us to start taking one side or the other, I wonder what the federal government said during the negotiations with Canada Post. Canada Post employees had not yet voted to strike when the federal parliament decided that employees would be ordered back to work if ever they voted to strike. Now, the government is washing its hands of the matter because it is the employer who kicked people out, who has ordered a lockout.

I would like to see how the government can take up these two cases. On the one hand, Canada Post employees had not yet gone on strike when legislation was passed here in the House of Commons by the Liberal majority. On the other hand, Radio-Canada has locked out its employees and the government does not want to interfere in the negotiations to give listeners in Quebec and in the Moncton and Atlantic region the chance to hear something else than music on Radio-Canada. I have nothing against music. However, Radio-Canada is presently making money on the backs of the employees who have lost their jobs.

Moreover, in Quebec and in Moncton, only 51% of the employees are full time employees. However, at the CBC, from Ottawa to British Columbia, 71% of the employees are full time employees. Why that difference within the corporation?

This is why I cannot agree with the CEO. It is to be hoped that the labour minister will intervene and tell Radio-Canada to negotiate in good faith and, in particular, to settle with pay equity. It is unacceptable that Radio-Canada employees in Quebec and Moncton are treated differently from CBC employees in the rest of the country.

Therefore, I would like to hear what the parliamentary secretary has to say about this.

• (1835)

[*English*]

**Mr. Gurbax Malhi (Parliamentary Secretary to the Minister of Labour, Lib.):** Mr. Speaker, I would like to thank the hon. member for his expression of concern regarding the ongoing work stoppage affecting Société Radio-Canada and the confederation of the national trade union which represents analysts and reporters in Quebec and New Brunswick.

*Adjournment Debate*

I am well aware of the uniqueness of the service provided by Société Radio-Canada and the important social and cultural role it plays in French-speaking Canada. I want to assure the hon. member for Acadie—Bathurst that every effort is being made to assist the parties and resolve the collective bargaining differences and get the employees back to the work.

A federal mediator appointed by the Minister of Labour is meeting with the parties today and has been working closely with them for several weeks now. Prior to that the Minister of Labour appointed a conciliation officer to assist the parties in reaching an agreement. Numerous meetings were held in an attempt to arrive at a settlement.

I would like to add that it is not unusual for the parties to agree to a media blackout during mediation talks in order to focus all their attention on collective bargaining. It is unfortunate however, that negotiations in this dispute were delayed for several days earlier this month due to the confusion surrounding the blackout.

The important thing is that the parties are now at the bargaining table and are talking with the mediator. Focusing on what happened several weeks ago is not helpful in achieving the goal of assisting the parties to reach a settlement.

I am sure the hon. member would agree that the best way to achieve a mutually acceptable collective agreement is to allow the negotiation process a fair chance to work.

[*Translation*]

**Mr. Yvon Godin:** Mr. Speaker, I would love to agree with the parliamentary secretary, but the question I was asking earlier is as follows. Why did parliament give an opinion on the Canada Post issue when there had not yet been a strike vote and when no strike notice had been sent to Canada Post? Why did the Liberals vote overwhelmingly that these people were not be allowed to strike?

In the case of Radio-Canada, the lockout has been going on for weeks and they are putting pressure on these employees because within the 51% of those working full time, there is a group that is not part of the union. There is some pressure put on those people. In keeping them outside and in preventing people from Quebec, New-Brunswick and Atlantic Canada from getting their programs, they say that they do not want to interfere in the negotiations. If the parliamentary secretary and the government could promise that they would never again interfere in negotiations in Canada, except to send in a mediator, it would certainly be very nice to hear. But this is not what we are hearing. Now they do not want to interfere, when they usually do.

[*English*]

**Mr. Gurbax Malhi:** Mr. Speaker, the employer and the union are currently meeting with the assistance of a mediator in order to reach an agreement to restore normal service and put the affected employees back to work.

This is a very sensitive time in the collective bargaining negotiations for everyone concerned. It is important that those individuals who want to see the parties reach a settlement refrain from taking sides and speculating about the outcome of the dispute. The Minister of Labour will continue to provide the parties with the mediation assistance they need to reach a settlement and get the employees back to work.

## FISHERIES AND OCEANS

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, I rise tonight in what we in the House often call the late show. What I am looking for is an answer to a question I asked on March 22 and a month later I am hoping that tonight I will actually get the answer. The question was regarding wild Atlantic salmon, especially in the southern uplands of Nova Scotia. Specifically the question was about the postcard I have with me and 7,999 postcards like it, which were mailed to the Prime Minister by Atlantic Canadian salmon fishermen. Not one of them received a reply.

To me that is a deliberate and scandalous slap in the face to sport fishermen and fisherwomen, to environmentalists, to ecologists and to anyone remotely interested in looking after wild Atlantic salmon, which are endangered and threatened in much of Atlantic Canada, and certainly as well to the Atlantic Salmon Association and people like Lewis Hinks, people who operate and work as volunteers, many of them with the Atlantic Salmon Federation, the Gold River Salmon Association, the LaHave River Salmon Association and others.

Any elementary schoolchild in New Ross, the community I live in, who received 8,000 letters or 1 letter would attempt to answer them or it, yet the Prime Minister and the Minister of Fisheries and Oceans have chosen to ignore this extremely and critically important issue for all Nova Scotians.

It is not only the important issue of trying to save the species itself; it is an important commercial industry. It is too late for the offshore commercial fleets because they have fished the offshore salmon into extinction. However, it is not too late for the local rivers and the industry that they support. Salmon fishers put \$11 million into the local Nova Scotia economy. There is another \$47 million put into the local economy by trout fishermen.

It is important to know how these individuals talk about the salmon population in the southern upland rivers of Nova Scotia. Some rivers are extinct. Absolutely no salmon larvae survive in those rivers. The PH level is too low because of acid rain. In other rivers there are remnant populations, and in the rest of the rivers the populations have been declared depleted. On a good day, one may live near a river that is depleted, but far too many Nova Scotians, especially in the southern upland regions, live on or near rivers that once held thriving salmon populations, but now those populations are extinct or at the very best are remnant populations not capable of breeding and supporting themselves.

There are a number of issues, but the main issue for me is certainly that if 8,000 of these cards, which were done in a very professional manner, were sent to the Prime Minister of Canada I would expect, and I think any citizen would expect, an answer. Tonight I am here to hear the answer and then I will reply to it.

• (1840)

[*Translation*]

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, the hon. member's concerns about Atlantic salmon are certainly shared by the Minister of Fisheries and Oceans.



*Adjournment Debate*

This concern is not a new one, and the Department of Fisheries and Oceans has been actively working on a number of fronts to support the conservation of wild Atlantic salmon.

The closure of all commercial salmon fisheries in Atlantic Canada and Quebec remains in effect. Some of these fisheries have been closed since the 1997 season. These closures were accompanied by the expenditure by the federal government and the province of Quebec of over \$80 million in licence retirement programs.

For the recreational and first nation salmon fisheries, a precautionary approach is used to guide management decisions. In many regions of Atlantic Canada, a river classification system is in place and an adaptive management scheme is used.

Rivers are classified according to the overall health of the salmon stock, taking into account environmental factors. It is therefore wrong to suggest that nothing is being done in order to ensure river protection.

The classifications determine whether any retention of salmon will be permitted and at what level. In addition, on many rivers, conservation limits are set and are monitored in-season to allow managers to take action to conserve stocks if conservation limits are not going to be met.

This process allows a decision to be made on whether there should be a retention fishery, catch and release only, or closure of the river to any fishing.

Research on the state of wild Atlantic Canadian salmon stocks is undertaken in Atlantic Canada by federal and provincial levels of government and in local watershed areas by volunteer groups and the private sector.

Until now there has been limited communication between local groups, and more co-ordination of this work is needed. An overall review of the work being done will be undertaken to determine if it is being done in a manner that avoids duplication.

DFO has committed to co-ordinate its management and scientific resources to respond to the pressing need for additional advice on the salmon resource.

To this end, the department is working with its partners to develop an inventory of work related to salmon and its habitat, to evaluate what is being done, and to provide guidance on priorities for this work.

For 2002, the federal government has increased its commitment to monitor salmon returns to Canadian rivers. There will now be three rivers monitored in Labrador, as compared to just one in the past, to provide much-needed scientific information on stocks affected by the Greenland fishery.

As a party to the North Atlantic Salmon Conservation Organization, or NASCO, Canada has also played a leadership role in the wild salmon conservation.

In recent years, DFO officials have been successful in limiting the mixed stock salmon fishery conducted by Greenland, through negotiations directly with Greenland, as well as through the NASCO forum. Also within NASCO, Canada has been instrumental in the

establishment of an international co-operative research board to direct and co-ordinate NASCO parties research programs on salmon survival in the marine environment. This aspect of salmon survival has emerged as one of the major concerns of all parties with an interest in wild salmon.

For salmon, habitat is, of course, of paramount importance to the species' survival. The policy implemented by DFO for management of fish habitat has the objective of increasing the natural productive capacity, through the goals of habitat conservation, restoration and development.

A complete inventory of salmon habitat is underway. Canada has proven to be a leader at NASCO on its approach, including our policy of achieving "no net loss" of habitat.

Stakeholders and governments need to work together for the conservation of this valued resource to ensure that wild Atlantic salmon continue to return to our rivers for the enjoyment of all Canadians.

As a result of such partnerships, progress is being made in protecting and rebuilding the Atlantic salmon resources.

Thus, one cannot say that the department does nothing for—

• (1845)

**The Speaker:** The hon. member for South Shore.

[*English*]

**Mr. Gerald Keddy:** Mr. Speaker, no net loss of habitat; I cannot believe the hon. member said that with a straight face.

In the southern upland region of Nova Scotia 14 rivers are dead from acid rain, absolutely no salmon are surviving in those rivers and 50 more rivers are seriously impacted. We can talk about co-operation and co-ordination and we can avoid duplication. The government knows exactly what has to be done.

The acid rain emissions that still exist in the northeastern area of the United States have to be reduced further. We have to prevent that acid rain from falling on the southern upland region of Nova Scotia. It is a very simple process. If the Prime Minister and the Minister of Fisheries and Oceans had read the information sent to them by the Atlantic Salmon Association, they would already know how to deal with it.

We can talk about pH levels. This is about pH levels. It is quite simple, 5.4—

[*Translation*]

**The Speaker:** The hon. Parliamentary Secretary to the Minister of Fisheries and Oceans.

**Mr. Georges Farrah:** Mr. Speaker, everyone will agree that we could do more with more resources. This is why it is so important to us to ensure a much more concerted effort on the part of the various stakeholders in the area of salmon fishing, either at the federation, provincial or federal government level, to avoid overlap and make sure increased funding is made available for the resource as such.

*Adjournment Debate*

In that sense, we are very aware of the problem. Action has been taken, and we are aware of the need for more to be done in the interest of my hon. colleague's community, and that of all the salmon fishing communities in Atlantic Canada. It is a very important economic activity, especially in my hon. colleague's region.

[English]

## GRANTS AND CONTRIBUTIONS

**Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.):** Mr. Speaker, on March 12 I raised the issue in the House of the ongoing scandals involving the Liberal government, scandals which include allegations of conflict of interest, patronage and kickback schemes. I will highlight three examples. First, a fellow by the name of Pierre Corbeil was convicted of running a kickback scheme for people who sought grant money from the Liberal government. Upon his conviction it was revealed that there was an organized influence peddling operation inside the Liberal Party.

Second, a Quebec based advertising firm called Groupaction Marketing Inc. received \$60 million in contracts from the Liberal government and kicked back \$100,000 in donations to the Liberal Party.

Third, the former minister of public works was embroiled in allegations of improper political interference, conflict of interest and breaches of the code of ethics. He was removed from cabinet but given an appointment as ambassador to Denmark.

The question I asked in March was to the current minister of public works. When he was in opposition he was the public works critic. At the time he was fervent in his position that allegations of conflict of interest should be investigated. I asked him why it was a good idea to investigate corruption then, but now that he is the minister he is refusing to do so. The minister did not answer the question. That is why I am here. I am hoping to get an answer tonight.

I will put the issue in context. On May 1, 1986 when the current minister of public works was in opposition he asked the then deputy prime minister about one of the deputy prime minister's colleagues who was in a conflict of interest position. He asked how he could ignore the conflict of interest guidelines and tolerate such interference. It makes one wonder. If it was not appropriate to tolerate political interference by a cabinet minister when he was in opposition why would he tolerate political interference from his predecessor, former minister of public works Alfonso Gagliano?

On September 27, 1988 the current minister of public works said allegations of conflict of interest and breaches of the code of ethics should be referred to a parliamentary committee for investigation. The same suggestion has been made to him in the current environment with all these scandals going on. However the minister has refused to conduct a parliamentary investigation into the granting of contracts and allegations of conflict of interest and kickback schemes.

On another occasion when he was the public works critic the current minister of public works asked the government to dismiss from a cabinet a minister who was in a conflict of interest. He specifically stated that the punishment should be dismissal from cabinet. I am taking that directly from *Hansard*.

I will restate the question I asked in March. When he was in opposition the current minister of public works wanted to investigate corruption through parliamentary committees and dismiss ministers from cabinet who were in conflict of interest and in breach of the code of ethics. If it was a good idea when he was in opposition why is the current minister of public works now refusing to act on these things?

• (1850)

**Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I will begin by expressing my deep disappointment that the hon. member would use such language and attribute motive all on the basis of speculation and allegation. However his language was more specific. He made accusations of crimes. I would think that is improper in the House.

The minister appeared before the Standing Committee on Transport and Government Operations on March 12. During his appearance he answered all the questions members at the committee had with regard to all the affairs for which the minister was responsible, including those with respect to Groupaction.

I remind the hon. member that he is talking about matters which took place in 1996, 1997 and 1998. These are not current matters. They came up in response to an access to information request which raised further questions.

On numerous occasions the minister has said he is prepared to table documents in the House, which he has done. Critics from all the parties have received all the documents available directly from the minister. At the same time, the minister has asked the auditor general to look into the issue. The minister has handled the matter in an open and transparent way. Because of the questions that have arisen in the House the minister has requested that the auditor general conduct a review of the contracts in question.

In accordance with the Auditor General Act, the auditor general who is an officer of parliament will have all the necessary powers to conduct her audit in a full and comprehensive fashion. She will be reporting to the House as early as the beginning of May.

Under the circumstances it would be prudent to let the auditor general do her work. At the standing committee motions were brought before us with regard to these matters. The majority of the committee decided to stay the questions until the auditor general had reported. The auditor general will report to the House. The minister has undertaken to table the report in the House at his recommendation. The minister has also indicated quite clearly that he is prepared to consider making additional announcements depending on what the auditor general may say.

In conclusion, I would say to the hon. member that we should be careful about the language we use when attributing illegal acts to other members of parliament, political parties et cetera. If they are allegations that is one thing. However I do not think the member was referring to allegations. He stated them in the affirmative, and that certainly is not the case.

*Adjournment Debate*

•(1855)

**Mr. Jim Pankiw:** Mr. Speaker, it is the case that Pierre Corbeil was convicted of running a kickback scheme and influence peddling operation inside the Liberal Party and the government. We also know that Jon Grant, former manager of the Canada Lands Company Limited, stated that when Alfonso Gagliano was minister of public works he required that all land deals in Quebec be vetted through him. There was therefore political interference and the landing of jobs for friends. There have been breaches of the code of ethics and criminal activity as well.

I will get back to my question. I am here tonight because I still have not been provided an answer. My hon. colleague has another opportunity to address the House and I hope he will answer the question. The current minister of public works when he was in opposition demanded that parliamentary committees investigate allegations of conflict of interest—

**Mr. Paul Szabo:** Mr. Speaker, the suggestion that there was a conflict of interest is directly contrary to the opinion of the ethics

counsellor. Again, it is unwise for the hon. member to make references to criminal activity. He may not want to make those comments outside this place.

The minister has been open and transparent in this fashion. The hon. member says he wants to know what is going on. The first thing we do is call in the auditor general to do a full and thorough review as an officer of parliament, report to the minister and have the report tabled in the House of Commons. Following receipt of the report, which all members will have, it will be up to the members to determine whether they would like to proceed further with the matter through a parliamentary committee or through the House. The hon. member will have that opportunity should he so need it.

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

(The House adjourned at 6.58 p.m.)

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