



CANADA

# House of Commons Debates

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VOLUME 140 • NUMBER 056 • 1st SESSION • 38th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Monday, February 14, 2005**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, February 14, 2005

The House met at 11 a.m.

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*Prayers*

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• (1100)

[*English*]

## BUSINESS OF SUPPLY

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

That the House call upon the government to address the issue of child care by fulfilling its commitment to reduce taxes for low and modest income families in the upcoming budget, and so as to respect provincial jurisdiction, ensure additional funds for childcare are provided directly to parents.

[*Translation*]

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

[*English*]

It being 11:04 a.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### CRIMINAL CODE

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC)** moved that Bill C-215, an act to amend the Criminal Code (consecutive sentence for use of firearm in commission of offence), be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased and proud to rise in support of Bill C-215, an act to amend the Criminal Code, the consecutive sentence for use of a firearm in commission of indictable offences.

The purpose of this enactment is to require that a sentence for the commission of certain serious offences be supplemented if a firearm is used. The additional sentence is to be served consecutively to the other sentence and is to be a further minimum punishment of five years imprisonment if the firearm is not discharged, 10 years if it is discharged and 15 years if it is discharged and as a result a person, other than an accomplice, is caused bodily harm.

The offences affected are those specified in the following sections: using a firearm in the commission of the offence or using an imitation firearm in the commission of the offence; and the offences being murder, manslaughter, attempted murder, assault causing bodily harm with intent, sexual assault with a weapon, aggravated sexual assault, kidnapping, hostage taking, extortion and robbery.

The bill I am bringing forward today is not about incarceration but it is about sending a very clear message. It is a message about protecting society by providing an effective deterrent against serious indictable offences involving guns.

The precedent of mandatory minimum sentences has worked extremely well as an effective deterrent in cases of impaired driving. Many of us in the House will remember a number of years ago when one was stopped for an impaired driving charge and the person would perhaps receive a penalty of a three month suspension and maybe a \$200 fine. Unfortunately, that did little to stem the abuse of impaired driving.

Consequently, a minimum mandatory was established of a one year suspension and a \$1,000 fine. All of a sudden we started to achieve results. The message was a clear deterrent and that message was do not drink and drive.

We have a precedent, therefore, and it is in these types of sentences that it can work. I truly believe a clear message of deterrence must be applied to criminals who use firearms while committing an indictable offence, and that message being that if a person uses a gun in the commission of an offence he or she will pay a severe price.

Let me be absolutely clear. This proposed amendment is about sending a message. It is about sending a message to our criminal society. It is the message that the safety and security of society must be addressed. We need to send this message not only to those who commit the crimes that they will be punished but we also have to send this message to those who have experienced these crimes as a victim, that we take their protection seriously and that we will take all measures necessary to ensure that their rights and their safety are respected.

Over this past while I have met with many organizations, municipal and interest groups. As a matter of fact, just lately I met personally with the Canadian Professional Police Association that represents over 54,000 members in this country. I have also met with the Canadian Association of Chiefs of Police. Both of those associations fully endorse the proposed bill.

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I have with me today a written endorsement from these defenders of justice. I will take the liberty of informing my colleagues of their sentiments.

The first one is a written endorsement from the Canadian Association of Chiefs of Police. It reads:

Letter of Endorsement

The Canadian Association of Chiefs of Police is pleased to support Bill C-215, an act to amend the Criminal Code (consecutive sentence for use of firearm in commission of offence), standing in the name of...MP Prince Edward-Hastings.

The Association feels this is an appropriate, serious response to occurrences of violent crime. We support the underlying principles of this legislation.

The letter is signed by Edgar MacLeod, President of the Canadian Association of Chiefs of Police.

As well, I have an endorsement from the Canadian Professional Police Association. It reads:

CPPA Support to Bill C-215

The Canadian Professional Police Association endorses the principle of creating tougher penalties for the commission of serious offences when they are supplemented with the use of a firearm.

We believe that private members' Bill C-215 provides an effective deterrent against violent gun crimes and applaud the member for Prince Edward—Hastings for introducing it.

● (1105)

The Canadian Professional Police Association, which represents 54,000 police personnel members in every province from across the country believes, however, that, "provisions contained in Bill C-215 should apply to serious offences when they are supplemented with the use of a firearm as well as any other type of weapon".

As we can see, there are groups and organizations that want the bill to extend into a further reach. I believe the bill is worthy of debate and going to a committee for examination to see if some of these other recommendations from the third party sources could possibly have an effect.

Judicially there are also concerns of the glaring inconsistencies of sentencing and literally the virtual ritual of plea bargaining resulting in the absence of a consistent message of deterrence being sent to the criminal element. If sentences for gun crimes continue to be arbitrarily decided without consistency, then criminals will continue to behave without fear of consequence.

As a former police officer a number of years ago, I have felt firsthand what many victims have been shockingly exposed to, and that is looking down the barrel of a gun from the wrong end. While many of us know what it is like to fire a gun, how many in the House know what it is like to have a gun pointed at them, to stare down the barrel of a gun and have one's life pass by literally in a millisecond?

I can assure members that the half-inch bore of a gun looks like a cannon before the victim's eyes. I would also like to separate the fiction of the entertainment world's perception of firearms from the reality of the real pain and the real suffering.

In the nostalgic days of Wyatt Earp and the OK Corral, the portrayal of gunslingers where they would supposedly shoot at 80 paces and hit the gun out of an adversary's hand was absolutely and totally ridiculous and fictitious of course. Anyone who has any familiarity with handguns, unless they are in the hands of an expert

marksman in a controlled setting, would know that the reality is that handguns are absolutely not accurate in the hands of someone who is in an uncontrolled situation with spray patterns literally emerging from side to side.

For instance, if I had a handgun in my hand right now and at point of origin I would just simply wave it, in a non-threatening way of course toward any of my colleagues in the House, literally six-inches at origin, every one of my colleagues from one side of the House to the other would be in danger of being hit by, obviously a weapon. Handguns are totally unreliable and many innocent victims, under circumstances like this, are either killed, disabled or injured as a criminal in an uncontrolled situation is generally in a state of anxiety and has little care, regard or concern for others.

Many people quote statistics and refer to them as numbers, and of course, cold hard numbers they are. In reality, when firearms are involved in these statistics, literally every one is a human tragedy. I would like to draw the attention of my hon. colleagues to the following statistics which clearly demonstrate the scope of human pain and suffering that is not always just physical but on many occasions, scars a person psychologically for the rest of their life. On July 28, 2004 Statistics Canada released its annual report on robberies which stated:

The rate of robberies rose 5%, the first gain since 1996. This included a 10% increase in robberies committed with a firearm. Of the more than 28,000 robberies in 2003, 14% involved a firearm, 38% were committed with a weapon other than a firearm, and nearly half were committed without a weapon.

Over 2,300 robberies that took place in 2003 were committed with a firearm. Of the 161 firearm homicides in 2003, 109 were committed with handguns. Other violent crimes are increasing as well. Attempted murder and aggravated assault were both up 4% and assault with a weapon was up 1% in 2003.

● (1110)

Many people will say that is only 1%, 2%, 3% or 4%, but let me put that into perspective. Over the past 25 years, violent crime has gone up 66%. That is simply not acceptable. The status quo is not working. As these statistics clearly show, violent crime is all too prevalent in Canada.

There are serious problems, particularly in our urban cores with gangs, violence in clubs, and convenience store and gas bar robberies. I would like to draw the attention of all of my hon. colleagues in the House, but particularly those from the metro-Toronto area and those from our urban cores, to yesterday's headline in the *Toronto Star* which read, "Toronto's Deadly Weekend". I would like to take the liberty to read from that paper which stated:

Deadliest weekend: 3 dead, 5 injured...a woman fatally shot Friday evening...Two other victims were rushed to Sunnybrook hospital, where they are being treated for gunshot wounds. A woman was shot dead and her husband injured by gunfire... Investigators say a man was shot in the back after a fight broke out on the dance floor, and a woman hit in the thigh.

All of that happened on the same day in one of our major cities. The paper went on to report:

—a student standing in a covered bus shelter...was hit in the arm by gunfire about 1 p.m. Friday.

Those stories all came out of one newspaper.

*Private Members' Business*

Walking back to my apartment last night I happened to pick up Sunday's *Ottawa Citizen* and what did I find in there as well but a story about another person being shot on Friday night in the city of Ottawa. I can probably assume from these kind of activities that if I pick up a newspaper from a major metropolitan area, I will see similar kinds of activities and reporting.

We cannot simply stand by and watch our communities deteriorate further. While respecting the rights of criminals, we must stop this escalation of violent crime. We must turn the corner of this page. We fully understand and respect the fact that criminals have rights, but society has rights as well. We have the right to live without fear of injury or death. I believe that in failing to act to prevent crimes like those that happened last weekend in Toronto, we are failing in our duty as members of Parliament.

Parliament is a body of lawmakers. My hon. colleagues sitting in the House with me today have responsibilities. We have the responsibility to protect the vulnerable in our society. We have the responsibility to provide the tools for our law enforcement agencies. We must follow-through with that responsibility. We must send a clear message of deterrence, protection and prevention.

I believe that we have a duty in this place to support Bill C-215. It is a positive initiative to deal with gun crimes against society. I look forward to comments from my colleagues in the House.

• (1115)

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, I want to compliment the member for his comments on the nature of the bill. One of the challenges that we have to engage in with respect to the judicial system, and I used to be a correctional officer many years ago, is how to separate those individuals who are inveterate violent criminals with those who are first time offenders and non-violent.

If someone is an inveterate criminal who commits violent offences, it is our responsibility to ensure that those people do not get out on the street if there is any reasonable chance of them recommitting an offence.

It is very reasonable to put forth solutions that would increase the penalties for those who are violent offenders. I would suggest increasing the penalties for those who use a gun in the commission of an offence to ensure that those charges cannot be plea bargained away, that they run consecutively and not concurrently. In doing so we actually fulfill our responsibility to the public to protect them. I would suggest that this would be a better way of doing that and in fact through the gun registry in its current existence.

Having said that, the head start program for kids is probably the most important initiative we can have for prevention. It focuses on children from zero to eight. Its essence is to ensure that parents have better parenting skills. Strengthening the parent-child bond, by ensuring that parents have good parenting skills and children have their basic needs met, we will go a long way toward addressing a host of social problems including the issue of youth crime. It has been shown that the head start program actually reduces crime by 50% to 60%.

Would the hon. member and his party support a national head start program that focuses on children from zero to eight, its essence

being to ensure that kids have their basic needs met and that parents are taught the parenting skills which will affect their children and society at large?

• (1120)

**Mr. Daryl Kramp:** Mr. Speaker, the member's comments are constructive comments. I believe that the bill by itself is not just the sole answer.

I compliment the member for bringing forward other suggestions to complement and corroborate this initiative. That in itself is not just the only one. There are a number of situations where if we were to deal obviously with the root cause, then we would never have the violent circumstances. That is of course a very broad brush and a very broad scope. It is something that we should continue to look into and evolve.

We seem to have reached a point in society where the pendulum has swung too far. We must put in some form of a wake-up call to grab the attention of society and say that we have gone overboard and that it is not acceptable. We cannot tolerate that kind of abuse. Society demands better.

As a matter of fact, I have had other suggestions that want the bill to go further. We have had a number of suggestions from interested groups and organizations that wanted to include all weapons. I am saying that is fine, but that opens up other arguments and other concerns. Do we then consider a religious dagger a weapon? There are a number of other concerns that are brought into this.

Therefore, for now, let us keep the focus narrow. Let us deliver the desired results with a very clear message. If we muddle this message, it is not going to get through. For example, when we did impaired driving, we did not muddy it. We kept it very clear and very simple. In most cases that is how we have to communicate with the electorate. We have to communicate with the offenders. We have to hit them literally between the eyeballs on this and drive the message home.

Are we open for positive suggestions to reinforce, corroborate and assist? Should this necessarily be a stand alone initiative? Absolute not. I think you and I are both on the same path, my good friend.

**The Acting Speaker (Mr. Marcel Proulx):** May I remind the hon. member to make his comments through the Chair. By the same token I appreciate being regarded as his friend.

[*Translation*]

**Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, before I explain why we are unable to support Bill C-215, I want to mention that the motive for the bill is highly commendable. However, the Minister of Justice and I do not support Bill C-215, sponsored by the hon. member for Prince Edward—Hastings.

The purpose of Bill C-215 is ensure that strong measures are taken under the Criminal Code in the case of offences committed using a firearm. No one disagrees with the overall purpose of this bill.

*Private Members' Business*

[English]

However, the manner in which Bill C-215 proposes to realize that objective raises serious concerns. The most glaring concern is the proposal to add a sentence on top of a life sentence in the case of murder committed with a firearm. This is illegal under our law. The novel concept which Bill C-215 proposes to introduce to our law can perhaps best be described as supplementary sentences.

As drafted, the bill proposes to require that essentially two penalties apply for the commission of one offence if committed with a firearm, one penalty for the underlying offence itself and another minimum penalty of 5, 10 or 15 years of imprisonment, respectively, if a firearm is present, discharged or used to injure or kill a person other than an accomplice.

With respect to the offence of using a firearm in the commission of an indictable offence, the effect of the proposals in the bill would be to replace the current one year minimum penalty with 5, 10 or 15 year minimum terms of imprisonment, consecutive to the penalty for the underlying offence. If the weapon used is an imitation firearm, Bill C-215 proposes a five year minimum penalty, again, in addition to the penalty for the underlying offence.

These extraordinary, high penalties for using firearms in the commission of certain offences may appear to some to be appealing at first glance. However, it is important to look closely at Bill C-215 to examine the effect the bill will have if implemented.

• (1125)

[Translation]

It is, however, useful to consider plausible hypothetical cases or scenarios when trying to determine what effect such a proposal could have if enacted.

Bill C-215 proposes a mandatory minimum sentence of 10 years if a firearm is discharged during the commission of a crime.

A plausible hypothetical case would be that of an 18-year-old who uses a rifle to pop the tires of a series of cars parked in a lot. The motive—whether this person did so because of peer pressure or a complete lack of judgment—is irrelevant.

The sentencing judge could not take into consideration any of the special circumstances surrounding the commission of the offence or the delinquent's own situation, even if, for example, it were a first offence. The judge would have to impose the minimum 10-year sentence, proposed by Bill C-215, if property damage exceeded \$5,000.

[English]

The actual penalty would be greater than 10 years since the bill proposes that the minimum 10 years for discharging the firearm would be in addition to the sentence imposed for the underlying offence in this hypothetical case of mischief.

As parliamentarians, as the country's lawmakers, when examining proposed legislation, it is important that we ask ourselves whether such law would be reasonable and would withstand charter scrutiny. Would it be reasonable to have an 18 year old person with or without a prior criminal record go to a federal penitentiary for over 10 years

for shooting out car tires? This is what Bill C-215 would do. Few Canadians would find this to be just.

The bill would provide no flexibility to allow for appropriate sentences to be imposed, given the particular circumstances of the cases that could reasonably arise. We need to ensure that the penalty schemes in the legislation we pass leave room for any and all cases that may arise. Otherwise, the penalty provision itself will be found to be unfair and, consequently, struck down.

The other important factors need to be considered as well. The existence of minimum penalties in the Criminal Code does not provide a guarantee that they will be imposed on those who commit the offence to which the minimum penalties apply, particularly the higher ones. Depending on the circumstances, police are sometimes reluctant to charge a person with a particular offence if it carries an unusually high penalty. The example I gave earlier about the first time offender who shoots out car tires could be an example.

• (1130)

[Translation]

Also, judges and members of the jury can be reluctant to convict an individual if that conviction requires the imposition of a harsh minimum sentence despite the existence of special circumstances.

Mandatory minimum sentences promote an all or nothing approach, which does not serve our criminal justice system. It is much more advantageous, from the standpoint of public security, to ensure a conviction and the imposition of an appropriate sentence, instead of running the risk that an accused will not stand trial or be convicted of the offence he or she committed.

[English]

Mandatory minimum penalties also encourage greater plea bargaining. Accepting a guilty plea on a less serious offence, one that does not carry a minimum penalty, is a frequent occurrence in the criminal justice system to avoid the all or nothing outcome described. Whether appropriate in the circumstances or not, I doubt that provoking greater plea bargaining is the goal of Bill C-215.

We should also be mindful that mandatory minimum penalties remove the incentive for offenders to plead guilty. This increases the number of matters that end up going to trial, which in turn increase the case backlogs and cause further delays. Introducing additional and increased minimum penalties would also have cost implications, not only for the court system but also for correctional services. Last, mandatory minimum penalties hamper a judge's ability to make the punishment fit the crime, whether on the high end or on the low end.

Before I conclude my remarks, I would like to suggest that we also ask ourselves why we would want to seriously consider the proposals in Bill C-215. The firearms legislation passed by Parliament in 1995 introduced significantly high minimum penalties for 10 serious offences committed with a firearm. Those minimum four year terms of imprisonment are being applied and upheld throughout Canada. For other indictable offences committed with a firearm, there is ample room for judges to impose as stiff a sentence as is warranted in the circumstances.

Therefore, I would urge all members to resist the temptation to support what may appear an attractive tough response to gun crimes and to consider the serious implications of passing a set of amendments that could lead to inflexibility in our laws or negative, unintended consequences. The existing penalty scheme for gun crimes provides an appropriate range of penalties to ensure that judges have the discretion to impose a sentence that fits the crime.

[*Translation*]

**Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ):** Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-215 to amend the Criminal Code in order to impose consecutive sentences for the use of a firearm in committing an offence. This bill was introduced by the member for Prince Edward—Hastings.

As you know, the bill was introduced by my colleague from the Conservative Party of Canada and was put on the priority list on November 15, 2004. The purpose of our colleague's bill is to require that a sentence for the commission of certain offences be supplemented if a firearm is used. The additional sentence is to be served consecutively and is to be a further minimum punishment of five years imprisonment if the firearm is not discharged, ten years if it is discharged, and fifteen years if it is discharged and as a result a person, other than an accomplice, is caused bodily harm.

I can understand our Conservative colleague's intent. He has told me that he was a military police officer for many years. It is understandable that he would want more severe punishments for certain types of criminals who too often victimize people in Quebec and in Canada.

We feel, however, that minimum sentencing must be used sparingly, because it ties the judge's hands. If memory serves, it is used at the present time for 29 Criminal Code offences. Some feel that minimum sentences have harmful effects on the work of judges, because they are the people best placed to determine the appropriate sentence.

I would, however, like to add a cautionary note. We do not share the aversion to the very idea of minimum sentencing some, too often on the government side, suffer from. The Bloc Québécois has introduced Bill C-303 setting minimum sentences for sex crimes involving minors.

We feel that children are the most fragile members of our society and those who are dearest to us, and when minors are preyed on by a sexual predator there must, in our opinion, be a minimum sentence in order to ensure that children are protected and that the perpetrator receives a mandatory prison sentence.

As the parliamentary secretary is well aware, the debate on the protection of vulnerable persons legislation will afford us an opportunity to bring in the essence of my bill, C-303, and integrate it with that bill.

Thus, we are not opposed in principle to the establishment of minimum sentences. Nevertheless, they must be used sparingly. We believe that, in the case of the clause in Bill C-215, the sentences the hon. member proposes are disproportionate, all the more so because they are added to the sentence already stipulated for the crime. In

*Private Members' Business*

establishing minimal sentences, the use of a firearm has already been considered and increases the length of a prison sentence.

The sentences proposed in Bill C-215 are even more problematic when there are accomplices. As the House knows, the Criminal Code states that an accomplice may be given the same sentence as the perpetrator of the crime. Let us imagine, in the example already given by my hon. colleague, an 18-year-old, easily influenced, whose friends get him involved in a robbery. This young man, being reticent, agrees to stand lookout at the door of the store. His friends have not told him they intend to use a gun in their crime. During the crime, a shot is fired and a clerk is slightly injured. In such a situation, the young man would automatically be sentenced to 15 years in prison, in addition to the minimum sentence for robbery, which is four years.

•(1135)

A judge will be forced to sentence this young man to a minimum of 19 years of prison for what is certainly a reprehensible act, but one that is certainly not serious enough to deserve such a sentence.

Sentences that are too harsh can also have a negative effect. Rather than handing down a sentence that is too severe, judges might simply try to acquit the accused, in order to avoid imposing a sentence they think too harsh.

In short, this means the Bloc Québécois will vote against Bill C-215. We admire the desire of the hon. member for Prince Edward—Hastings to fight crime more effectively. We believe that the proposed sentences are disproportionate and that minimum sentences must be used specifically and selectively. We also believe they must be used in certain cases, including, as I mentioned, sex offences against children, a subject we will be examining again, either in committee or in this House, when Bill C-303 comes before us.

[*English*]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am pleased to have the opportunity to enter the debate on Bill C-215 put forward by my colleague from the Conservative Party, an act to amend the Criminal Code, consecutive sentence for use of firearm in commission of offence.

I notice the title has the exact same wording as the bill that was put forward by the former member of Saskatoon—Humboldt, Mr. Jim Pankiw, when he was a member of Parliament in the House of Commons. The issue does have merit and it is worthy of our contemplation in the House of Commons today.

Let me begin by saying how frequently issues of this nature come to my desk. As a member of Parliament I represent the inner city riding of Winnipeg Centre, an urban riding and the third poorest riding in Canada. As a result, many of the predictable consequences of chronic, long term poverty, such as crime and safety issues, are very much top of mind for the people I represent in my riding.

*Private Members' Business*

I did a survey in my riding about a year ago on the number one issues on which people in my riding wish me to represent them in the House of Commons. Crime and safety outstripped every other issue by a factor of three to one. The second issue is health care. I am pulling numbers out of my head, but I believe 68% of the people listed crime and safety as the number one top of mind issue that they talk about with their partners and their families around their kitchen table. Health care featured prominently but it was down around 25%. I remember that tax cuts, anecdotally, were around 6% of those people I polled. Again, this is not a scientific survey. This is simply asking the people in my riding what issues they go to bed worrying about at night.

However I can safely say without any fear of contradiction that the number one top of mind issue for the people I represent in my riding is their own personal safety, the crimes that are going on around them and the crime and punishment issues of our justice system.

Having said that, gunplay and gunfire is an omnipresent issue in my riding now. Some people in my riding will not sleep next to an exterior wall in their houses for fear a stray bullet will hit them or their children. They sleep in a den or a living room so they are not exposed to an exterior wall, because there is gunfire every night. Someone is not hurt every night but almost every night, I will say young kids because they often are and are often associated with street gangs, guns are being fired in the back lanes and in the parks in certain areas of my riding. Therefore it has become a top of mind issue.

I point out that last week a third young gunshot victim in one week was reported in the *Winnipeg Free Press*. A 19 year old was shot in the throat but did not die. The reason this is noteworthy is not just the fact that a youth was shot in the inner city of Winnipeg, but that it is the third time in one week.

Just a few days earlier a police officer shot and killed an 18 year old, an issue that is tearing apart the inner city along racial lines unfortunately. I will not comment on that here because it is too sensitive an issue to even raise in more detail than to simply flag it as an issue.

A few days after that, on Friday of last week, a 15 year old boy was fatally shot in a Sherbrooke Street apartment. It looks like the person who shot him was a 13 year old boy who has been charged with manslaughter. This was all in one week in my inner city riding of Winnipeg Centre. There is clearly an epidemic of weapons on the streets of Winnipeg and I do not think my inner city community in Winnipeg is any different than some of the other larger cities across the country.

• (1140)

The NDP government in Manitoba, under the youth crime prevention strategy, has made crime and safety issues its priority since 1999. I know it is not enough because I see the evidence on the street that it is not enough. I see kids dying because of firearms so we know not enough is being done at the federal or the provincial level. However those of us who are concerned with the issue can identify a number of social factors that are more complex and more in depth than simply the punishment associated with wrongdoing associated with firearms.

As instinctively tempting as it is to say that we must throw the book at these guys and lock them up, the empirical evidence shows that in those jurisdictions where there are tougher penalties for this type of offence there has been no corresponding reduction in the number of offences.

In the United States, where the whole social fabric is being threatened by the easy access to firearms, there are far more strict penalties associated with the abuse and misuse of firearms than there are in Canada but that in no way has deterred the number of firearm related offences or crimes, usually material crimes, where the use of a firearm is an aspect of the crime.

I am sympathetic with my colleague from the Conservative Party who has used his one opportunity to have a private member's bill debated, a bill that is compelling and pressing issue. I appreciate the fact that he is tough on crime. I can state quite publicly that I am no bleeding heart when it comes to crime and punishment issues either. In fact, I consider myself tough on crime as well but, as has been pointed out by other colleagues in the House of Commons today, as tough as we are on crime, we have to be equally tough on the root causes of crime. I know the neo-conservative movement has targeted that as a catchphrase. It thinks that anyone who talks about the root causes of crime is pandering to criminals. I beg to differ.

In the investigation of all three of those recent firearm related crimes in my riding in the last week, I guarantee members there will be compelling social forces at play, be it broken homes, be it poverty, be it children without supervision, be it children without opportunity, be it social pressures such as the music they listen to and the movies they watch that glorify the use and abuse of firearms and handguns that desensitize children to that level of violence to where they begin by being fascinated with guns at 13 and 14 years old and getting their hands on guns. They begin to play with those guns in terms of pointing them at each other. It is a short stretch from there to where someone pulls the trigger and, as is the case in my riding, we have gunplay every night and three times in one week a youth is being shot.

This issue does not divide itself neatly on racial lines but it certainly divides itself on socio-economic lines. The empirical evidence is that these incidents occur more frequently in low income neighbourhoods like mine in the inner city of Winnipeg. I try to keep it in perspective. I remind my constituents that this is frequently kids who are involved with street gangs shooting other kids who are involved with street gangs and that the average citizen is not in any particular danger. However that does not change the fact that people are so concerned about this that they are not sleeping in the bedrooms of their house that have exterior walls. Clearly, there is something fundamentally wrong with that.

Speaking specifically to the hon. member's bill, I too, as my colleague from the Liberal Party pointed out, believe that having supplementary sentences or a mandatory sentence tacked on to the sentence when the crime is committed with the use of a firearm is probably unconstitutional, illegal and not possible.



*Private Members' Business*

●(1145)

As much as I know my colleague is looking for ways to vent the frustration that we all feel by increasing the penalties, I do not think we can add a supplementary sentence onto the penalty that is being given for the actual crime committed.

●(1150)

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** Mr. Speaker, it is an honour for me to rise to speak to my colleague's bill, an act to amend the Criminal Code to put into place consecutive sentences for use of a firearm in the commission of an offence.

I would point out that the job of government, the prime objective of government, is to protect the lives and the property of citizens. I sometimes wonder if we in the House forget that. Sensible proposals to reach that objective seem to garner nothing but scorn and objection from some corners of the House. It makes me wonder if we have forgot exactly what the purpose of our job and mission is.

I would like to point out that my colleague has proposed that for certain serious crimes, an additional sentence be added to the sentence for the crime if the crime is committed with a firearm. It has been very interesting to listen to the debate, particularly the government intervention.

I can almost guarantee that the member who spoke did not even read my colleague's bill. He could not have read it. He went on and on about why should there be an additional sentence for an 18 year old who shoots out tires. The bill is not about that. The bill is about the use of a firearm in certain serious offences, and the are listed. They include murder, manslaughter, attempted murder, assault causing bodily harm with intent, sexual assault with a weapon, aggravated sexual assault, kidnapping, hostage-taking, robbery and extortion. Is there anything in there about tires? No. I ask the member to do a better service to Canadians and not speak on a bill that clearly he has not read. That is absolutely irresponsible and should not be allowed.

The Liberal member says that it is illegal to add a sentence to a sentence. Then why in the Criminal Code is there an offence, under section 85(1), of using a firearm in the commission of an offence? Is that not an additional charge? Would an additional penalty be attached to a conviction for that offence? I wonder whether there is any common sense over there or whether there is an opposition to oppose. It seems to me that the government in this intervention tried to do that.

A number of my colleagues in the House have mentioned that the additional offences of five years for using a firearm, 10 years if the firearm is discharged, and 15 years if the shot actually hits an innocent person, is too high. What would be more appropriate? Let us talk about that. Let us not talk about ridiculous things like shooting out tires. If we are really serious about making a difference and about addressing the problem that the NDP member has mentioned is so huge in areas of his riding where people cannot sleep peacefully at night, then let us address what would work. Rather than have some sensible response to my colleague's proposal, there is some weird interpretation of it by the government. I do not understand that.

I cannot let this pass because it was so bizarre. The government member said, what if the 18 year old who shot out tires, which by the way would not be covered by this bill, was influenced by peers or guilty of lack of judgment? Do members get that? What if a criminal, an adult criminal, is influenced by peers or has a lack of judgment?

●(1155)

What is criminal activity but a lack of judgment? I would like to know. I just cannot believe sometimes the kind of intervention that comes from the Liberal government when it ties itself in knots to try to skate away from the responsibility of government to do something concrete to protect the lives and property of citizens. The nonsense we hear is just ridiculous. If the government's prime objective is to protect the lives and property of citizens, then should we not do something concrete?

I commend my colleague for bringing the issue forward and making a proposal. What has the government done? The government has spent, by some reports, close to \$2 billion on a gun registry that is supposed to protect women and citizens in the country. That was the government's argument. I heard it on the floor of the House when it said that the bill would protect women and that it would have everyone register their guns.

Again we have the Liberals talking nonsense. They are saying that criminals will obey the law and register their guns. Suddenly, because the Liberals pass a law, criminals will become law-abiding, and they will be caught. How ridiculous, how pathetic and how sad for people, who need that protection, to have this kind of illogic guiding and governing of our country. We know the registry has done nothing to stop criminals from using guns. They do not register their guns. They keep using them. The statistics prove that this waste of money has done nothing to protect the lives and property of citizens to a greater extent. Yet when my colleague, with the support of the police association and the police chiefs across the country, brings forward a proposal that would do just what government is supposed to do, he gets nothing but scorn from the Liberals.

I cannot understand how those people can take their pay and pretend to do their job for Canadians when they have this kind of nonsensical response to a serious effort to address what my NDP colleague acknowledged was the top of mind issue for many people in the country, their own personal safety.

We know there are many causes of crime. We are not talking about causes of crime in the bill. There are other initiatives, other bills, other legislation and other programs, and there should be, to deal with the causes of crime. However, we are talking about deterrence of crime. In spite of all that we can do, all the programs and efforts we make to address the root causes of crime, as we should, some people escape that help and become criminals. They put the lives and property of innocent people in peril. To deal with that, there has to be some deterrence. Surely even the Liberals would acknowledge that. That is why we have sentencing. That is why we have incarceration. That is why we have restitution. That is why we have the justice system, and part of the justice system is deterrence.

*Government Orders*

My colleague is simply saying that the deterrence is not enough. It is not effective. It is not protecting people. It is not only not protecting people who get injured, it is not protecting people who should be able to sleep peacefully in their own beds, in their own homes and in their own communities. That is how bad it is. Yet when my colleague tries to bring forward some sensible response for debate, instead of debating what he has brought forward, we have all these bizarre, nonsensical interventions, especially by the Liberals, which do not even address the issue that my colleague brought forward.

• (1200)

I was especially amused when the Liberal speaker said that the bill might encourage greater plea bargaining. I wonder if the member has ever worked in the justice system where plea bargaining is a fact of life. No bill will stop it or make it worse. That is what lawyers do.

I have to wonder if the Liberals ever focus on the real issue of greater safety for women and in fact for all citizens in Canada. I have been here with them over a decade and they have done nothing. They have watched the problem get worse but they have done nothing but completely and utterly dismiss and reject any thoughtful proposal to address the issue.

We better get back on track and acknowledge the problem. We need to cut down on the use of firearms. We need to acknowledge that the firearms registry brought in by the Liberals is woefully inadequate and useless for that task. If we have sensible suggestions, such as the one put forward by my hon. colleague from Prince Edward—Hastings, then let us debate them thoughtfully. I appeal to all members to do this. If suggestions need to be amended in a way to make them work better, then great. I am happy to talk about that, and I know my colleague would be happy to talk about that.

Let us not try to confuse the issue or move the debate away from the point of my colleague's bill. Let us remember that the citizens of Canada deserve members of the House to thoughtfully, clearly and determinedly address their need for greater safety and security.

**The Acting Speaker (Mr. Marcel Proulx):** The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

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## GOVERNMENT ORDERS

[*Translation*]

### FISCAL ARRANGEMENTS ACT

The House proceeded to the consideration of Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other Acts (fiscal equalization payments to the provinces and funding to the territories), as reported with amendments from the committee.

**Hon. Pierre Pettigrew (for the Minister of Finance)** moved that the bill be concurred in at report stage.

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

**Some hon. members:** Agreed.

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

**The Acting Speaker (Mr. Marcel Proulx):** Motion carried on division.

(Motion agreed to)

[*English*]

**Hon. Pierre Pettigrew (for the Minister of Finance)** moved that the bill be read the third time and passed.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I thank the House for the opportunity to speak to Bill C-24, the Federal-Provincial Fiscal Arrangements Act.

Hon. members will no doubt recall that the Government of Canada's new approach to equalization and the territorial financing formula was first presented to premiers and territorial leaders in September 2004 at the first ministers meeting.

In October the Prime Minister announced the details of the new framework which, subject to approval by Parliament, will increase the support provided to the provinces and territories under the equalization program and the TFF by \$33 billion over 10 years. The increased funding will assist Canada's less prosperous provinces and three territories in meeting their commitments under the 10 year plan to strengthen health care as well as other priorities.

As the Prime Minister said at the announcement of the equalization and territorial financing formula framework, this framework reflects the most significant improvement in the program's history. By providing predictability, stability and increased funding, the framework will play an essential role in ensuring that all Canadians no matter where they live will have access to comparable public services.

I will outline the details of the framework shortly, but first it is important to provide some history of the programs and how they work.

The equalization program has been one of the pillars of the Canadian Confederation for more than four decades. It has been with us since 1957, almost 50 years. The territorial financing formula program has been in effect since 1985. That is coming up to 20 years. Both of these programs have been successful in providing support to the so-called have not regions of Canada by allowing them to provide services despite the existence of fiscal disparities with other regions.

I am sure hon. members will agree that the concept that Canadians should have access to quality health and social services regardless of where they live is fundamental to the fairness and integrity of the Canadian federation. Indeed, equalization has played an important role in defining the Canadian federation, so much so that it is unique among federal transfers in that its purpose was entrenched in the Canadian Constitution in 1982.

Section 36(2) of the 1982 Constitution Act states:

Parliament and the Government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

*Government Orders*

In other words the intent of the equalization program and the territorial formula financing is to ensure that all Canadians no matter where they live in this great country have access to reasonably comparable public services, without the provinces or territories having to resort to economically punishing levels of taxation to fund the provisions of these services.

I will now explain how these programs operate. Equalization and TFF are the most important federal programs for reducing the differences in the abilities of the provincial and territorial governments to raise revenues. Equalization payments are calculated according to a formula set out in the federal legislation and adjust automatically in response to economic developments in the provinces.

For example, when a province's economy is booming relative to other provinces, its equalization payments automatically decline under the formula, reflecting the increased prosperity of that province. Some think that this only works one way. Conversely, when a qualifying province's fiscal capacity declines relative to the standard due to a slowdown in its economy, its equalization transfer automatically increases.

• (1205)

In this way the equalization program acts as an automatic stabilizer of provincial government revenues. Equalization payments are subject to a floor provision. This provision offers protection to provincial governments against unexpected large and sudden decreases in equalization payments.

Similar to equalization TFF provides payments to territorial governments to assist them in providing services. TFF is based on a gap filling principle that takes into account the difference between the expenditure needs and revenue means of the territorial governments. Federal and provincial officials review these programs on an ongoing basis to make sure that the differences are measured as accurately as possible. In addition the programs are renewed every five years.

I would like to return now to the changes in the equalization and TFF frameworks, the details of which are contained in the bill presently before the House. The framework includes five elements: a new minimum funding floor of \$10 billion for equalization and \$1.9 billion for TFF for the fiscal year 2004-05; complete protection for provinces and territories against overall and individual declines in payments for 2004-05; a level of \$10.9 billion for equalization and \$2 billion for TFF in 2005-06; a growth rate thereafter of 3.5%; and finally, an independent panel to advise in the allocation among provinces and territories.

What do these changes mean in dollar terms? Equalization payments will increase from \$8.9 billion in 2004-05 to \$12.5 billion in 2009-10. This over a five year period is a 41% increase, a substantial increase by any standard and well beyond the anticipated growth in the economy.

Starting in 2005 the Government of Canada will establish a legislative financial framework for equalization and TFF with fixed overall payment levels that provide predictable and growing funding. In 2005-06 the funding levels will be set at \$10.9 billion for equalization and \$2 billion for TFF, the highest levels ever achieved

by these programs. Starting in 2006-07 both amounts will grow at 3.5%. As I already mentioned, the bottom line is an additional \$33 billion over 10 years in federal support for Canada's provinces and territories.

The government recognizes that just pumping money into the system is not enough. We need to look at how the current legislation on equalization and TFF allocates money to the provinces and territories. That is why as an integral part of the proposed changes in the funding framework, an independent panel of experts on how legislated equalization and TFF levels should be allocated among the provinces and territories in 2006-07 and thereafter will be established.

Provinces and territories have been invited to appoint two members to the panel. Among other things, the review will evaluate current practices for measuring fiscal disparities among provinces and territories. It will examine alternative approaches, such as those based on aggregate macroeconomic indicators—for example, the gross domestic product, disposable income, et cetera—or expenditure needs.

It will review the evolution of fiscal disparities among provinces and the costs of providing services in the territories to help governments and citizens evaluate the overall level of support for equalization and TFF. Finally it will advise whether the Government of Canada should establish a permanent independent body to advise it on the allocation of equalization and TFF within the framework of legislated levels.

I would like to make it clear that the Government of Canada will retain full accountability and responsibility for all decisions. It will continue to consult extensively with the provinces and territories as before.

• (1210)

The mandate of the panel is that of an advisory one. The government will make decisions based upon advice received from the panel, provincial and territorial governments, and indeed all Canadians.

The expert panel will report back by the end of 2005 in time to provide advice on how equalization and TFF should be apportioned among the provinces and territories in the fiscal year 2006-07. The government is committed to having any changes in allocation for 2006-07 and future years in place by April 1, 2006, about 14 months from now.

The proposed framework contained in Bill C-24 also provides additional floor protection to every province and territory in order to provide greater stability to provinces and territories in 2004-05. That means the Government of Canada will ensure that equalization payments total a minimum of \$10 billion over 2004-05, and the TFF payments total a minimum of \$1.9 billion for 2004-05.

In addition, each province and territory will be guaranteed its equalization or TFF claims for 2001-02 to 2004-05 will not be lower than what was estimated in February 2004 and included in the budget 2004 for those years.

*Government Orders*

It is important to mention that equalization and TFF payments are not the only sources of federal assistance for provinces and territories.

At the same first ministers meeting last September, the Prime Minister and all the premiers and territorial leaders signed an accord agreeing to work together to develop a 10 year plan to strengthen and enhance our treasured system of publicly funded health care. The government has committed to provide \$41.3 billion in new health care funding to provinces and territories.

Critical to this effort to provide access to quality health care will be the need to improve access to doctors, nurses and other health providers and to reduce waiting times for key treatments and tests.

As so many of the provinces and territories have demonstrated through innovative efforts in select areas, shorter waiting times and better wait times management lead to better care for patients, more efficient health care and greater public confidence in publicly funded health care.

We have created with our territorial and provincial counterparts a shared agenda for the renewal of health care in Canada. The agenda is built on three key elements: one, an agreed upon 10 year plan to ensure that Canadians have access to the care that they need when they need it; two, new federal funding of \$41.3 billion in support of the 10 year plan, ensuring that provinces and territories have predictable steady increases in cash transfers for health; and three, support for increased use of evidence based benchmarks and comparable meaningful information on system performance and health outcomes to guide decisions and to allow Canadians to monitor progress.

I trust hon. members can appreciate that putting in place a 10 year plan for health care will require cooperation and collaboration by governments, health experts, stakeholders and Canadians themselves.

Just look at the benefits to Canadians of the health plan when combined with the new \$33 billion equalization and TFF framework. That \$33 billion put together with more than \$41 billion of health enrichments that I just outlined will result in a cumulative increase of \$75 billion over 10 years compared to the annual levels estimated at the time of the February 2004 budget. That is a \$75 billion increase beyond the base levels in the 2004 budget.

This illustrates the government's willingness to work with the provinces and territories to find new ways to improve the quality of life for Canadians.

To sum up, Bill C-24 underscores the priority that the Government of Canada places on the equalization program and territorial financing formula. Both of these programs help to ensure that receiving provinces and territories continue to have the resources to provide the services their people need and want.

I would like to conclude with a quote from the Prime Minister at the October announcement of the new funding framework:

This new partnership will be essential to our success as we move forward together on the other key policy issues outlined in the Speech from the Throne, such as child care, cities and communities, and the environment.

I urge hon. members to support this legislation without delay.

●(1215)

**Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC):** Mr. Speaker, I listened to my colleague explain the legislation; however, I have also listened carefully over the last few days to his good friend and provincial colleague, Premier McGuinty, who is not happy at all with the present equalization arrangements.

●(1220)

This is a fairly lengthy commitment. It is good to see some stabilization in equalization. There is no doubt about that. However, I hear Premier McGuinty express major concerns that great changes have to take place. I wonder if the member could tell us how he sees the pressure now from Ontario, and perhaps some other provinces, to change the whole funding arrangement where it seems for the first time in a long time that we have some fairly lengthy stabilization where the provinces can more or less bank on what is coming down the line. Can he see all of this being disrupted because of provincial concerns?

**Hon. John McKay:** Mr. Speaker, I thank the hon. member for putting the cat in among the pigeons.

Premier McGuinty was present at the negotiations of the health care accord and the equalization arrangements last September. I believe that at the time he was actually the chair of the premiers and was quite instrumental, in our view, in helping secure the deal that was negotiated over those several days in September.

As I said in my speech, that stabilized the funding going forward for both health care and equalization because we heard a predictable refrain from all the premiers. They were having difficulties doing their budgeting, particularly in the equalization formula which went up and down according to the relative prosperity of the provinces and may leave an individual province short from time to time according to how the formula worked or did not work in that province's favour.

At that time Premier McGuinty expressed his views and was greatly concerned that there be stabilization. I recollect, in the joint communiqué issued by the premiers and in fact all three communiqués issued by the premiers, that this formula was acceptable to all of the provinces, including the province of Ontario.

I do not know whether the premier has had a change of heart since September where he heartily endorsed the program. The other comment that I may offer is that the premier is right in one respect. Ontario and Alberta, and now Saskatchewan, are the contributing provinces and one cannot continue to expect that moneys will continue to flow from those contributing provinces to the point where their own fiscal arrangements are impaired. I think that the premier in that respect expresses a concern that is shared by many.

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Mr. Speaker, it is correct to say that Premier McGuinty was at the negotiations in September and agreed to the terms of this agreement that is laid out in the framework of Bill C-24, but something has happened in the meantime and that is of course the deal signed today on offshore profit sharing with Newfoundland and Labrador.

I know that the panel of experts is going to look at the issues of non-renewal natural resource revenues, as it should have years ago. Would the member comment on how that has changed, having a one-off deal for Newfoundland and Labrador, which we are very happy about on this side of the House?

• (1225)

**Hon. John McKay:** Mr. Speaker, let me put this into context. I referenced a meeting in September between the premiers and the Prime Minister. At that time the health care deal was struck, which was \$41 billion. The equalization deal was struck, which was \$33 billion.

The Prime Minister said to the premiers at the time, "I intend to fulfill my electoral obligation to Newfoundland and Labrador and Nova Scotia". He went around the room and said to the premiers that this is what he intended to do. To my knowledge, not one premier raised any objection to the expression of that intention by the Prime Minister, so that was done. The \$2 billion and the \$800 million to Nova Scotia was done after the \$75 billion that was allocated in the equalization and health care formula.

If I may also address the hon. member's question by taking a quote from the premier at the time, which was in October 26, 2004:

We have come to a reasonable accommodation. We think that we have struck the balance between making a fair contribution to the strength of the federation—

Historically, Ontario has taken that very seriously. He went on to say:

—without compromising our ability to invest in the kind of programs that enable us to act as Canada's economic engine.

I do not know whether the premier has changed his mind since that time. I know members opposite were extremely happy that this deal was entered into. They lobbied the Minister of Finance. They had emergency debates. They asked questions in the House. When the deal was finally done, there was a period of muted silence and then we had an outbreak of me-tooism. We are presently in that stage of me-tooism.

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Madam Speaker, it is a pleasure to address Bill C-24, a bill that authorizes greater and more stable equalization payments for Canadian provinces and sets into motion a review of the current equalization formula by a panel of experts.

Equalization is an important national program that helps to sustain provincial funding and services, and it needs to be there for the provinces and territories. As the official opposition intergovernmental affairs critic, I want to signal our support for equalization and for the escalator clause that is found within the bill.

We support the provinces in their push for greater stability and predictably within the system. The changes that will result over the next few years and the escalator clause will provide that predictability as will the floors put in equalization and the territorial formula financing. However, the Conservative Party has argued along with several provinces that Canada needs to develop an equalization system that is more sensitive to the local economies of particular provinces. That idea will take up the bulk of my comments this afternoon.

### *Government Orders*

Even with the passage of this bill, the government does not seem to understand the fact that the equalization system and territorial financing do not sit in a vacuum. Instead, it is part of the financial arrangements that shape intergovernmental relations within Canada. These programs need to be considered within the wider scope of provincial economies and the ability of provinces and territories to both provide services and create a favourable business climate.

Finally, and this will come as no surprise to the government, I will comment on the subject of non-renewable natural resource revenues and why we believe that these revenues need to be taken out of the equalization formula.

The Prime Minister and finance minister have, in my mind, waited too long to deal with this issue. It has come back to haunt them first, in Newfoundland and Labrador and Nova Scotia, currently in Saskatchewan, and increasingly in Canada's northern territories. As well the government needs to take note of the current position taken by the government of Ontario with regard to equalization.

Primarily, I want to talk about the legislation but direct my comments more toward the expert panel that will eventually be struck. Sound ideas regarding equalization have been proposed to the deaf ears of the government, especially in the area of natural resource development. It is time the government took these ideas seriously.

My hope is that the panel will find a way to incorporate these ideas so that equalization and territorial formula financing begins to work in concert with the economic and social aims of provinces and territories instead of continually hindering their objectives. We said at second reading that we had no major objections with the bill. We believe that it did not go far enough in making real changes to equalization, but the fact that an expert panel will be established does show two things. First, it shows that the government's acknowledgement of the equalization formula is flawed. This is something that the provinces have said and this is something that our party has argued for quite a long time. Second, it shows that the government is completely out of ideas as to how to change the equalization system.

After the past 11 years it is refreshing to have a government that admits that it does not know what it is doing and that it might need some assistance.

Speaking of assistance, I am glad to see that the provinces will be able to nominate two members to the equalization panel and that the territories will be able to nominate a person to the territorial financing formula panel. As the government knows, there is difficulty in forging a consensus among provinces regarding the formula. The government also knows that different provinces and territories would likely bring new approaches to the equalization formula and it would be better to have these ideas on the table during the process rather than added after the fact.

*Government Orders*

This is important because Canadian provinces rely on the formula and territories rely on the territorial formula financing whose local economies are most affected by the formula. In fact, we already see provinces coming to the table with their ideas as newspaper reports this weekend have pointed out. Furthermore, whatever changes are recommended by the expert panel, it is fairly clear that provincial officials are going to have a greater sense of how these changes will affect the services that are provided by the provinces or how those changes will affect the business climate in each province.

I also hope that the expert panel will take an expansive view, a look at other measures and other equalization systems being used in federations around the world. As I will discuss later on, the member for Prince Albert has found some interesting statistics that show some of the flaws in the current formula. If there is a better way of measuring not only the capacity but also the fiscal means of each province, I would hope that the panel will have an opportunity to discuss these.

I would like to stress that it is imperative that no province is left worse off by any changes to the equalization formula. If there is one problem that I have with the panel of experts, it is not with the panel itself as much as it is with the government across the way. The government has retained the ultimate decision making authority so it is fair to ask, what assurances do we that the recommendations of the panel will actually be heeded?

• (1230)

It is important from our standpoint and in the view of the provinces that the government puts the recommendations of the panel ahead of political expediency. There are no guarantees in Bill C-24 that this will be the case. Instead we may be left with politics as usual, and given the importance of the equalization system in Canada, we cannot allow this to happen. It is in that spirit that I ask the government to pay special attention to the recommendations made by the provincial representatives on the panel.

I also think it is important in debating this bill that the House not lose sight of the continuing fiscal imbalance in our federation. The purpose of equalization is to ensure comparable services across the country. In Bill C-24, by ensuring stable and predictable funding, the government has at the very least signalled that it realizes that a system which encourages strong, self-sustaining provinces is the best way to ensure high quality and comparable services.

However it is important to remember that until the government recognizes the fiscal imbalance between the provinces and the federal government, it will always use equalization to hold provinces hostage and penalize them for developing strong economies.

Instead of giving more power to provincial governments, ceding more tax room to provincial governments and encouraging every province to continue to build high quality services, the federal government attempts to move into provincial jurisdiction and duplicate federal programs. We saw this last September with health care. We saw the minister's failed attempt at a child care deal this past weekend. It has been an ongoing problem on the Kyoto file. And I am sure we will see something like this in his cities file as well. Of course, the finance subcommittee on the fiscal imbalance will examine the fiscal imbalance and its related issues. However it is

important that we keep this in mind over the next year as the panel of experts does its work.

The main point though that I would like to make in my address today is the one concerning natural resources. It is quite an important point and one that has caused great activity among the provinces over the past week. In my comments on this bill at second reading, I mentioned our disappointment with the fact that the contentious question related to natural resources was not solved in this bill, and instead was pushed off to a panel of experts. I also noted that this question would have to be resolved, especially given the Prime Minister's inept handling of the Newfoundland and Nova Scotia question. In fact, I said that any deal with Newfoundland or Nova Scotia would lead to calls from other jurisdictions for a similar arrangement, and today, while the Prime Minister signs deals with Newfoundland and Nova Scotia, this prediction has come true.

I would like to spend some time on this subject because it really speaks to the inconsistency of the Prime Minister's position, as well as his neglects of the very issue at the heart of Premier Williams' anger with him, and that is the right of any province to have full ownership over its natural resources. Provinces should be able to develop and enjoy the profits of these resources without the threat of federal penalty, and they should not have to negotiate this right from any federal government, and any province means any province.

No sooner than a week after the offshore deals with Newfoundland and Nova Scotia were finally struck, the Saskatchewan minister of finance asked for a similar arrangement for Saskatchewan's natural resources, which include oil, gas, potash, uranium, diamonds and others. Premier Calvert has asked only that should Saskatchewan again fall below the equalization standard, that the government stop clawing back the province's non-renewable natural resource revenue. This seems reasonable, especially given the arrangement that has been made with Newfoundland and Nova Scotia. Saskatchewan is quite a special case because it is now considered, via the equalization formula, to be a contributing province despite the fact that by any measures it faces significantly more difficult challenges than some of those provinces that are still beneficiaries under equalization.

As the member for Prince Albert has so astutely pointed out, Saskatchewan faces several challenges, including out-migration, a declining tax base, lower than average per capita income, longer than average wait time for MRIs and other concerns, yet because of natural resource development it turns out that Saskatchewan is considered a have province, but this does not seem to add up.

Yet when the member for Prince Albert asked the Minister of Finance why we still have an equalization formula that obviously needs to be fixed or why Saskatchewan is being penalized for developing its natural resource sector, the Minister of Finance responded that the current system is already more than fair to Saskatchewan. Again, this does not add up.

*Government Orders*

British Columbia has also signalled that it too would like to ensure that it receives fair treatment for its natural resources. British Columbia may one day develop the natural resources that lie offshore in the Pacific Ocean. Both the federal and provincial government know that there is a great deal of wealth off the coast of British Columbia and the province would like to have the opportunity to develop those resources without a federal clawback.

New Brunswick has also said that it would like to see a special arrangement made with respect to its natural resources. New Brunswick has a mining industry and would like to keep 100% of the revenue from those resources.

• (1235)

Ontario, on the other hand, is upset by the Prime Minister's signing ceremony today. Ontario sees the side deals for Newfoundland and Nova Scotia as unfair and is wondering about other side deals that might be signed by the government.

In response to Ontario's concern, the Prime Minister has said that Canadian is a wide and diverse country and that deals need to be struck to ensure all regions have the opportunity to succeed. We could not agree more. My question, however, is: Are these deals going to be struck under a consistent argument based on logic or are they one-off arrangements made out of political expediency?

For the Prime Minister, expedience carries the day. The problem, of course, is that the Prime Minister found himself down in the polls and he needed to find a way to boost his support in the east. Therefore he thought he would make the same promise that the Leader of the Opposition made.

However, whereas the promise made by our leader was one that he had consistently made and one that he had thought about within the entire range of equalization policy, the promise made by the Prime Minister was hasty and stood in direct contrast to his record on the subject.

The Prime Minister has spent the last 12 years coming up with every excuse possible to not allow Newfoundland and Nova Scotia to keep 100% of the profits from its offshore oil and gas industry. The Prime Minister has also done everything in his power to ensure that natural resource revenues remain within the equalization formulation. While we disagreed with his position, we could at least say that he was consistent.

That being said, when he made the promise to Newfoundland and Nova Scotia, he broke his consistency. He should not be surprised that provinces and territories now want him to be fully consistent on that point; that is, they would like him to fully embrace the policy of the Conservative Party of Canada. We cannot have one without the other. The Prime Minister cannot give a side deal to two provinces and not expect other provinces to want to benefit on equal terms. It is, after all, called equalization.

Our party does not have the difficulty that the Prime Minister does. We have always believed in giving Newfoundland and Nova Scotia the benefit of a deal that ensures that they have 100% of their resources, with no federal clawback. We think a deal like that would be good for the local economies of those two provinces. We think that by allowing those provinces to keep resource revenues they would have a fighting chance to develop their resource bases further.

We also think, however, that it should not just be Newfoundland and Nova Scotia that benefit from such an arrangement. Every province and territory ought to have the ability to develop its own natural resources and to keep the profits from those resources.

Of course the answer to all of these concerns is to wait for the expert panel to report. I guess that is what we will have to do.

However somebody should at least advise the finance minister that his Prime Minister has stirred up a political problem and has left him holding the bag. This is a political problem borne out of an inconsistent and not very well thought out position. Instead of developing a plan that would solve this problem up front, the Prime Minister has now shuffled it off his plate, much to the dissatisfaction of Canada's premiers. Either he still has not understood the inconsistency of his position or he realizes what he has done and is trying to find someone else to carry the file forward from here.

In any case, it is clear that natural resource revenues are the major issue for equalization. The right thing for the Prime Minister to do would be to follow the Conservative lead and take non-renewable natural resources out of the equalization formula altogether.

I should also say that it is not just the provinces that are watching to see what the government will be doing with regard to natural resources. We also know that Canada's northern territories are watching this file closely. Territorial formula financing is different than equalization in that there are added components to ensure that the north can provide comparable services despite the fact that it has a small population base spread out over large territories of land.

This legislation is, in the short term, a positive development for the territories in that it would provide stable and predictable funding.

However the legislation itself does not have a wider or a longer view with regard to natural resource revenue sharing or territorial devolution. Of course much of this is found within the northern strategy. However it seems important to me that we start to develop the fiscal framework of devolution immediately.

Given the Prime Minister's musings on territories becoming provinces, one would think there would be something in place in this bill to help all the territories get there.

The file is most urgent for the Northwest Territories, which has an abundance of oil, gas and diamonds that are exported around the world but Yukon and Nunavut are developing natural resource bases as well.

With an appropriate resource revenue sharing agreement in place, there is no question that the Northwest Territories could be a have jurisdiction. This is Premier Handley's point, which is why he has asked for a similar deal to the one that Newfoundland and Nova Scotia are receiving.

*Government Orders*

• (1240)

The oil and gas fields in the Northwest Territories are rich in potential. Diamond mining is a \$3 billion per year industry in the Northwest Territories. The territorial government sees exactly zero dollars from either of these industries.

Nunavut and Yukon would also like to reach self-reliance through resource revenue sharing and strategic economic development, and these territories have both the resources and the capacity to become have jurisdictions over time as well.

In Nunavut, natural resource development is still in its formative stages. One of the challenges that Nunavut faces is that there is not an accurate assessment of the true abundance of Nunavut's resources. The knowledge is there, however, that mineral deposits exist in places like the Jericho diamond mine. The government needs to develop its physical capital as well as its human capital in order to get those minerals out of the ground.

However, as both the Government of Nunavut and the Conference Board of Canada have suggested, the key to this development is ensuring that the people of Nunavut have greater control over the resources and greater self-reliance in the future.

It is becoming clear that when companies find the way to efficiently harvest the natural resources of the north that the north will contain Canada's next resource based economic boom. It is just a matter of getting from point A to point B. However the problem, as it relates to Bill C-24, is that with regard to territorial formula financing the federal government has not made the commitment that is necessary for northern development.

Territorial transfers are based upon an abstract formula that takes into account revenue raising capacity and the capacity gap that exists between provinces and territories. The formula falls short, however, because it fails to address the real needs of the north. The current formula does not take into account the fact that due to its remoteness the costs of energy, construction, transportation and infrastructure, all the things that are staples of government activity and that are necessary for harvesting natural resources, are significantly higher in northern Canada than in the provinces.

In Bill C-24 there is no commitment toward the development of a formula that results in adequate fiscal capacity for the territories reflecting the real costs that face Canada's northern territories.

When we take equalization and territorial formula financing together, with one the government penalizes those provinces that attempt to generate revenue from their natural resource base, and with the other, the government is not taking the necessary steps to ensure revenue sharing and an even larger northern resource development sector.

The system needs to be changed to fairly address the natural resource issue, and my feeling is that this change could be done right now. It does not require a year of study. It is already apparent that this has become a political issue for Canada's provinces, territories and the federal government. For every year of delay, that is more provincial money going into federal coffers and less toward provincial economies.

It is quite ironic that we are debating third reading of Bill C-24 today. For the benefit of the House, it might be helpful to recap the Prime Minister's path to this legislation.

The bill is a result of a federal-provincial agreement that was struck in late October 2004. By looking at Bill C-24, one would think that conference had been a roaring success. However it was at the equalization summit that Newfoundland and Labrador Premier Danny Williams walked out because he was tired of the Prime Minister attempting to control the natural resources of his province. Premier Williams was tired of having to negotiate a deal out of the Prime Minister just to get the Prime Minister to keep his promise. Today the Prime Minister is signing an agreement that he should have signed on June 29 because that is when this party would have signed the agreement.

As I said at the beginning of my remarks, our party supports the bill but the House should not forget about the things that are not in the bill. Bill C-24 would set into motion an entire process of review and it is in that review and a subsequent federal-provincial-territorial meeting that the Prime Minister's handling of the resource revenue issue will come to light once again. My hope is that in the meantime the government will not jeopardize the intent and the spirit of the equalization program.

• (1245)

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I appreciate the speech of the hon. member opposite. As she well knows, the equalization formula is intensely complex and attempts to address fiscal disparities among sub-national governments across the country. Her argument is that one of the elements of the 33 indicia of fiscal capacity, which presently make up the formula and are weighted according to an even more complex formula, namely, non-renewable resources, should be removed from the formula or possibly weighted differently than it presently is.

That, in and of itself, sounds like a bit of a plausible argument. After all, these resources are not renewable. Once they have been dug or pumped out of the ground, they no longer exist, and possibly the sub-national governments should be able to keep whatever royalty revenues are generated from those things. It sounds like an attractive idea.

However, I wonder why her argument that non-renewable resources should be removed from the formula, or at least differently weighted in the formula, should prevail over the argument in the other part of the House, which wants to remove renewable resources from the formula. Specifically in the case of Quebec, it is hydro. It wants to have that part no longer weighted as far as revenue generation capacity in Quebec. Then in other parts of the country we have people working in manufacturing or something like that where there is no particular resource involved, renewable or not, yet that is weighted as an element of fiscal capacity.

I would be interested in her response to why non-renewables should be removed from the formula over renewables or over people who end up working in manufacturing jobs.

**Ms. Rona Ambrose:** Madam Speaker, my colleague rightly pointed out that there are 33 parts of the equalization formula, which, yes, is a very highly complex formula.



*Government Orders*

In the preamble to his question, he answered it himself, which is the point about non-renewable resource revenues. I think the situation the government finds itself in right now is indicative of the fact that this is a concern for provinces. A long-standing concern for provinces and the territories has been the issue of non-renewable resources within the equalization formula.

My suggestion in the first reading and second reading of the bill was that this issue be dealt with upfront. My concern is that equalization is an extremely important program and the spirit and intent of the program are being jeopardized by the government not dealing with the issue upfront. Instead it is committing itself to one-off agreements with provinces, as the one that was struck today.

While it is obviously very profitable for Newfoundland and Labrador, and I and my party are very glad to see that deal struck, it is not within the fiscal framework of the equalization program today. What it has done is affect the equalization program for all other provinces and territories. This seriously needs to be looked at immediately.

• (1250)

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Madam Speaker, I listened with great interest to what my colleague had to say. I noticed she mentioned at least one of the territories, and referred to the Maritimes and Newfoundland.

With respect to the resources which are proposed to be brought out of the Arctic Ocean and up the Mackenzie Valley, what are her personal views on how the federal and territorial governments, the first nations people and the Inuit should proceed with respect to the extraction of resources in the north?

**Ms. Rona Ambrose:** Madam Speaker, I think that most of the territories believe the territory financing formula does not meet their needs presently to build the infrastructure necessary to develop not only the human capital but the fiscal capability to develop those natural resources.

Right now there is no resource revenue sharing agreement between the federal government and the territories, and 100% of that revenue goes straight to the federal government. This is something that will also be looked at under the panel of experts for the territory formula financing.

While we have seen the federal government work with the aboriginal peoples to advance the issue of political devolution, it is also very important that the federal government put in place immediately the fiscal framework as well to go along with the political devolution for the aboriginal peoples and the territories.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, I am pleased to speak to Bill C-24, which is a very important bill. I mainly want to go over the fundamental principles of the equalization program. Then we will be better equipped to review the proposals as well as the agreement on equalization reached last fall between the provincial premiers and the federal government.

Allow me also, for review and evaluation purposes, to take a look at the \$2.6 billion agreement that was just signed between the federal

government and the Atlantic provinces—Newfoundland and Labrador, in particular. This will also help us to understand the position the Bloc Québécois has taken on Bill C-24.

First, what is equalization? Far too often people speak of equalization and far too often they do not really grasp this formula, which dates back to 1947. The report of the Royal Commission on Dominion-Provincial Relations, commonly referred to as the Rowell-Sirois Commission, painted the picture of a type of federal program geared essentially toward one thing. It would be set up so that from coast to coast in Canada, the provinces and territories would have comparable levels of fiscal capacity in order to provide comparable services to their constituents.

It is a wealth redistribution program reflecting the fact that, at the time—and I hope it is still there today—there was a concern for inter-regional equity in Canada in terms of the services provided to the public.

This program was implemented approximately forty years ago, and it is the only federal program that is constitutionalized, which means that equalization is mentioned in the Constitution, and it is the only transfer program that is actually enshrined in the Constitution Act of 1982.

To determine the amount of the equalization payment for a given province, or to determine, in the first place, whether or not a province is entitled to equalization, the fiscal capacity of each province is established. What is fiscal capacity? It is the capacity of each province to raise revenue from their taxpayers, individual or corporate, either through property taxes, direct or indirect taxes, or personal income tax, naturally. There are 33 government revenue sources included in the equalization formula.

Once the fiscal capacity of each province has been established, an average is calculated using five of the provinces. This average is then used to set equalization standards to decide which provinces will qualify for equalization because their fiscal capacity is lower than the average of the five provinces used for calculation purposes, and which will not receive any, because their fiscal capacity is higher than this five-province average.

Once the provinces that qualify are known, the amount of the equalization payment each one will receive is calculated on a per capita basis. This involves figuring how much a given province needs per capita to reach the average capacity of the five provinces used for calculation purposes, that is, how much it should get in equalization from the federal government to make up the difference.

The fundamental principle underlying equalization is inter-regional equity. That is the first broad principle.

The second principle underlying equalization is fairness to the taxpayers, ensuring that, regardless of where they live, be it Newfoundland, British Columbia or Quebec, they receive essentially the same level of service.

The third principle is the strict and rigorous measurement of each province's fiscal capacity.

*Government Orders*

●(1255)

For that, regular calculations must be done. Each year, the estimates are recalculated and factual data sought for each of the 33 revenue sources, for each provincial government. As a result, each year, it is essential that this fiscal capacity be assessed. If it is not, our outlook might be off. For example, provinces may have gotten wealthier over the previous year or increased their fiscal capacity, so they probably exceed the established average fiscal capacity based on the five-province standard. If so, they would not be entitled to equalization payments, even if they had been entitled to them that year or during the past two years.

It is perfectly logical and normal, when a province's revenues and fiscal capacity increase, for its equalization payments to decrease. Everyone knows this. When a province gets richer, its equalization payments necessarily decrease. This principle is completely acceptable and accepted across Canada, particularly in Quebec.

It is unacceptable, however, when, first, the annual fiscal capacity of each province is not considered and agreements are negotiated such as the one reached last October, whereby the last payments the provinces received, in 2002 and 2003, would be indexed to inflation, meaning these payments would be increased by an additional factor, each year, without however requiring any recalculations. The last year is used to extrapolate the amounts for the next five years, until specialists can examine this matter and find a better way to allocate or index equalization payments.

This is problematic. The very principle of periodic, meaning annual, calculations has just been trampled. We have just been told that the dynamic fiscal capacity will no longer be calculated on an annual basis for each province. Instead, an amount provided in 2002-03 will be indexed to inflation over the next five years, to determine the equalization payment.

How can the first principle of equalization—determining the actual wealth of provinces in any given year to see if they are entitled to equalization or not based on the five-province average—be respected? We no longer have this annual picture. Already, one of the fundamental principles of equalization has been violated.

I am not sure whether the Minister of Finance is aware of this or not. The Prime Minister should know since he was finance minister for eight years and he had to juggle with the equalization formula. Now we are in a situation where the calculation of the 33 funding sources is ignored year after year and for two years now the government has simply been increasing a predetermined amount. That is the first problem.

Another problem is that the equalization formula is dated. For the past 15 years we have been talking about improving it and correcting the implausibilities in calculating the 33 funding sources. Instead of change, instead of implementing any of the suggestions made in all this time—particularly in the past five years—in order to truly achieve greater accuracy in the annual estimates, at the meeting in October the Minister of Finance together with the Prime Minister preferred, as I was saying, to apply an inflation factor to a previously calculated amount. Nonetheless, he has not understood that the amount that was set two years ago was arrived at through an

incorrect formula and does not reflect the true fiscal capacity of any given province.

Rather than take their work seriously, the Prime Minister and the Minister of Finance chose to use a faulty formula to calculate the equalization payments for the provinces for the next five years. This is the second rather hazy aspect of this agreement and its terms.

●(1300)

So they began with a faulty formula and ended up with a faulty result, of course, rather than doing a thorough job and reforming the equalization formula once and for all, with three or four major improvements. It seems to me that is what ought to have been done, rather than coming up with a dubious agreement like this.

I will give just two of the suggestions that have been made over the years to improve the equalization system. First, why use five provinces to establish the national average, so that provinces with a fiscal capacity over and above that figure receive no equalization payments, and those who are under that figure per capita do? Why not use the ten provinces and the two territories? Why not have a proper overview with a calculation of the fiscal capacity of each province and a per capita average for the ten? Then the real average of the ten provinces would be used to determine the amounts and the recipients.

This has been discussed for 15 years. I have seen documentation on it ever since 1993. It is enough to make a person's hair stand on end, although in my case that is just a figure of speech, of course. There are piles of documents explaining why the ten provinces need to be included in setting the standard. It does not take that much paperwork to explain that all of the provinces must be included in the calculation. The way an average is calculated—a basic principle I trust the senior bureaucrats have not forgotten—is to take all the data for each participant, in this case each province. Then you divide by the number of provinces. This gives the average. Why use five rather than ten? I invite you to look into this. Apparently there has always been a great deal of effort expended by senior finance officials not to give in to the obvious: an average is calculated by addition and the use of a quotient that includes all participants in the program, i.e. ten provinces and two territories.

There is also property tax. My interests are not strictly parochial, quite the contrary. Give ten economists the mandate to find a way to measure a measurable event and I am sure they will come up with ten different solutions, each more complex than the other. That is what happened with the calculation of property tax. Instead of using actual figures showing each province's capacity to raise tax revenue from property taxes in each major municipality for instance, a complex calculation—several pages of calculations in fact—is necessary to arrive at an approximation which experts call a proxy. Given that it has to be uniform for all the provinces, this approximation results in a terrifying formula. Even for math fans who enjoy trying their hand at complex formulas, this one is unbelievable. It is up there with the worse horror stories ever produced by the human mind.

*Government Orders*

Comparing this proxy, this approximation, to actual figures often reveals humongous differences. In property tax revenues, there can be a difference of up to 30% or 35% between the reality and the approximations. A statistician looking at these results would say that the error margin is way too high. A 2% or 3% difference is usually acceptable in approximate calculations, as compared to the reality. But when the difference exceeds 30% or 35%, this means that the calculations are wrong. So, this is one problem among many others with this equalization formula. This fundamental problem actually calls into question this formula's capacity to draw an accurate picture of each province's fiscal capacity.

This is the first criticism that can be made. If you start with a defective formula, take the very defective result of this defective formula, say that, over the next five years, this is how it will be in terms of equalization payments and inflate that amount, this simply means that a defective amount obtained through a defective formula has just been indexed.

● (1305)

Since we already have all this documentation and all the arguments for improving the equalization formula, would it not have been easy in October, to come up with a new formula instead of fiddling around with this one? The result is that in the years ahead they will stop working on the problem and simply index the 2002-03 amounts.

This is one of the criticisms we have with respect to this agreement which, in our opinion, tramples the fundamental goal of equalization, which is really to identify which provinces are richer and which poorer, and ensure that by redistributing the wealth, all the people can be provided with services.

There is another problem. It is clear to see that the provinces are unsatisfied with this equalization formula, as they were with last October's agreement. It is clear that there is a basic, even more fundamental issue involving the Canadian provinces, Quebec and the federal government, and that is the fiscal imbalance.

Not so long ago, the federal government said that some people called this issue the fiscal imbalance, while other people talked about fiscal pressures. The government, and particularly the Prime Minister, forgot to say that they must have got the words "some" and "other" mixed up.

All parties in the House, except the Liberal Party, believe there is a fundamental imbalance between the federal government's ability to get tax revenues from the taxpayers and to fulfill its mandates, but that the provinces are unable to collect revenues to provide services directly to the people, such as health, education, income support, and other services which correspond to their jurisdictions as expressly set out in the Constitution.

We find ourselves faced with an agreement in which the problem of fiscal imbalance has not been solved, and it shows. In fact, despite an agreement which the federal government calls very generous, there are still several billion dollars in the federal government's coffers that could be used for purposes other than accumulating political capital, as the Liberals have done, invading provincial jurisdictions, as the federal government has done, especially over the last seven or eight years, since the surpluses first began.

In short, this agreement does not solve the whole issue of the fiscal imbalance. The taxing abilities of each province are not addressed. More inequities are created, because we still have a formula that was far from perfect. Therefore, only imperfect numbers will come out of it.

More important still, we are also faced with a situation where, after the conclusion of this agreement among the first ministers of the provinces, Quebec and Canada, the federal government and certain provinces reached special agreements. I can name a few of them. I will come back to possible criticism of such agreements.

Following last October's equalization agreement, the first special agreement was reached between the Minister of Finance—originally from Saskatchewan—and the Premier of Saskatchewan. This province was offered \$590 million. It owed the federal government \$590 million in equalization overpayments. The decision was made to reach a special agreement with Saskatchewan. It was not identified as such. That province was told that it would not have to repay this overpayment. It got this money as a gift.

In contrast, Quebec had an equalization overpayment of over \$2 billion. The government tells us that we will have to repay this money, but that it will be nice to us and give us 10 years to do so.

It is the same thing for the agreement with Newfoundland. A special agreement was concluded with Newfoundland, for \$2.6 billion. An overall improvement to the equalization formula is dismissed and the waters are muddied.

● (1310)

It is impossible to apply a general equalization formula and not consider certain revenues for some provinces and keep revenues for others. That is not how things work. The system cannot work this way.

If offshore oil and gas revenues are not considered and hydroelectric revenues in Quebec are included, an inequitable situation has been created, which adds to the inequity I mentioned with regard to this imperfect equalization formula. We will have the opportunity to talk about this during questions and comments.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Madam Speaker, I want to begin by thanking the Bloc Québécois finance critic. I want to ask the hon. member a question about the formula he was talking about throughout his speech.

The hon. member raised something truly very important in the course of this debate and that is the issue of a formula to resolve the real problems with the policy on balance among the provinces.

What I want to know is whether he is in favour of a formula based on a 10 province average? I think this is a formula all the provinces accept. I want to know whether the Bloc Québécois agrees with this proposal.

Furthermore, does the hon. member have any comments on the fact that the federal government has decided not to take part in discussions with the provinces, which would help us achieve a much more positive result for our country?

*Government Orders*

● (1315)

**Mr. Yvan Loubier:** Madam Speaker, I want to thank the hon. member, whom I have the honour of working with on the Standing Committee on Finance. She provides an invaluable contribution with her openness and understanding of finance-related matters.

For a long time now we have been talking about making changes to the equalization formula. I think there is a consensus on the 10 province standard, but there is no consensus on what direction to take to improve the equalization formula. Nonetheless, the 10 province average is relatively well received, since this is a logical formula. For one thing, we cannot establish an average with half the participants. All the participants have to be included.

Furthermore, several proposals are currently on the table. Some are acceptable to Quebec, others less so. Some are totally unacceptable, but the fact remains that consensus has been reached among the provinces on the calculation methods. The federal government could have taken advantage of this consensus to change the formula rather than simply index the amounts.

There is a real danger at present of the federal government signing specific agreements with certain provinces. This throws the application of the equalization principle out of kilter. According to this principle, a province becomes richer, exceeding the standard, it will not get any equalization payments. That we realize. It would apply to Quebec too; if its fiscal capacity suddenly went up this year, it would not be entitled to equalization payments. We believe in playing fair so we would go along with that. It might be good news, as it would mean the province was becoming better off and exceeding the standard.

We have nothing against an agreement with Newfoundland, but we do have objections to fiddling with the equalization formula so that it takes all revenues into consideration except offshore oil revenues. In the case of Quebec it includes all revenues, including the revenue-producing potential of our hydro-electric resources. This is not right, particular in the Kyoto era.

In the past 30 years, the federal government has invested very close to \$60 billion in the gas and oil sector, directly or indirectly. Now a kind of incentive has been added for non-renewable resources, which is totally contrary to the Kyoto protocol we would all like to see incorporated into this government's concerns. So questions need to be asked.

[*English*]

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Madam Speaker, I am very pleased to have this chance to speak to a very important piece of legislation. Bill C-24 is about one of the fundamental defining features of this country. It is a matter of serious debate for all of us in the House.

One would think based on the parliamentary secretary's presentation that this is just a technical matter, that Parliament is just a rubber stamp and let us get on with the job. Certainly that is the way in which the bill has been handled all the way through the various steps of legislative scrutiny in the House of Commons. It is being presented to us today as a done deal, something the provinces have agreed to and therefore Parliament must simply give its blessing and let us get on with it. That approach would be doing a great disservice

to Canadians if we did not elucidate for them the serious flaws with respect to this whole process, and the serious mistakes made by the federal government throughout this process of resolving the equalization formula.

This is not a matter of simply dotting the *i*'s and crossing the *t*'s; this is a matter that goes to the very heart of what this country is all about. If we make a mistake at this level and we do not address the root causes of unease and concern that are bubbling away below the surface, then we are asking for trouble. We are asking for serious threats to the very fabric of this nation and to the constitutional solidity of our country.

Today is a most interesting day for us to be debating third reading of Bill C-24, for having Parliament finalize debate on this legislation. Today is the day that our Prime Minister will be officially signing the side arrangements made with the provinces of Newfoundland and Labrador and Nova Scotia. Those deals run in the billions of dollars and were negotiated after the government bungled the entire process around equalization. Interestingly enough, we are here today to finalize Bill C-24 on such an occasion. This draws to everyone's attention just how flawed the process has been and just how wrong-headed our Prime Minister has been throughout this entire sorry saga in the history of Canada.

I want to quote from a CP article which appeared in March 2004 in a Winnipeg newspaper and probably in other newspapers across Canada:

Ottawa's equalization transfers—and its practice of special deals for some jurisdictions—could divide the provinces, says Manitoba's finance minister. “[It] could be perceived as a divide-and-conquer tactic”, Greg Selinger said in an interview. “If you keep doing specific, one-off side deals, even though each of them may have merit, you're really avoiding the overall issue”.

That says it all. That is exactly the kind of dilemma and the problems we are faced with today because of the lack of leadership by the government of the day. Here we are trying to finalize an equalization arrangement that will try to satisfy all provinces while the federal government at this very minute is signing side deals with a couple of provinces because it could not fix the problem at the very outset and deal with it appropriately.

Exactly what was prophesied is happening. Other provinces are asking where their side deals are. Saskatchewan has every right to ask, “How do we get in on this side arrangement dealing with natural resources?” New Brunswick is clamouring at the door. Ontario is questioning the whole process, and rightfully the province of Quebec has said that the whole process stinks and is tantamount to very serious divisions across the country, as if we do not have enough divisions already, as if we do not have enough wounds to heal and enough issues to deal with to ensure that the country is working together on a solid footing in the interests of all of its citizens.

● (1320)

It is a day of irony. We would be remiss in this debate if we did not point to the root of the problem and try to convince the government to use this opportunity in our history in terms of a minority Parliament, with such willingness to cooperate on all sides of the House, to reassess the damage that has been done and to commit itself to a much more positive and productive response to this situation.

*Government Orders*

As my colleague from the Bloc has done, I would also like to emphasize the importance of equalization. It is impossible to overstate the importance of the equalization process in terms of maintaining the Canadian identity. This is fundamental to who we are. It is part of our philosophy that says from each of us according to our ability to each of us according to our need. It is a philosophy that has permeated many aspects of parliamentary life and federal-provincial decision making over the years. It is at the heart of medicare and our national health care system, which is very much in danger today. There is a great threat to the loss of that fundamental program.

The principle is still maintained and Canadians still remain attached to those fundamental values of cooperation and community, of caring and sharing. That is the essence of who we are as Canadians and it is why the equalization process is so important.

There are many different reasons that equalization is important. I want to make reference to the Constitution and remind everyone of what we agreed to with the changes to our Constitution and the enactment of the Constitution Act, 1982. It states:

Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

Equalization is intended to secure horizontal fiscal equity to ensure that between provinces there is the capacity to generate broadly comparable revenues per capita without recourse to significantly higher than average levels of taxation. That is the fundamental principle of equalization. We need to remind ourselves of all those who fought so hard to get this principle enshrined in the Constitution, and in the way of doing business between federal, provincial and territorial governments.

A very important paper written by Errol Black and Jim Silver was prepared for the Canadian Centre for Policy Alternatives. I recommend it to all members as a very important contribution to the debate. The paper and its authors point out the following developments in our history pertaining to equalization.

First, they remind us that two decades ago the Parliamentary Task Force on Federal-Provincial Fiscal Arrangements reported that equalization was:

—variously described by witnesses before the Task Force as the 'glue that holds Confederation together' and 'a pillar of Confederation'.

The paper goes on to point out that in 2002 the Standing Senate Committee on National Finance stated:

We are united in our belief that this is an important, in fact a defining national program.

Furthermore the paper shows us that a recent academic study of the equalization program found:

The concept of equalization, enshrined in the Constitution Act 1982, enjoys almost unanimous support among Canadian politicians and academics.

Finally, the paper notes that the Economic Council of Canada reported that it considered the sharing of costs and benefits embodied in Canada's system of equalization payments to be one of the major foundations of Canadian nationhood.

● (1325)

This is the case whether we are talking about equalization in terms of nation building, or whether we are supporting equalization because it means citizens from one end of the country to the other are able to participate equally knowing that wherever they live, whatever they make, whatever their circumstances they are treated as equal citizens and are entitled to those resources to help them contribute fully and equally in society today, or whether we are talking about the social justice issues at hand. This reminds us that equalization should also be justified on moral grounds as a question of decency and social justice. That comes from constitutional authority David Milne who has been an outspoken expert in this area.

I could go on with all kinds of references to noted academics and experts in this field who point to the seriousness of the issues we are debating. They remind us of the responsibility we have as parliamentarians to do our utmost to make equalization work. Does Bill C-24 make sure that equalization is on a solid footing and that it works in terms of those broad principles and values that we hold so near and dear?

We have heard enough today to know that there are serious problems with this issue. The government has actually bungled the whole issue of federal-provincial relations vis-à-vis equalization.

The situation is hardly better than it was before the government sat down and forced a deal on the provinces. All the government has done is put off many problems that have to be dealt with at some point. By way of this legislation I guess we will get a chance in five years.

Goodness knows what could happen in five years' time. We may see more side deals struck between the Prime Minister and other provinces. All the more power to any province that can do that because it seems to be the only way that works with the government. The provinces have to fight for every little bit of turf because the federal government only works on the basis of the squeaky wheel.

The Prime Minister seems to bend every time there is a bit of pressure, as opposed to sticking firm to certain principles. His flip-flopping and dithering are becoming well known features of the Canadian political landscape. Nowhere is that more apparent than in the debate on equalization.

When we were debating this matter at committee and some of us were proposing amendments to the bill, it was suggested to us that this matter had been signed by the provinces, that it had been dealt with and that we had no business making any changes. We were told that the matter was over and done with.

It is fair to remind Canadians that in fact the provinces were dragged kicking and screaming into signing this particular arrangement.

**Hon. John McKay:** Read the communiqué.

*Government Orders*

**Ms. Judy Wasylycia-Leis:** Madam Speaker, the parliamentary secretary has said to read the communiqué. Many wonderful communiqués have come out of dark rooms at the eleventh hour because there was no other way to move forward. We have seen that with health care. We have seen it now with equalization. Every time the government gets into a jam, it forces provinces to sign on to something that is less than what they wanted because the government says to take it or leave it.

We know how hard it is these days for the provincial governments to keep up with the demands they face when the federal government has spent the past decade off-loading, ditching responsibilities on to the provinces. It is no wonder that provinces feel they have to put their names to these documents and get something so they do not end up with nothing. Except the premier of Newfoundland and Labrador said, "Stuff it. I am not taking it," and he walked. The rest is history with the signing of a side deal as we speak.

This issue points to a very significant characteristic of Liberal governments when it comes to dealing with these difficult issues. They are bullies. Liberals think they are born leaders, but in actual fact they are nothing but bullies. That is how the Liberals get the job done.

It is important for us to remind the parliamentary secretary and his colleagues that the Liberals have ignored the provinces on this file for years.

•(1330)

I want to go back to other documents to which the provinces had agreed but which the federal government chose to ignore. I refer to a September 2003 document put out by all provincial and territorial finance ministers called "Strengthening the Equalization Program". What did they recommend? They recommended all the things we heard about today: a significant injection of funds to reflect the needs of the day; and a 10 province formula to ensure that we would not have this silliness now of side deals. If we had achieved some movement on a 10 province formula, we would not be dealing with these side deals on oil and gas revenue.

It is important to point out that as we look at the program before us with this renewal around a five year equalization program, with its limited cost of living increase of 3.5%, provinces will find that in very short order their needs will be again apparent and the government will have to act. It is unfortunate that we do not do things on a timely basis. The government cannot seem to deal with things as they emerge so that problems are solved before they become so much greater.

In this case we have a less than perfect bill. We did attempt to amend the legislation at committee. Unfortunately, any amendment to the bill pertains to money and that is out of order for us unless the government agrees to a royal recommendation. We tried to improve the bill in terms of its financial aspects but it was denied and the government was not willing to accept the proposition and bring it forward with a royal recommendation.

More specifically, the amendments we proposed at the committee level were initiated by ministers in other provinces, such as from my province of Manitoba which has played a significant and major role in this whole debate. One amendment proposed that we have a cost

of living escalator built into the bill that would go beyond the straight 3.5% as enunciated in the bill and would move beyond and look at the growth in the GDP. That was a simple solution and it would have cost a bit more money but the money is available if the government is committed to ensuring that the surplus rolling in is put toward the needs of Canadians and not mysteriously disappear into the woodwork against the debt without debate in Parliament.

Parliament could decide how to divvy up this expected \$9 billion, \$10 billion, \$11 billion, \$12 billion surplus if government is prepared to come forward and say this is what it is, this is what we want to talk about and this is how we can solve some of these problems. We would recommend that some part of that go toward complying with the provincial demand that the escalator clause in the bill keeps pace with the growth in the economy and reflects the growth in our gross domestic product.

That is a reasonable expectation because provinces need that kind of guaranteed increase in order to ensure that they can meet the demands of the future. It certainly is costly but I want to point out to the parliamentary secretary that we are likely looking at something in the neighbourhood of one-quarter of a billion dollars per year based on Manitoba finance statistics. I know the parliamentary secretary likes to dismiss those numbers and suggest that they are wrong and he is right. However, based on experience, I would say everybody these days who is not in the federal government and the finance department is right and he is wrong, but that is a debate for another day.

•(1335)

I will conclude by saying that regretfully we will be supporting the bill before us because it is all the provinces could get out of the government. We know big challenges are ahead and we will continue to raise those issues. We will continue to fight for fairness in this county and an equalization process and formula that recognizes the inherent importance of such a concept in our constitutional affairs and in the definition of our national characteristic and identity.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I am pleased to learn that the NDP has to support the bill, this bungled bill, this forced deal where the premiers were kicking and screaming.

It strikes me as more than passing strange that after three or four days of intense negotiation with the Prime Minister where we put into the formula stability, where we put into the formula predictability and where we put in enormous sums of money totalling \$75 billion, including the health care, that somehow or another that deal was bungled and that they were kicking and screaming. It seems to me that somehow or another that insults the capabilities of all the premiers who were party to this agreement, that they were again just taken to the cleaners by the federal government.

*Government Orders*

If hon. members think that \$10 billion this year, \$10.9 billion next year and a 3.5% escalator is somehow or another getting taken to the cleaners and that this is a bad thing, then I suppose they would take the position of the hon. member that, somehow or another, when the Prime Minister finished with the health care deal of \$41 billion and the equalization deal of \$33 billion, he then turned to every premier in the room and said that he intended to enter into an arrangement with Newfoundland and Labrador and Nova Scotia before these deals were completed, and that not one of them raised an objection to the Prime Minister's intention to address the particular concerns of Newfoundland and Labrador and Nova Scotia, their difficulties with their debt to GDP and their difficulties with a declining demographic pace.

I put it to hon. members that there was no bungling. This was not a forced deal. It was entered into by the partners in Confederation and there was no kicking and screaming. A deal is a deal is a deal and it was all entered into by adults.

● (1340)

**Ms. Judy Wasylycia-Leis:** Madam Speaker, it sounds like the parliamentary secretary is a little defensive in his comments today. I suppose he has every right to be defensive because he knows full well that provinces remain anxious about how the federal government is handling the files. Otherwise we would not have newspaper report after newspaper report, last week and this week, with provinces asking what is going on and asking why the federal government is not considering deals with all provinces that are in similar situations. Why would we have Saskatchewan saying that it wants the same deal as Newfoundland and Labrador and Nova Scotia? Saskatchewan says that it is good news for Newfoundland and Labrador and Nova Scotia and it expects it to mean great news for Saskatchewan.

Saskatchewan says that the difference in the treatment of natural resources between jurisdictions is unfair. A similar deal for Saskatchewan, looking back over the past 10 years, would have realized over \$4 billion for the province if the federal government had not taxed back its oil and gas revenues. Saskatchewan said that it has told the federal government that it expects the same treatment for its energy resources as what is being provided to Newfoundland and Labrador and Nova Scotia. It says that it will tell the federal government until it receives fair treatment.

The government had an opportunity to resolve this issue many years ago. It was in the works. We knew that the present agreement was running out. It was time for the federal government to negotiate a new one. There was great agreement among the provinces. The provinces unanimously put forward a request for a 10 province standard that would recognize the volatility around natural resource revenues and the full inclusion of all provincial revenues and the calculation of equalization entitlement, in particular, revenue from user fees. That was all done, signed, sealed and sent to the federal government in September 2003.

A whole year after that, nothing happens within the federal government. Finally, we get down to the wire and it has to be locked away. The federal government put something on the table, for which there is no alternative. The province can take it or leave it. It said that it will do this for five years and renew it. Instead of coming up with a formula that works in perpetuity, the government once again comes

up with a band-aid solution at the 11th hour that is not adequate and not fair.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, I am pleased with the remarks by the New Democratic Party's hon. member for Winnipeg North. I am also very pleased that she is a member of the special subcommittee on fiscal imbalance which I have the honour to chair. The committee will begin its work in Halifax this week. I think she has a very fine understanding of public finances. On the other hand, the parliamentary secretary does not appear to understand all his files, especially equalization.

I have one question for the hon. member. She has proposed an indexation formula for equalization based on growth in the GDP. With her proposal, what would happen in a case where the GDP growth were less than the indexation factor of 3.5% provided in the first ministers' agreement? Would the provinces not be at risk of losing, in fact?

● (1345)

**Ms. Judy Wasylycia-Leis:** Madam Speaker, I thank my colleague for his question. I am going to answer in English because it is a very complicated issue.

[*English*]

We have presented the government with an alternative formula for ensuring some escalation in the bill that is based on growth in the gross domestic product and in line with economic growth as opposed to a straight 3.5%. We do not believe that would have a deleterious impact on the provinces or that it would cost so much as to be out of the range of federal fiscal capability.

We make our case based on the fact that the government saw fit to include in the bill dealing with health transfers, which is also before the House at the moment, an escalator clause of 6%. That seems to me more in order with the times and more reflective of the reality of the situation. Under no circumstances should it lead to a situation where provinces are getting less.

I think Manitoba has come forward with a well thought out plan. Why there is no support for it is again the federal government's unwillingness to spend properly or to meet the demand on a realistic basis, instead of always shortchanging the provinces, on top of the fact through the transfer payment system in general over the last 10 years we have seen so much money that has been lost in the federal to provincial transfers and where the federal government has off-loaded responsibility without commensurate increases in transfers. Whether we are talking about health, education, social assistance or some other program, we have a government that has created a fiscal imbalance.

It is for that reason that I think the committee, as proposed by my colleague from the Bloc, is so useful and which will be warmly received by everyone across the country.

**Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC):** Madam Speaker, it is a pleasure to say a few words on Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act.

*Government Orders*

I listened intently to my colleague from the NDP. I agree with my friend from the Bloc who said that she raised some very pertinent points in relation to the whole matter of equalization. There are a lot of concerns about equalization. When we hear the word equalization, we think of equality and everybody being treated equally. We know this is not the case.

I was intrigued with one of the comments she made. She talked about the disarray leading up to the conference last fall and that a lot of provinces were not pleased with the final outcome. The parliamentary secretary yelled, "read the communiqué". There is no doubt about the fact that at the end of any federal-provincial conference when an agreement is arrived at, even though it is one into which people might have been forced or even though it is one with which people do not totally agree, everybody comes out singing from the same hymn book. Reading a communiqué at the end of any of these meetings does not paint the picture.

What we should do is roll back the time to the weeks preceding the federal-provincial conference that dealt with equalization. Going into this conference, one wondered whether an arrangement or agreement could be reached at all. It was almost like anticipating what would happen when the NHL Players' Association and the owners got together. We had no idea. Everybody sat there hoping for an agreement so we could get back to some semblance of sanity on Saturday nights in Canada. Of course, it did not happen.

The provinces did get an agreement, but we certainly cannot compare them as apples to apples. The hockey players and the association can afford to push a hard bargain and wait until they get an agreement. The owners can do the same thing. In a case like this, the federal government might be able to sit back, wait and force an agreement, but the provinces could not. They had to accept the best deal that was offered.

Getting back to the communiqué, communiqués are very colourful. They can cover up a multitude of mistakes made during negotiations. That brings me to this morning.

This morning my province of Newfoundland and Labrador signed a very historic agreement, an agreement which will give my province, at least for a while, 100% of its share, not the total benefits from offshore which equates to about 47% of the total. The federal government and the country generally still take over half the benefits that come directly from revenue sharing on the offshore development.

This past fall before the conference on equalization all of us remember the concern expressed by the province of Newfoundland and Labrador. We remember the concern expressed by many members in the House, most of them on this side, that the agreement might never happen, that the signing, which we saw today, might never occur.

During the meetings on equalization and health care funding, the premier of my province, Mr. Williams, had to walk out of them because he was so frustrated with the way the Prime Minister had dealt with the commitments he had made. Not only did he walk out to draw attention to the mistreatment of the province by the government opposite, for a period of time the Province of

Newfoundland and Labrador lowered the Canadian flag on all provincial buildings.

● (1350)

During that period, we saw almost consternation from the government opposite. It said to the people of the country that this was terrible. It said that if Newfoundland and Labrador wanted to negotiate a deal on the offshore revenues, the first thing it would have to do was raise the flags. Until then the government would not talk to a province that did not fly the federal flag over provincial buildings. We all listened to that. I thought of my colleagues to the left. They do not fly the Canadian flag over any of the provincial buildings, yet nobody receives more attention from the federal government than my colleagues to the left, the Bloc.

I have no problem with that. The Bloc can do whatever it wants. However, for a prime minister to say to any province that it has to fly the Canadian flag or the government will not talk it, or for him to close his eyes to another province, is not the way Confederation works. We are supposed to be in the Confederation. We are supposed to receive equal treatment from the government.

This brings me back to equalization and this morning, when the Prime Minister had the audacity to stand in front of the people of Newfoundland and Labrador. I will give him credit for coming through, signing the agreement and delivering on the commitment he made. He said, "I made a promise to the people of Newfoundland and Labrador and I have lived up to that commitment". How hypocritical. The only reason the Prime Minister was in Newfoundland and Labrador this morning, signing an agreement with the province, was he forced into it by the province, first, and second, by the people on this side of the House, not on that side of the House.

The leader of the Conservative Party put into the election platform the commitment to the provinces that they would be the prime beneficiaries of the revenues from non-renewable resources. We are not talking about a promise thrown out in the middle of an election. We are talking about a solid, written commitment in our election document, our platform. That forced the Prime Minister into a corner. There were hurried late night meetings in Newfoundland and Labrador. He was told by his people there that either he made that commitment or the Liberals would be wiped out. At seven o'clock Saturday morning, he called the premier to say that he had accepted his offer.

Then when the Liberals won the election, we saw them back off. They were procrastinating. It was basically blackmail by the Minister of Natural Resources, who came in with an inferior deal and said that the province could either take it or leave it. Today, the people who did everything to keep us from getting that deal were praised by the Prime Minister as he took credit for delivering on his promise. He delivered on it because he had absolutely no choice. That is what is wrong our country, when we talk about equalization.



The member from the NDP is entirely right that provinces accepted a deal simply because there was no choice. It was shoved down their throats, up until now. Today turns things around. Never again will provinces, because they will follow the lead of Newfoundland and Labrador, have the federal government shove fiscal arrangements down their throats. From now on we will look for a fair share and if we follow the policies of this party, we can be sure to get it.

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## STATEMENTS BY MEMBERS

• (1355)

[English]

### EASTERN ONTARIO DRAMA LEAGUE

**Hon. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I rise to recognize the achievements of the Eastern Ontario Drama League and all the amateur theatres that it represents.

Eastern Ontario is a wonderful region, in part because of the work and creativity of this league. For example, the league's One Act Play Festival, an annual event, was held at the Peterborough Theatre Guild last fall. No fewer than 11 plays were presented in three days. These were samples of the fine theatre which enriches communities throughout our region.

Through festivals such as this, the league ensures that member theatres develop by experiencing the work of others. An adjudicator publicly critiques the performances so that everyone involved with the play learns something which they can apply in their home theatre.

The Peterborough Theatre Guild's play, *The Lesson*, directed by Cheri Verge, received an honourable mention.

I want to honourably mention and congratulate all the theatres and the league which so greatly enrich Eastern Ontario.

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### SPONSORSHIP PROGRAM

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Mr. Speaker,

We watched as Judge Gomery said not a peep,  
While Jean deftly juggled his balls in his hand,  
The former PM showed the meaning of cheap,  
A petty and tacky, inelegant man.

Then came the new guy: once Treasury Board Chair,  
The question, "That money, now where did it go?"  
"I saw nothing, heard nothing, I wasn't there."  
And one never asks if they don't want to know.

Golf Amateurs do it, but Pros never try,  
The Liberal game is improving your lie. Jean meddled with BDC loans, we know why,  
Sacked the president; he would have followed the rules,  
But now the Shawinigan Street Fighter guy  
Claims that ad scam was "hands-off" and takes us for fools. The PM a detail man when things go well,  
Micro-managed his way to the top of this town,  
But when leadership's needed, he hides in a shell,  
Knowing you cannot prove what is not written down. Golf Amateurs do it, the Pros never try,  
The Liberal game is improving your lie.

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Happy Valentine's Day to Canada.

\* \* \*

• (1400)

### WAL-MART

**Mr. Mario Silva (Davenport, Lib.):** Mr. Speaker, last week it was announced that the world's largest retailer, Wal-Mart, had decided to close its store in Jonquière, Quebec.

This action followed the decision by employees to have a union represent their interests. After only nine days of contract talks, the giant retailer is closing its doors. Despite denials to the contrary, it is clear that the closing of this store, the first Wal-Mart outlet to close, directly flowed from the contract negotiations.

It is imperative that workers be protected from this kind of flagrant corporate injustice. When workers choose to be members of a union, they should not do so with the fear that their jobs will be lost in such a punitive manner.

Canadian workers deserve better. They deserve decent jobs with reasonable wages. They have the right to work in unionized environments without having their employers using the back door to avoid having to bargain in good faith.

We should all stand up for these workers in Jonquière and across Canada.

\* \* \*

[Translation]

### BENOÎT GAUDET

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, the most impressive athlete at the Athens Olympic Games, boxer Benoît Gaudet of Drummondville, just turned pro.

Aged 25, Benoît has lived great moments in amateur boxing, achieving every target he had set for himself: participating in the world championships, in the Olympics, in the Commonwealth Games and in the Pan-American Games. He is a 10-time Canadian champion and, during his amateur career, he recorded 121 wins and 48 losses.

In a recent interview, Benoît Gaudet expressed disappointment with his Olympic experience and the corruption in the games' organization. He has now joined the organization run by Eric Lucas. His first pro fight is scheduled for February 19.

The people of Drummond are proud of Benoît, of his determination and success, and we wish him the best upon turning professional.

*S. O. 31*

**RÉSEAU DES FEMMES D'AFFAIRES ET  
PROFESSIONNELLES DE L'OUTAOUAIS**

**Ms. Françoise Boivin (Gatineau, Lib.):** Mr. Speaker, on February 12, 2005, RÉFAP, the Outaouais business and professional women's network, celebrated the excellence of its members by holding its 18th gala, and did me the great honour of asking me to be the honorary president.

Through their magic touch, RÉFAP's president Nicole Boudreau and the members of her organizing committee, which includes Diane Lafontaine and Angèle Lord, made sure this would be an unforgettable gala.

Congratulations to businesswoman of the year Louise Cormier, the co-owner of Richer & Snow Jewellers. Congratulations to professional woman of the year Nathalie Charette, the director of the financial resources department of the Des Draveurs school board. Congratulations to Chantal Binet, a personal and professional coach, the recipient of RÉFAP's first self-employed woman of the year award. Congratulations to Lucie Tassé, who received the good-hearted woman of the year award in recognition of her commitment to Maison Mutchmore and to the Saint Vincent de Paul store.

I salute their vitality, determination and excellence. These women not only juggle work and family, but community as well.

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[*English*]

**FINANCE**

**Mr. Charlie Penson (Peace River, CPC):** Mr. Speaker, we are witnessing history being made by the Standing Committee on Finance. In response to instructions from the Speech from the Throne concerning the provision of independent fiscal advice for parliamentarians, the committee has launched a new forecasting process. It will be based on the most up to date fiscal and economic data. It will be free of the Enron-style tactics we have seen from the Minister of Finance.

Canadians are tired of the games that Liberal finance ministers have played with the budget estimates and fiscal forecasts. Their history of lowballing federal surpluses has robbed parliamentarians and the public of an informed debate on federal spending priorities. Canadians deserve better. The members of the Standing Committee on Finance are doing their best to ensure this budget debate will be different.

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**VETERANS AFFAIRS**

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, today is Valentine's Day and across this country, Canadians are once again remembering our nation's veterans. As part of the Valentines for Vets program, Veterans Affairs Canada has received more than 4,000 valentine greetings which have been forwarded to veterans in long term care facilities.

This year's selection of valentines include poems and handmade cards submitted by classes in schools, organizations and individuals from all over Canada. Valentines received this year contain messages of deep appreciation such as, "Brave and courageous you were and continue to be after your service. You are the greatest part of this

country and your efforts will never be forgotten". Another wrote, "You fought in defence of a nation and I would like to thank you for that".

These valentines make the day memorable for many of our veterans. The year 2005 is the Year of the Veteran. If people know a veteran, I encourage them to take the time today to thank them for their service to our country. Let them know that their valiant sacrifices will never be forgotten.

\* \* \*

● (1405)

[*Translation*]

**LISE-FLORENCE VILLENEUVE**

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Mr. Speaker, I have learned with sadness of the death of Lise-Florence Villeneuve of my riding on January 24.

Ms. Villeneuve was a remarkable person, well known for her active participation in the expansion of the literary life of Laval and the region. She also volunteered for a number of years, promoting writers and poets from all over Quebec. She helped publish the journal *Brèves littéraires* and contributed to the development of emerging authors.

Her commitment won her the volunteer of the year award in 2000, when the City of Laval showcased her contribution to Laval's culture.

Ms. Villeneuve is mourned by her spouse, Réjean Hinse, her children, Murielle and Christian, and her sisters. I join with her many friends from the Société littéraire de Laval in offering my condolences to her family.

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**ANJOU PEEWEE TOURNAMENT**

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, I want to point out the huge success of the 29th edition of the Anjou national peewee hockey tournament.

Year after year, for 29 years, this remarkable tournament has been a gathering point where young people from all over Quebec and even further afield meet in healthy competition and camaraderie.

Quite a few National Hockey League players once skated in this prestigious tournament.

For all those who will not reach the major leagues, this event is still an enriching and unforgettable experience.

Without the dedication of organizers and other volunteers, these young people would not have such an opportunity to take to the ice and demonstrate their talent and energy.

And so, here in this House, I want to express my most sincere congratulations to all the players, organizers and volunteers in this unparalleled event.

[English]

### TSUNAMI RELIEF

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, early this month I had occasion to meet with about 55 Tamil Canadians in my home community of Barrhaven and committed to take their concerns to the highest democratic chamber in the land: this House. They told me they support traditional marriage, they want the government to give child care dollars directly to all parents, including stay at home dads and moms, and they demanded fiscal accountability.

That is why today I rise to alert the House to growing accusations that millions of tsunami relief dollars have been misspent in Sri Lanka. The country's top aid distributor said government corruption has blocked aid from almost 70% of victims. Three officials have already been fired for mishandling money.

Canada should demand accountability. With nearly a million Sinhalese and Tamil victims, it is not enough to sign a cheque and walk away. I am proud to stand with Barrhaven's Tamil community in demanding accountability and justice for all tsunami victims.

\* \* \*

### TIM HORTONS

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** Mr. Speaker, Tim Hortons was recently named winner of Marketing magazine's Marketer of the Year award.

Founded in Hamilton, Ontario in 1964, Tim Hortons has become a local cultural landmark and a visible symbol of Canada. Tim Hortons has grown to become one of Canada's largest chains of coffee and doughnut shops. With over 2,500 operations, it is firmly entrenched in our society.

The marketing award recognizes the company for its effective branding as a distinctly Canadian product. As Tim Hortons expands into the United States market, it remains grounded in its roots. Among many local initiatives, the Tim Hortons Children's Foundation provides thousands of underprivileged children the opportunity to attend summer camp each year.

On the eve of National Flag Day, let us celebrate all the things, such as Tim Hortons, that are authentically Canadian.

\* \* \*

### NATIONAL DEFENCE

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the hon. Minister of National Defence has become Canada's number one cheerleader for participation in star wars. He talks about our international reputation, our international commitments and our international obligations.

I would like him to tell that to the people of the James Bay coast who have been waiting for Canada to live up to its obligation to clean up the contamination his department left behind in the abandoned radar bases in northern Canada.

For 40 years the people of Peawanuk First Nation have been living with exposures to PCBs and chemical contamination. Nobody told them of the risk when DND walked away from those people.

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We talk about deadbeat dads. DND is a deadbeat ministry. I am calling on the minister not to be a walkaway Joe. He has the fundamental, moral and fiduciary obligation to clean up the contaminated hunting grounds of the Peawanuk and Mushkegowuk Cree.

\* \* \*

● (1410)

### CHINA

**Mr. Gord Brown (Leeds—Grenville, CPC):** Mr. Speaker, an estimated 16 million to 20 million prisoners are held in over 4,000 labour reform camps in China and Tibet.

Slave labour from these camps earns China several hundred million dollars. There have been published reports that these camps offer deals to foreign companies who conduct businesses with them.

With their loagai camps China has the largest forced labour camp system in the world. The prisoners in the camps are often detained without any legal procedures. They are forced to do physically strenuous work which is often hazardous to their health and has to be done under the most difficult conditions.

We have been assured that Canadian flag pins will no longer be made in China. I hope that the ones that we have in stock were not made in these forced labour camps.

\* \* \*

[Translation]

### WAL-MART

**Mr. Sébastien Gagnon (Jonquière—Alma, BQ):** Mr. Speaker, Wal-Mart management ran a message in today's newspapers, in which it claims recent events have been very trying for it and accuses the public of taking sides. But do they not say in retail that the customer is always right?

There are labour laws in Quebec that are good for everyone, and Wal-Mart must comply with them. The past century was marked by a number of major battles to gain the right to unionize, but the management of this multinational seems oblivious of that fact, with its 19th century behaviour.

Today there are plenty of dissatisfied customers. All of the members of the Bloc Québécois call upon Wal-Mart management, if it wants to spare itself any more trying times in coming weeks, to reconsider its decision to close the Jonquière store, to negotiate with its associates, and to stop its union-busting tactics.

If returning to these 19th century tactics is what it takes to provide the customer with the lowest price, then Quebec customers are not buying, thank you.

*Oral Questions**[English]***CHILD CARE**

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Mr. Speaker, the Prime Minister fails to remember his promise to allow parents a choice in child care. In his 2000 budget speech he said, "Let there be no doubt: assisting families is not only the smart thing to do, it is the right thing to do".

Poll after poll shows that most parents prefer to have direct assistance which would allow them to raise their own children. These parents want the freedom to choose the child care environment that is best for their family, be it linguistic, religious, cultural or social.

The Prime Minister's government proposes absolutely nothing for these parents in the Liberal child care plan. Why will the government not provide parents with choices when it comes to child care?

When the Prime Minister and the Minister of Social Development had a choice, they raised their own children at home. Why not let the rest of Canadians have the same choice?

\* \* \*

**MARRIAGE**

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Mr. Speaker, the Conservative Party's position on marriage and the family just gets stranger and stranger.

The media now reports that the member for Calgary Southeast believes that the current definition of marriage is not discriminatory because marriage has always been open to all. He said:

The fact is that homosexuals aren't barred from marrying under Canadian law. Marriage is open to everybody, as long as they're a man and a woman.

If this were 1920, that kind of remark would be similar to saying "politics is open to everyone as long as the person is a man," or if it were the 1940s perhaps, it would be like saying "marriage is open to everyone as long as they are of the same ethnic background".

It seems that the Conservative Party believes that everyone can already get married, but if the people are homosexual, they must ensure they marry someone of the opposite sex.

We would like to take this opportunity to ask the Alliance-Conservative Party to join us in the 21st century and stand up for the rights of all—

**The Speaker:** The hon. member for Lévis—Bellechasse.

\* \* \*

• (1415)

*[Translation]***PATRO DE LÉVIS**

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Mr. Speaker, I want to mention the extraordinary support provided by the people in my riding to the welfare of the community and to assure the Patro de Lévis foundation of my unqualified support for their grand relocation project.

Every year, more than 75,000 people take part in activities at the Patro de Lévis, so new facilities have become a necessity. This is

why the acquisition of the monastère de la Visitation, a magnificent heritage building is such a coup. Now money is needed to bring the building up to present-day standards. A funding campaign with a target of \$2.9 million will appeal to the public's generosity through a variety of fund-raising activities until November 30.

I offer my thanks and congratulations to the many people involved and the hope that the fundraising efforts of the Patro may be on a par with the great good it does for the community.

\* \* \*

*[English]***TOBACCO INDUSTRY**

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, two weeks from today the World Health Organization's milestone framework convention on tobacco control comes into force. Canada ratified the convention last November and is a member of the conference of parties that will play an active role in implementing and managing the convention worldwide.

On the surface Canada appears to be ready to become a world leader in taking on the giant tobacco corporations, whose business results in the death of 45,000 Canadians and 5 million others around the globe each year.

Yet we continue to provide a lifeline to those corporations through our investment dollars. Last year we were told by the head of the CPP Investment Board that he would need an international agreement like the landmines treaty to pull out of tobacco investment.

We now have one. The World Health Organization convention and 59% of Canadians, who in a recent poll said they opposed CPP tobacco investments, are waiting for this government to act and show it cares.

So far we have seen no plans by this government to cut off investment to tobacco companies. We have just two weeks. Let's hope the government acts.

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**ORAL QUESTION PERIOD***[English]***NATIONAL DEFENCE**

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, during the last election campaign the Prime Minister ridiculed the Conservative plan for greater airlift and sealift capacity. In fact the Liberals even ran television ads attacking the Conservatives for advocating the purchase of hybrid carriers.

The Prime Minister said, "We are not interested in getting aircraft carriers". General Hillier, Canada's new chief of the defence staff, stated that he needs a large ship to enable Canada to meet the challenges from humanitarian aid to armed conflict.

Will the government now follow the advice of its top soldier and that of the Conservative Party and proceed with the purchase or procurement of large troop transport vessels?

*Oral Questions*

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, members of the House know full well that in the government's acquisition plan we have a joint supply ship that has been there. The Prime Minister announced that we were looking at this for several years.

The chief of the defence staff has said that we have to look at exactly the nature of the confirmation of this ship. It bears no relationship whatsoever to the extravagant and absolutely insane idea of acquiring aircraft carriers that was brought forward by the opposition during the last election campaign.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, that is what the Liberals said about helicopters.

General Hillier plans to start his military reorganization immediately. He is calling for heavy lift helicopters, Hercules transport replacement aircraft, precision munitions for our CF-18 fighters. He noted that a number of parliamentary committees called for the government to reinvest in the Canadian Forces.

The Liberal Party's abysmal lack of commitment to the forces is well chronicled: cancelled helicopter contracts, used submarines, inadequate armed vehicles, the list goes on and on.

The Conservative Party, in fact most Canadians, support properly equipping our military. When will the government start to listen to the advice of its top people and stop—

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

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I want to recall for members of the House, including members of the opposition, that the Prime Minister appointed General Hillier precisely because we wanted a strong voice to tell us how we can have the right strategic vision for this country and how we can acquire the assets.

I beg hon. members to wait until we get the defence review. Watch the budget. We are turning the corner. We will be delivering, as we have indicated, the resources our forces need to play the role that they do in the world. General Hillier will be there to lead them. We are very proud of the direction we are taking.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, the forces have been waiting for 12 years for the government to act.

General Hillier's planned reorganization of the Canadian Forces will require new soldiers and equipment. The promise of 5,000 troops and 3,000 reservists is critical to the plan, but he has said that before that happens, we have to fix the base. That clearly means reinvesting in training, weapons, ammunition, spare parts and infrastructure.

Will the finance minister commit that this federal budget will contain sufficient resources to allow General Hillier and our forces to obtain the personnel and equipment that they need to do the important job that we ask of them?

• (1420)

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, nothing would give me greater pleasure than to answer in the House on behalf of the finance minister, but I think that all members who are anticipating the budget would agree that would be a very hazardous thing for anyone to do.

I can say that the finance minister is committed to rebuilding our forces along the vision that General Hillier is articulating and which we will lay out with our defence review. We will be getting the funds. We will be getting the resources. We are getting the backing of this government so that our forces can play the meaningful role they are wanted to do in the world and which they are doing in the world.

\* \* \*

**CHILD CARE**

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Mr. Speaker, this weekend it became clear that the Liberal vision of day care is not shared by Canadian women. Canada has the highest rate of working moms in the industrialized world. Close to 100% of these working moms have said that if they could afford it, they would stay home part time to care for their own children. The Liberals have been clear that their plan will not give women a choice.

When will the finance minister bring changes to the tax system that will give women the power to make their own child care choices? When will the government start listening to working women?

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as we have talked about before in the House, what a child care system provides is an option. It is an option for parents. No one is suggesting that the most important relationship is anything but the relationship between parents and their kids.

All that early learning and child care is an extra option for the great majority of parents who have decided that they would be in the workplace even as their kids are younger. The reality in this country is that the great majority of parents are in the workplace even with younger kids.

[*Translation*]

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Mr. Speaker, Quebec already has its own child care program, and a federal program is only diverting funds that should be put into the hands of parents.

Will the Liberal government stop invading Quebec's areas of jurisdiction and give the province full financial compensation with no strings attached?

[*English*]

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as the hon. member knows, the education system did not develop by just putting money into the hands of parents to decide for themselves to get together to create schools. That is not how it happened. A health care system did not happen in that way either.

It happened because the public decided that what mattered a lot was the development of their children and they wanted to put together a public response to it. That is what early learning and child care is, an opportunity for kids to have an enhanced early childhood development experience.

*Oral Questions*

[Translation]

**TAXATION**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Prime Minister is in Atlantic Canada signing specific agreements with Newfoundland and Labrador and Nova Scotia; these agreements total \$3.7 billion, thereby making the equalization program even more inequitable.

Does the government realize that, by concluding individual agreements, Ottawa is only increasing the fiscal imbalance at Quebec's expense?

[English]

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, in September last year the premiers and the Prime Minister entered into some historic deals: \$41 billion for health care and \$33 billion for equalization.

At the end of that negotiation, the Prime Minister said to every premier that was in the room at the time, "I intend to enter into a special arrangement with Newfoundland and Labrador and Nova Scotia". At that time no premier objected to this particular arrangement and in fact encouraged the Prime Minister to do so.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, we must not be on the same planet, if one of us thinks that the premiers of the other provinces are in agreement with this. They agree with Ottawa multiplying the sweet deals: \$2.6 billion for Newfoundland and Labrador; \$1.1 billion for Nova Scotia; and \$600 million for Saskatchewan.

At the same time, Quebec has to repay \$2.4 billion, due notably to Ottawa's miscalculations.

Instead of further perverting the equalization system, could the government not make an effort to minimize the fiscal imbalance, starting with the coming budget, as the throne speech suggests it will?

•(1425)

[English]

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I agree with the hon. member's assertion that we are not on the same planet.

There is no question that this is a complex formula. It measures 33 capacities for fiscal generation of moneys. It operates across 10 jurisdictions. It is quite complex. Over there, members do not want resource revenues recognized; and over there, they want renewable resource revenues not recognized. This is why there has been a special committee struck, in order to be able to address these very—

**The Speaker:** The hon. member for Saint-Hyacinthe—Bagot.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the very generous deals signed today with Newfoundland and Labrador and Nova Scotia are piecemeal deals which completely distort the formula and objectives of equalization, presenting a picture of the provinces' fiscal capacity that is not consistent with the reality.

Will the Minister of Finance admit that he has completely totally contorting the rules of equalization and that he is making it blatantly clear that a major fiscal imbalance does exist in Canada?

[English]

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, as I recollect it, two months ago every party in the opposition supported entering into a special arrangement with Newfoundland and Labrador and Nova Scotia because of their difficulties and unique circumstances. Every one of them supported it. Now they all have a case of me-tooism.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the hon. parliamentary secretary just proved that he really is living on a different planet. We have vigorously objected to piecemeal deals, because such deals destroy the very objectives of equalization.

Instead of launching into piecemeal deals with the provinces, as he just did with Newfoundland and Labrador and Nova Scotia, would the Minister of Finance have not been better advised to take advantage of his upcoming budget to announce a comprehensive reform of the equalization system?

[English]

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, presently before us is Bill C-24. Included in the bill is the creation of an expert panel to advise the government on the anomalies the current system presently produces. There is no system in the world that is perfect. Certainly the government and all governments can take advice from that panel as to what would be the appropriate weighting and recognition of revenue sources.

\* \* \*

**HEALTH**

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I hope the Minister of Health is aware of the fact that we have a serious problem in our food chain with chemicals associated with flame retardants. It is accumulating in breast milk. We have a problem that is much greater than what exists in Europe where these substances have been banned.

Could the Minister of Health tell us today that Health Canada will finally act to reduce and even ban these substances in the Canadian environment?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the member has alluded to a serious problem. Health Canada is looking into the issue. I will be happy to inform the House once the deliberations of the department are over.

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, at some point the government has to break this culture of inaction. It is looking into things. It is studying things.

These substances have been banned in Europe, yet we have a government that will not ban flame retardants. It will not bring in mandatory emissions standards. It will not do anything; it just wants to study everything to death.

*Oral Questions*

You know what is happening. You know this stuff is destructive. Why not get on your feet today and say you will do something and ban them?

**The Speaker:** I do not know who the hon. member for Elmwood—Transcona is calling “you”. I am on my feet, but he knows this is not something that falls within the jurisdiction of the Speaker. I hope he was intending his remarks for the Minister of Health and if so, I wish he were addressing the Chair when he delivered them. As an experienced parliamentarian he knows better.

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, this is obviously a serious issue on which there is a significant divergence of scientific opinion. We will obviously take a look at this issue and then inform the House.

\* \* \*

● (1430)

**THE ENVIRONMENT**

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, Kyoto comes into force on Wednesday. Despite signing Kyoto in 1997, ratifying it in 2002, and wasting \$3.7 billion in the process, the government still has no action plan. During the government's eight years of dithering, CO<sub>2</sub> emissions have skyrocketed.

Why will the minister not release the plan for buying hot air credits before Wednesday?

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, we appreciate the member's new-found interest in Kyoto.

The member talked about hot air. The minister has made it very clear we will not buy hot air from Russia, and we will not buy hot air from that party either.

The bottom line is that the minister will release a very robust plan. I suggest that the member bide his time, because after the budget, he will see how we are building on the work we have already done on Kyoto to save our economy, the environment and health.

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, the government certainly knows how to spend a robust amount of money.

The Chamber of Commerce represents 170,000 businesses across Canada. Today it released a last-ditch warning concerning job losses and economic uncertainty due to Kyoto. It warns of a competitive disadvantage that could be catastrophic.

How can the minister assure Canadians that our ability to compete will not be hampered by this unannounced plan?

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, the minister has made it very clear that economic competitiveness and the environment are not mutually exclusive. He has indicated very strongly that we can have a strong economy building on jobs in a green economy.

Chicken Little is alive and well and sitting across the way. He would suggest that somehow the sky is falling. The sky is not falling. An opportunity is at hand and we would hope that party along with others will work with us in improving our environment.

**Mr. Jeff Watson (Essex, CPC):** Mr. Speaker, the government's Kyoto plan reads like the prospectus of a mutual fund: past performance is no guarantee of future success.

Some \$3.7 billion have been wasted. We are 30% behind our Kyoto target. Kyoto comes into force in only two days, and still the government has no plan for the auto sector with reachable goals that preserve jobs in Canada.

Why does the Prime Minister dither and not deliver on a real Kyoto plan for our auto industry?

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, first, nothing could be further from the truth. I am not sure if that party can spell the word Kyoto but the reality is that we are prepared to have a strong economy and that means in the auto sector as well.

Negotiations have been going on and, obviously, are still going on but I would say that they are very productive.

We know, particularly on this side of the House, how important the automobile industry is and how important the environment is to Canadians.

**Mr. Jeff Watson (Essex, CPC):** Mr. Speaker, I know how to spell the Kyoto plan: j-o-b-s g-o-n-e. The truth is that the only Liberal idea on the table is a bad idea: a California fuel efficiency regulation that will devastate Canada's auto sector. The automotive capital of Canada, Windsor, Ontario, sits at 9.9% unemployment following auto and parts job losses.

Why does the Liberal government favour a made in California idea for a made in Japan treaty that will only make unemployment in Canada higher?

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, this is the government that is working with the auto sector. Clearly, we believe it is very important to our economy. That member would rather see failure than opportunity. We believe it is important for Canadians. We are working very cooperatively with the auto sector.

I would suggest that members on this side, particularly my colleagues from ridings where the auto sector exists, have done a lot more to advance this file than anyone on that side.

\* \* \*

[Translation]

**CHILD CARE**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, on December 14 on Radio-Canada, in response to a question by Bernard Derome about child care, the Prime Minister confirmed that Quebec would not be subject to conditions regarding child care. Mr. Derome asked, “Can you guarantee that Quebec will receive its cheque with no strings attached” and the Prime Minister replied, “Absolutely”.

I am now asking the Minister of Social Development to tell clearly us, yes or no, will he fully respect the Prime Minister's commitment to Quebecers on child care?

*Oral Questions*

● (1435)

*[English]*

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as I have said to the House before, the work that has been done by the Government of Quebec in the area of early learning and child care acts as an inspiration to the rest of the country.

Clearly, the work that has been done is respected, will be respected and actions that are taken ahead of everybody else are certainly actions that are not going to be penalized in the future.

*[Translation]*

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the Prime Minister also said, during this interview, and I quote, “So, does this mean, since the other provinces have a little work to do, that Quebec will be penalized? Not at all—we want to reward those provinces that have made progress”. That was his answer.

If the Minister of Social Development intends to respect the Prime Minister's commitments, why does he not immediately and unconditionally transfer funds to Quebec for child care? What is he waiting for?

*[English]*

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as I just said, and it was in direct response to the question that followed. The actions that have been taken by the Government of Quebec, ahead of everybody else, are certainly actions that will not be penalized with anything that this government does in the future.

\* \* \*

*[Translation]***WAL-MART**

**Mr. Réal Ménard (Hochelaga, BQ):** Mr. Speaker, the Minister of Health negotiated an agreement with Wal-Mart to display anti-smoking pamphlets in all its stores.

Given the recent events in Jonquière in Saguenay, does the federal government not think it would be sending a far better message if it pulled its displays from Wal-Mart and negotiated just with other chain stores to distribute its anti-smoking programs?

*[English]*

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, there is no question that the issues around jobs for the people of Canada, including those of Quebec, is very important.

We in Health Canada believed that Wal-Mart was an appropriate business to deal with in terms of reaching thousands of people and in terms of an educational program that dealt with anti-smoking issues. However it is important to recognize that Health Canada is not an advertising agency for any business whatsoever.

*[Translation]*

**Mr. Réal Ménard (Hochelaga, BQ):** Mr. Speaker, Health Canada's January 17 news release is quite flattering toward Wal-Mart and invites people to consult Wal-Mart pharmacists for information on Health Canada's anti-smoking campaign.

Is the Minister of Health still proud of his association with Wal-Mart after what happened in Jonquière? Has the federal government

become one of the associates of Wal-Mart, which thumbs its nose at Quebec labour law?

*[English]*

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, as I said, that was cooperation in the context of a very good educational program but that does not mean we condone everything Wal-Mart does. We absolutely do not.

\* \* \*

**TAXATION**

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, the government has a very bad habit of wasting money on Liberal friendly ad schemes, rusted out submarines and the money sucking firearms registry, just to name a few, all part of a massive 40% hike in government spending since 1997.

However, while the Liberals go hog-wild with tax dollars, the average worker has seen their take home pay frozen at 1989 levels.

Will the minister commit in his budget to slashing wasteful spending so that workers can keep more of the income they work so hard to earn?

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, the minister is preparing a budget that will be delivered here next week. At that time the concerns of the hon. member will be addressed.

I want to remind the hon. member that in the past five years we have entered into a \$100 billion tax cut. I know the hon. member has difficulty believing that, but I suggest he go to his socks and underwear drawer and check out his income tax returns for the last five years.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, it is unfortunate that the finance minister is so invisible on this issue, giving us that vacant look today.

The last time I checked that duck hunter registry was still there, hoovering up \$10,000 a day. The minister clearly thinks that bureaucrats and politicians are better at handling workers' incomes than workers themselves.

When it is Canadian workers who are buying the groceries, why is it that Liberal bureaucrats and politicians and boondoggles get the steaks while workers get the wieners?

● (1440)

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I think congratulations are in order for the way in which the hon. member has crafted his question, but whether it made any sense or not is something else again.

The revenues of the Government of Canada have actually declined from 17% of GDP to 14.8% of GDP. Program spending has hovered around 11.8% of GDP and that is expected to go up slightly given the very significant commitments of the Government of Canada to health care and equalization, \$75 billion over the next 10 years, and a very significant—

**The Speaker:** The hon. member for Okanagan—Coquihalla.



*Oral Questions***MIDDLE EAST**

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, prior to his trip to the Middle East, the Minister of Foreign Affairs had requests from Canadian Lebanese organizations to meet with their democratic counterparts in Lebanon. These groups, quite rightly, are opposed to Syria's occupation of Lebanon and they fear the work of groups like Hezbollah.

Today those fears were tragically confirmed with the killing of Mr. Hariri. I know the minister shares the grief in that tragedy. Mr. Hariri will be a martyr now for the cause of Lebanon's liberation from Syria.

Why would the minister meet with the dictators of Syria but not meet with these democratic organizations in Lebanon? It seems unbalanced.

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I certainly want to express our deepest condolences on the death of Prime Minister Hariri who was a great friend of Canada. I remember his two visits in 1997 and 2001, which were very much appreciated.

What I think is important is to meet these individuals, whether in Lebanon or in Syria, and tell them that Canada supports resolution 1559 which requires Syria to leave the territory of Lebanon. It was easy to meet people who, like Canada, think that Syria should leave the territory, but I prefer to meet the leaders in Syria and Lebanon and inform them that they—

**The Speaker:** The hon. member for Okanagan—Coquihalla.

[Translation]

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, that was not the case. UN Resolution 1559 called for the 14,000 Syrian soldiers to withdraw from Lebanon. Our allies, Great Britain, Spain, Australia, France, and the United States, all want the Syrians to leave.

How can our minister praise such a cynical regime that backs odious acts of terrorism?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, Canada's position is extremely clear. We support Resolution 1559, which calls upon Syrian forces to withdraw from Lebanon. However, I must also point out that at press conferences in both Lebanon and Syria, I drew the attention of government leaders to the role being played by Hezbollah and Hamas. I asked these two countries to do whatever it took to avoid violence in the Middle East. If there is any real desire to support Mr. Abbas and help the Palestinian cause rather than exploit it, we must bring about an end to all violence, and Mr. Abbas must be given a chance.

\* \* \*

[English]

**INTERNATIONAL TRADE**

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** Mr. Speaker, my question is for the Minister of International Trade.

Canada has made it clear that we support the waiving of interest payments and debt to third world countries anchored to the past by a history of mismanagement by dictatorial and corrupt regimes.

Are we willing to take the next step and say to those among these countries that have moved toward democracy and civil society that we will encourage these moves with free trade agreements so as to help develop small and medium-sized businesses and a fair labour market to ensure civil society development parallels economic development?

**Hon. Aileen Carroll (Minister of International Cooperation, Lib.):** Mr. Speaker, Canada has a very proud record of supporting entrepreneurs in developing countries. We know that to grow those economies we have to unleash the entrepreneurs. We have to help them with the programs and microfinance building the regulatory systems and legal systems that enable those entrepreneurs to build their own economies.

In addition, my colleague, the Minister of International Trade, being the brilliant strategist that he is, has been pushing for market access for developing countries in the Doha round of the WTO.

\* \* \*

• (1445)

[Translation]

**WAL-MART**

**Hon. Ed Broadbent (Ottawa Centre, NDP):** Mr. Speaker, Wal-Mart is the most anti-democratic company in the democratic world. Last week in Jonquière, Wal-Mart closed a store where there was a union. This week, the same company is trying to deny the rights of working men and women in St-Hyacinthe.

[English]

In the United States, Wal-Mart is already subject to anti-women's law-breaking under a class action suit and on the weekend we learned that it had violated the child labour code in the U.S.

Will the minister call in the Canadian head of this company and explain that it is not our—

**The Speaker:** The hon. Minister of Labour and Housing.

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, I can appreciate the member's concern. We in the government and this country believe in people's right to organize. We also believe in a collective bargaining system.

I should tell the member, although I am sure he already knows, that this is a provincial jurisdiction and that the provincial jurisdiction has the opportunity to engage both the employers and employees to find, hopefully, a resolution to this very important issue.

**Hon. Ed Broadbent (Ottawa Centre, NDP):** Mr. Speaker, my question is for the Minister of Industry and it is deliberately so because there is federal jurisdictional authority.

Under the Investment Canada Act, last fall the minister speculated on including human rights as a requirement. Will he now put such a clause in that act so we will not have companies like Wal-Mart that discriminate against women, violate child labour laws all over the world and destroy workers' rights?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, we are having a look at the Investment Canada Act and we will bring some suggestions forward to Parliament in the weeks ahead.

*Oral Questions***SPONSORSHIP PROGRAM**

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, Justice Gomery's terms of reference clearly instruct him to take into account a Treasury Board review of ministerial accountability. The Treasury Board President has now shelved that review, which was supposed to report last September. Justice Gomery cannot take into account a review that does not exist.

If the Treasury Board President really wants to make ministers more accountable, why does he not start with himself and give Canadians the real reason he halted this review?

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I thank the member for his question and, frankly, I thank his leader for allowing him to ask it.

The reality is that we have been working on these reviews. I did raise the question in conversation with a few individuals about whether or not there would be concerns about us pre-empting Mr. Justice Gomery, something that we do not wish to do.

I am working on the report. There will be discussions. I have made repeated suggestions that the committee bring me before it and as soon as the committee wants to take me up on that, I will do so.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, this is the third such delay. The Treasury Board President was supposed to have these guidelines before the government operations committee a long time ago. Originally, the guidelines were meant to be completed by September 30. Then it was promised for Christmas. Now the dog has eaten the minister's homework for a third time.

What is taking the king of procrastination so long? Is he worried that these new rules might get in the way of the Liberal patronage bonanza?

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

**The Speaker:** Order, we will have a little order so members can hear the President of the Treasury Board's response. The member for Nepean—Carleton is on the edge of his seat. He will not be able to hear a thing.

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I am pleased that after an entire year the opposition has finally realized there is some important work going on. This is an exceptionally important piece of work and one that I intend to do well, and that means it will be ready when it is ready.

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**NATURAL RESOURCES**

**Mr. Charlie Penson (Peace River, CPC):** Mr. Speaker, while the Minister of Natural Resources considers pipeline applications for gas from the Canadian Arctic, there are still many unresolved disputes resulting from the last major pipeline that went through my constituency.

Just listen to the problems these landlords have had to face. In May 2000, landowners requested that the minister-appointed arbitration panel settle disputes. In May 2001, the minister finally appointed the panel. In March 2002, the panel finally began hearings, and in February 2005, there is still no decision.

After five years, can the minister not see that justice delayed is justice denied?

• (1450)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the Minister of Natural Resources works with constituency groups on an ongoing basis.

The hon. member mentions the Mackenzie Valley pipeline. There is a tremendous amount of work being done with the first nations in that community and with others to ensure that this is done in a reasonable way and in a way that takes into account the views of all those being impacted by the project.

**Mr. Charlie Penson (Peace River, CPC):** Mr. Speaker, it gets worse. We have found out that the entire arbitration process has been derailed after John Gill, one of the panel members, removed himself from the case before it was concluded. The Prime Minister rewarded Mr. Gill for chairing the last Liberal federal election campaign in Alberta by appointing him to the Court of Queen's Bench just a few weeks ago.

Five years of work has gone down the drain. Landowners are left with nothing. Why is the minister letting political patronage get in the way of justice?

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, that is utter nonsense. The Minister of Natural Resources sees within his mandate the need to work with all stakeholders. He does that well and will continue to do that into the future.

\* \* \*

[*Translation*]

**THE ENVIRONMENT**

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, in the absence of mandatory measures, it would appear that the Prime Minister is preparing to allow auto manufacturers to decide on their own measures for reducing fuel consumption.

Does the Prime Minister intend to face the facts and admit that reaching the Kyoto targets will mean imposing mandatory measures on the auto industry and on other industries?

[*English*]

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, we are working with the auto sector to achieve a voluntary agreement. Clearly, if one is not reached, we will have to regulate, but the discussions are ongoing and I would ask the member to stay tuned.

[*Translation*]

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, the government has already invested \$3 billion in voluntary measures and yet greenhouse gas emissions have risen by 20%.

The Minister of the Environment went to California, where antipollution standards are among the strictest on the continent. If the Minister of the Environment learned something during his trip to California, will he admit that mandatory measures are needed for the auto industry, otherwise he is wasting his time?

*Oral Questions*

[English]

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, first of all, the auto sector has been a leader and continues to lead. I would point out that we are interested in reducing emissions, not just to 2010 but beyond. The Minister of the Environment has committed to that. The Minister of the Environment is working with the auto sector and with my colleagues on this side of the House, and again, please stay tuned.

\* \* \*

**AIRPORTS**

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, in November the Minister of Transport told the transport committee that he would seek to scrap the plans to raise airport rents. Crown rent on airports cost the Canadian economy over \$286 million in 2004 and that figure will balloon to over \$368 million in 2006.

Under the government's plan, regional airports will have to start paying huge rental fees. The Regina International Airport alone will be asked to come up with over half a million dollars. The Regina Airport Authority fears that such a massive rental fee could result in higher ticket costs and reduction of service.

What happened to the minister's promise to stop gouging air travellers?

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I am also worried about the airport rent and so is the Minister of Finance. The hon. member can count on the Minister of Finance to protect Regina.

\* \* \*

**ROYAL CANADIAN MINT**

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Mr. Speaker, recently the Royal Canadian Mint entered into an exclusive contract with Tim Hortons for the distribution of the poppy coin. Taxpayers footed the bill for millions in advertising and distribution costs designed to drive traffic to the retail stores, a double-double for Tim Hortons.

Companies pay millions of dollars for product placement. However, for this exclusive privilege, Tim Hortons paid nothing, a big doughnut hole.

Why did the Liberal government give the exclusive right for the distribution of the poppy coin to Tim Hortons?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, I would remind the hon. member that the Mint is an arm's length organization. It is pleased with the transaction. Perhaps more to the point, all veteran's organizations have expressed great pride and praise for the poppy coin. With all due respect, the opinion of Canada's veterans is more important to me than the opinion of the hon. member across.

\* \* \*

**GASOLINE PRICES**

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

The price of gasoline in my riding of Thunder Bay—Rainy River is unacceptably high and unjustified. This week regular gas is selling for 93.1¢ a litre, while the wholesale gas price, including taxes, is 78¢ per litre. This windfall for the oil companies is coming at the expense of my constituents. It is shared also by many other ridings in this country.

When will the minister take up the recommendations of the 2003 industry committee to establish a gas price monitoring agency in order—

● (1455)

**The Speaker:** The hon. Minister of Industry.

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, the hon. member is concerned. All members of this House are concerned with gas prices. That is why the Competition Bureau is undertaking a review of the state of competition in the retail gasoline industry.

The only reason for setting up a monitoring agency is so that it can be regulated. We will await the results of the Competition Bureau review. If there is an anti-competitive situation, it is actually the provincial governments that have to regulate retail gasoline prices.

\* \* \*

**EQUALIZATION PROGRAM**

**Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):** Mr. Speaker, the Minister of Finance is not being up front with the people of Saskatchewan with respect to the clawback of oil and gas revenues for the province.

Had Saskatchewan received the same equalization deal as Newfoundland and Labrador and Nova Scotia, it would have received over \$4 billion in additional revenue over the past decade. Last year alone this government clawed back \$223 million from the province. That money does not belong to the government. That money belongs to the people of Saskatchewan.

Will the minister or his designate stand today and commit to the elimination of the clawback provision for Saskatchewan?

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, Saskatchewan is now in the happy circumstance of moving from a have not province to that of a have province. It is to be congratulated, by virtue of the dint of hard work of the people of Saskatchewan.

This equalization formula is a complex formula of 33 indices of various fiscal capacities. Sometimes provinces are beneficiaries and sometimes they are not. In this particular case, Saskatchewan has done very well out of the equalization formula over the past number of years.

**Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):** Mr. Speaker, I feel that we should start calling this hon. member the Maytag member because he tends to spin the truth more than my washing machine.

The truth of the matter is that in Saskatchewan the only elected official who is not demanding the same deal as was afforded Premiers Hamm and Williams is the Minister of Finance. That is shameful.

*Routine Proceedings*

Will the minister or his designate stand in the House today and do what is right, do what is fair, and simply commit to the elimination of the clawback provisions and give Saskatchewan people the same deal as afforded to Newfoundland and Labrador and Nova Scotia?

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, may I ask for a ruling on the hon. member's comments about spinning the truth?

**The Speaker:** There is nothing wrong with spinning the truth. It would be much worse if we were spinning untruths, so we will stick with the truth, as I am sure the hon. parliamentary secretary will continue to do in his answers.

**Hon. John McKay:** Thank you for that clarification, Mr. Speaker.

As I was saying earlier, Saskatchewan has had a number of adjustments to the equalization formula. Something in the order of \$580 million this year have addressed concerns that have been raised and addressed by the finance minister. The equalization formula is quite complex and over the past number of years Saskatchewan has done very well out of that formula.

\* \* \*

[Translation]

**GAS TAX**

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, discussions are underway between the federal government and Quebec and the provinces to transfer a portion of the gas tax revenues to the municipalities. But there would be terms and conditions attached to the proposed transfer which Quebec is dead set against, arguing that it has exclusive jurisdiction over municipal affairs.

The federal government has always used the proceeds of the gas tax at its discretion. Why try to impose conditions on Quebec, when Quebec wants to have control over infrastructure programs, with no strings attached?

**Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.):** Mr. Speaker, we have always worked closely with the Province of Quebec in the area of infrastructure. We have always entered into mutually satisfactory arrangements, and we will do the same by working in close collaboration and in consultation with the municipalities at the same time. We are, however, respectful of its provincial jurisdictions while negotiating with the Province of Quebec.

\* \* \*

• (1500)

[English]

**HOUSING**

**Mr. Mario Silva (Davenport, Lib.):** Mr. Speaker, the federal government has provided programs that are designed to ensure that Canadians are adequately housed. Some of these programs have been put on hold by provincial and municipal governments. As the Speech from the Throne recognizes, shelters are the foundation upon which healthy communities and individual dignities are built.

Can the Minister of Labour and Housing tell the House what programs exist and what negotiations are taking place?

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, I want to thank the hon. member for Davenport, and all the caucus members and ministers from the GTA for doing some incredible work with regard to housing in that particular area.

As members know, in an area of provincial jurisdiction, the federal government really does want to be a true partner with the provinces. Not only do we invest \$2 billion each and every year to look after 636,000 low income Canadians, but we have committed to \$1.8 billion in order to deal with homelessness, affordable housing and renovations to our existing stock.

We have in Ontario, finally, a government that believes in housing. We are working very closely with it to deliver on the housing commitments that we have already made.

\* \* \*

**FINANCIAL INSTITUTIONS**

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, the impact of the payday loan industry on vulnerable families in financial difficulty can be very devastating. We know that in fact one of the main triggers of this is the rollover loan, which can mean that people end up paying 1,000% or more in interest. It is like stepping into financial quicksand.

There is a simple solution: the government can ban rollover loans. Will the government do it?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, federal, provincial and territorial ministers of consumers affairs have been looking at this very issue for the past year. I have had a discussion with my colleague from the province of Manitoba. It is something that we are hoping to move on in the next few months, but we need to work in cooperation with provincial governments.

**ROUTINE PROCEEDINGS**

• (1505)

[Translation]

**COMMITTEES OF THE HOUSE****PUBLIC ACCOUNTS**

**Mr. John Williams (Edmonton—St. Albert, CPC):** Mr. Speaker, I have the honour to table the seventh report of the Standing Committee on Public Accounts regarding the report on plans and priorities 2004, and the report on performance for the period ending 31 March 2004 of the Office of Auditor General of Canada.

\* \* \*

[English]

**INJURED MILITARY MEMBERS (MAJOR BRUCE HENWOOD) COMPENSATION ACT**

**Mr. Art Hanger (Calgary Northeast, CPC)** moved for leave to introduce Bill C-330, an act to amend the Injured Military Members Compensation Act (amendment to the short title).

He said: Mr. Speaker, I am pleased to reintroduce this private member's bill to amend the short title of the Injured Military Members Compensation Act to add a reference to Major Retired Bruce Henwood who was the driving force behind the passage of the legislation.

The bill seeks to recognize his efforts to have the Canadian Forces insurance plan for accidental dismemberment while on duty expanded to all military personnel regardless of rank.

I believe inserting his name in the short title of the act would be a fitting tribute to Major Retired Bruce Henwood for his work on behalf of all Canadian soldiers.

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

\* \* \*

#### CROWN LIABILITY AND PROCEEDINGS ACT

**Mr. Art Hanger (Calgary Northeast, CPC):** moved for leave to introduce Bill C-332, an act to amend the Crown Liability and Proceedings Act (no claim by inmate).

He said: Mr. Speaker, I am please to reintroduce this bill to amend the Crown Liability and Proceedings Act to ensure that inmates serving penitentiary sentences will be unable to sue the federal government or its employees under any federal legislation for matters arising as a result of or during their penitentiary sentences.

If adopted, the legislation will put an end to frivolous lawsuits against the federal government and abuse of the Canadian legal system at the hands of inmates.

I urge all members to support the bill.

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

\* \* \*

#### PETITIONS

##### CANADIAN FORCES

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, I have a couple of petitions to present this afternoon. The first is on behalf of citizens of Leduc and Westlock, Alberta. It is an issue that I have raised many times previously in the House of Commons.

These citizens from Alberta wish to draw the attention of the House of Commons to the fact that the Canadian Forces Housing Agency does provide a resource for our military families by providing on-base housing. They also wish to draw attention to the fact that soldiers living in accommodation provided by the Canadian Forces House Agency have seen dramatic increases to their rent and in many cases this housing is substandard to acceptable living conditions.

Therefore, the petitioners call upon Parliament to immediately suspend any future rent increases for accommodation provided by the Canadian Forces Housing Agency until such time as the Government of Canada makes substantive improvements to the living conditions of housing provided for our military families.

#### Routine Proceedings

● (1510)

##### MARRIAGE

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, my second petition is on behalf of constituents from the city of Dawson Creek and the town of Pouce Coupé in my riding of Prince George—Peace River.

The petitioners wish to call to the attention of Parliament that marriage is the best foundation for families in the raising of children, and that the House had passed a motion in June 1999 that called for marriage to continue to be recognized as the union of one man and one woman to the exclusion of all others.

Therefore, the petitioners call upon Parliament to pass legislation to recognize the institution of marriage in federal law as being the lifelong union of one man and one woman to the exclusion of all others.

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of the constituents living in the town of Wallaceburg in the riding of Lambton—Kent—Middlesex.

The petitioners pray that Parliament define marriage in federal law as being the lifelong union of one man and one woman to the exclusion of all others.

[Translation]

##### NATIONAL DEFENCE

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, it is my pleasure today to table a petition presented by the people of Saint-Jean, who are opposed to the American missile defence shield.

These people claim that this plan is not consistent with their traditional values of diplomacy and resolution by mediation and so forth. They want their taxes to be invested in much more useful and important things than the American missile defence shield.

It is, therefore, a pleasure for me to table this petition today.

[English]

##### DNA DATABASE

**Mr. Art Hanger (Calgary Northeast, CPC):** Mr. Speaker, I have three petitions. The first petition deals with a DNA data bank. The petitioners call upon Parliament to enact legislation to create a DNA missing persons database and unidentified human remains database which would link with the existing national DND data bank and assist in determining the fate of missing persons.

##### MARRIAGE

**Mr. Art Hanger (Calgary Northeast, CPC):** Mr. Speaker, the second petition is on the issue of marriage. The petitioners call upon Parliament to immediately hold a renewed debate on the definition of marriage reaffirming, as it did in 1999, that marriage is and should remain the union of one man and one woman to the exclusion of all others and that Parliament take all necessary steps within its jurisdiction to preserve this definition of marriage.

This came from my riding.

*Government Orders*

**Mr. Art Hanger (Calgary Northeast, CPC):** Mr. Speaker, I have another petition which deals with the issue of marriage. The petitioners call upon Parliament to use all possible legislative and administrative measures, including invoking section 33 of the charter, that is the notwithstanding clause if necessary, to preserve and protect the current definition of marriage as between one man and one woman.

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, I am pleased to present a petition today from several hundred people in the city of Airdrie and the towns of Sundre, Olds, Didsbury and Carstairs. The petitioners call upon the government to maintain the definition of marriage as being the lifelong union of a man and a woman to the exclusion of all others, as decided in 1999.

I am pleased to present that with the already thousands of signatures I have from my riding.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, pursuant to Standing Order 36, I too would like to table a petition today from people of Lethbridge and southern Alberta. The petitioners call upon the government to use all possible legislation and administrative measures, including the notwithstanding clause if necessary, to preserve and protect the current definition of marriage as between one man and one woman.

**Mr. Paul Steckle:** Mr. Speaker, I rise on a point of order. Earlier during the presentation of parliamentary reports the report which I was to present today was not yet in the House. It has since arrived. I wonder whether I could have the unanimous consent of the House to present the report now.

**The Acting Speaker (Mr. Marcel Proulx):** Does the hon. member have the unanimous consent of the House to present his report?

**Some hon. members:** Agreed.

\* \* \*

• (1515)

## COMMITTEES OF THE HOUSE

### AGRICULTURE AND AGRI-FOOD

**Mr. Paul Steckle (Huron—Bruce, Lib.):** Mr. Speaker, I have the honour to present in both official languages the second report of the Standing Committee on Agriculture and Agri-Food entitled, "Status Report: Financial Analysis Relative to Meat Packing Companies in the Context of the BSE Crisis of 2003 Phase I". I should also comment that we have moved now to the second phase of this study, and we have asked for a forensic audit to be done on those packers at another level.

\* \* \*

[Translation]

## QUESTIONS ON THE ORDER PAPER

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

**The Acting Speaker (Mr. Marcel Proulx):** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

### FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

The House resumed consideration of the motion that Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other acts (fiscal equalization payments to the provinces and funding to the territories), be read the third time and passed.

**Mr. Charles Hubbard (Miramichi, Lib.):** Mr. Speaker, I am very glad to take part in the debate today, dealing with equalization. As we know, equalization has been a long term program of our federal, provincial and territorial governments. It is enshrined in our Constitution. Last year it was up for debate. With the arrangements that were made between the Prime Minister, the Minister of Finance, federal officials and their provincial and territorial counterparts, today Bill C-24 arrives in the House at report stage and third reading stage.

We have had a number of meetings with provincial and territorial ministers. With those, our federal government is doing its best to work out programs in the interest of all Canadians. We have concluded a health care accord, and soon we will receive a bill in the House that will deal with health care arrangements.

The equalization arrangements are being debated today, after coming back from the Standing Committee on Finance. All parties involved in the meetings of the finance committee have given great support to the program and to Bill C-24.

We also have been negotiating with the provinces, dealing with child care and communities programs. I can assure the House that our federal officials, our ministers and Prime Minister work diligently and faithfully to try to conclude arrangements for the betterment of all Canadians.

I am a bit concerned, though, when I hear some people refer in the House and across the country to have and have not provinces. Really, there are no have not provinces. However, certain provinces within our federation have more capital, better assets and better programs and have the fiscal capacity to deal with their issues better than others. In terms of this arrangement and as of this date two provinces do not receive equalization payments while eight provinces and territories receive some response from these arrangements.

The fiscal imbalance to which some people refer is not due to the people living in those provinces, but more to the economy of this great nation of ours. Many areas of Canada buy products that are manufactured in certain provinces. They look to other provinces for their oil reserves. They look to the natural resources of all provinces and within that context, they attempt to make amicable arrangements by which the wealth of a nation can be shared.

It is important that our provinces and territories have room to negotiate and, above all, room to plan their activities over the next period of time. The bill gives an opportunity for provinces to plan their future activities and programs.

*Government Orders*

There is a guaranteed growth track within the bill and within its arrangements. The approach includes five key elements: a new minimum funding floor of \$10 billion for equalization and a \$1.9 billion for TFF for the year 2004-05; complete protection for provinces and territories against overall and individual declines in payments in that year; a level of \$10.9 billion for equalization and \$2 billion in TFF in 2005-06; a growth rate guaranteed at 3.5% until 2009; and an independent panel to advise on the allocation among provinces and territories.

Over the next 10 years and subject to review in 2009-10, the new framework will provide \$33 billion more in equalization and TFF payments to provinces and territories. This is compared with the annual entitlements for both equalization and TFF, according to the estimates in the February 2004 budget and according to the official October report, of \$12.5 billion in 2009-10, an increase of 42% over the next five years.

• (1520)

Again, starting in 2005 the Government of Canada will establish a legislated financial framework for equalization and TFF with fixed overall payment levels that provide predictable and growing funding. In 2005-06 funding levels will be set at \$10.9 billion for equalization and \$2 billion for TFF, the highest levels ever reached by these programs. Both amounts will grow at a rate of 3.5%.

In addition the Government of Canada will also launch a review by an independent panel of experts on how the legislated equalization and TFF levels should be allocated among provinces and territories in the next year. Provinces and territories have been invited to appoint two members to the panel.

This review, among other things, will evaluate current practices for measuring fiscal disparities among provinces and territories. It will examine alternative approaches, such as those based on aggregate macroeconomic indicators, for example, the GDP, disposable income, or expenditure needs. It will review the evolution of fiscal disparities among provinces and the cost of providing services in the territories, to help governments and citizens evaluate the overall level of support for equalization and TFF. It will advise whether the Government of Canada should establish a permanent independent body to advise it on the allocation of equalization and TFF within the framework of legislated levels.

The Government of Canada, meanwhile, will remain fully concerned about accountability and responsibility for all decisions and will continue to consult extensively with provinces and territories.

The mandate of the panel is an advisory one and the federal government will make decisions based on advice received from the panel and the provincial and territorial governments. This expert panel will report back by the end of 2005 in time to provide advice on equalization and TFF for 2006-07.

Above all there is a guarantee of a complete floor protection. The framework will provide a floor protection to every province and territory to ensure that entitlements for 2004-05 are no lower than the levels forecast in the 2004 budget.

The effect of these various programs that we are arranging, in fact the programs in terms of health care and equalization, will provide a

cumulative increase of \$74 billion over 10 years compared to the annual levels estimated in the February 2004 budget.

Finally, I would like to allude to my own province of New Brunswick, which is very happy with the arrangements. The premier has expressed his approval and the fact that he is able to continue to provide new programs for people in New Brunswick.

According to the data that we have before us, the province of New Brunswick will receive \$1.181 billion on a total of \$9 billion in equalization in this fiscal year. It is about \$1,572 per person. For New Brunswick it will mean about \$152 million in additional payments and with it, New Brunswick over the next 10 years will receive more than \$800 million in additional health transfers.

I am very happy with the bill. I hope it will proceed at high speed through the House and that we as Canadians, and especially as New Brunswickers, will receive the benefits of the new equalization program as we approach the next taxation year.

• (1525)

[*Translation*]

**The Acting Speaker (Mr. Marcel Proulx):** Is the House ready for the question?

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

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

**The Acting Speaker (Mr. Marcel Proulx):** I declare the motion carried on division.

\* \* \*

[*English*]

#### DEPARTMENT OF FOREIGN AFFAIRS ACT

The House resumed from February 11 consideration of the motion that Bill C-32, an act to amend the Department of Foreign Affairs and International Trade Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

*Government Orders*

**Mr. Jim Abbott (Kootenay—Columbia, CPC):** Mr. Speaker, I am pleased to speak to Bill C-32. The purpose of the bill is to enact the Department of Foreign Affairs and International Trade Act and other acts as a consequence of the establishment of the Department of International Trade. DFAIT is splitting into two departments. There has been thorough debate on Bill C-31 dealing with the issue of international trade. I wish to take this opportunity to speak about the Department of Foreign Affairs.

In this Parliament I have had the rare privilege to be the associate critic of foreign affairs Asia Pacific, as appointed by the leader of the Conservative Party. In that period of time I have taken the opportunity to learn a little more about Asia Pacific. It strikes me that there are many ways Canada could be doing a far better and more creative job with respect to foreign affairs than it is presently doing. This comes about as a result of three particular incidents that I would like to report to the House.

First I should say that we as Canadians still have the aura, we still have the leftovers, as it were, of Lester B. Pearson. Those leftovers are really wonderful because he and the people of that era gave Canada a particular reputation. It is unfortunate that we are only able to trade off of that reputation today as opposed to being able to expand our influence in Asia Pacific and in other parts of the world.

I have experienced some frustrations. When I and other Canadians who carry the title of member of Parliament, Speaker of the House, or senator go into an international forum, we do so with an unbelievable amount of goodwill preceding us as we go through the door. As I said, we are trading off of Lester B. Pearson and the wonderful work that Canadians of that era did, particularly as peacekeepers.

Unfortunately the situation now with the Department of Foreign Affairs is the Liberals, who have been in power since 1993, are timid in the area of foreign affairs. There is goodwill as we enter the door but then the people with whom we are going to be conversing say, "Okay, now what are you up to? What is Canada up to at this particular point?"

We have done away with our great nation's tremendous history of involvement as a leader in the world community. We have done away with our ability to trade off of our strengths. We are followers rather than leaders. Let me give some examples.

I would like to draw to members' attention the situation as it respects the People's Republic of China and the Republic of China with Taiwan. We have ended up in a position of timidity in the face of rather bellicose belligerence on the part of the PRC. We have permitted the People's Republic of China to bully foreign affairs into taking very timid action.

I will give a chronology of six recently denied visits of Taiwanese high-ranking officials to Canada.

In July 2001 Canada rejected the visit of Dr. Ming-liang Lee, minister of health of Taiwan. The reason given was that it was not convenient.

In August 2002 Canada rejected the Taiwanese prime minister's stopover visit. He was on his way to Central America. This was just a stopover on a normal trade route of our airlines.

In September 2002 Canada denied a visa to Taiwan's foreign minister, Eugene Chien, for his private visit to Canada because it was inconvenient.

• (1530)

We note that at the same time Canada welcomed General Chi Haotien, China's defence minister, who was the operational commander at the Tiananmen Square massacre in 1989. Chi also met with then prime minister Jean Chrétien.

Taiwan's foreign minister came for a private visit to Canada. He was not permitted to be here because it was inconvenient, yet the PRC defence minister was.

In June 2003 Canada denied a visa again to Taiwan's foreign minister, Eugene Chien for his private visit to Vancouver.

In August 2004 Canada denied a transit stop in Canada to democratically elected Chen Shui-bian on his way to Panama.

In September 2004 Canada denied a visit to Taiwan's foreign minister, Tan Sun Chen, for his private visit which did not include meetings with any Canadian officials.

This is a timidity that is unbecoming of a sovereign nation. This is a timidity in the face of belligerence on the part of the PRC. We are not talking about the recognition of Taiwan as a nation. We are simply talking about the fact that there are elected officials who from time to time want to make private visits to Canada, or who are simply in transit, who should be permitted to land in Canada.

It shows a timidity unbecoming of a sovereign nation. I introduced a motion in the House which was supported by all members of the House, including many people who at present are on the front bench of the Liberal Party of Canada. They voted in favour of a motion to recognize Taiwan as a health entity at the World Health Organization. Those same people who were backbenchers and who are now on the front bench, without a doubt under the direction of the foreign affairs department would vote against the same motion in the House. It is a timidity unbecoming of a sovereign nation.

I am also very familiar on a first-hand basis with some of the goings on in the Democratic People's Republic of Korea, a misnomer if I ever heard one. The people of North Korea are in a very precarious situation. They are under the most severe repression in the world. There is no nation in the world that has a tighter rein on its people than the regime in North Korea.

When Lloyd Axworthy as our foreign affairs minister decided that he was going to recognize the DPRK, we had an opportunity at that particular point to show some real strength instead of timidity and to carve out a course of action that would have been independent. As I recall it, the recognition by the former foreign affairs minister happened fully two years prior to the North Koreans' announcing that they had nuclear weapons. The question is very much in the news today, but it is still a question, do they or do they not have nuclear arms?



*Government Orders*

We had the ability at that point to become players in that particular game. We are on the cusp of a potentially serious world situation. Canada could have been, would have been and should have been right at the centre of that simply by showing some strength of character and engaging the people of North Korea. They do not see us as being a threat to them in the same way that they would see the United States as being a threat. They see Canada as having the ability to influence the U.S. and to have contact through Canada to people in the western hemisphere and yet we have been timid.

NGO after NGO have gone into North Korea and are there in a very strong relational way with the decision makers in North Korea. They have far more influence than our great nation of Canada, all because of the timidity of our foreign affairs policy.

● (1535)

Last month I had the privilege of working in concert with the member for Edmonton—Mill Woods—Beaumont on an issue of political prisoners and on an issue of human rights in the nation of Vietnam. Through the interventions of the member for Edmonton—Mill Woods—Beaumont, Senator Mac Harb and myself, we had an opportunity to engage in constructive dialogue with the regime of Vietnam. The regime of Vietnam was going to be releasing under a political amnesty 8,000 prisoners.

We had an opportunity to speak with the officials of Vietnam who were trying to become a part of the world community. We had a very constructive discussion with them. As a consequence of that, we were directly involved in the release of certain prisoners.

How many people in Foreign Affairs Canada, who are involved on a day to day basis, have that opportunity? I suggest not many because there is a timidity on the part of Foreign Affairs Canada.

Whether we are talking about Taiwan, North Korea, Vietnam or about the relationship between Canada and South Korea and, in turn, its relationship with the six party talks and their relationship in turn with the North Koreans, we have a place in the world community that we are presently not exerting.

I would hope, in taking a look at Bill C-32 and in taking a look at the reorganization, that at the same time we would see our current Minister of Foreign Affairs begin to exert a more imaginative and outward-looking posture in the world, that we would begin to see our defence minister doing the things he needs to do so we can be taken more seriously as a nation of nations, and that we would regain our strength and our position in the world community.

Although Bill C-32 is fundamentally a housekeeping bill, it gives us the opportunity to take another look at how we as a nation relate to other nations in the world.

I would say that what we need as Canadians is more of a backbone and less of a wishbone.

● (1540)

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I welcome the opportunity to raise a question with the member. I agreed with many of his comments, not all of them, but that will not surprise anybody.

As one of several foreign affairs critics in the House, I was extremely disappointed that the government chose to introduce Bill

C-31 and Bill C-32 while not only the Minister of Foreign Affairs was abroad on an exceedingly important and sensitive mission to the Middle East, but all of the foreign affairs critics were away as well. Although I do not think the Conservative foreign affairs critic accompanied the mission, it is true that the former foreign affairs critic for the Conservative Party acquitted himself extremely well as a member of that mission.

I am disappointed not to have heard the previous debate in the House. I have not been able to fully catch up with what other points of view were presented in debate having just come home yesterday from the Middle East.

I was interested in hearing the wrap up comments from the Conservative member who just spoke, in which, if I understood correctly, he suggested that perhaps Bill C-31 and Bill C-32 were good bills in that they would give us a chance to look at how the foreign affairs' functions of the government were discharged and in what ways it may make sense for us to introduce improvements.

If I understood his comments correctly, I wonder if the member could address two questions. Does he not find it troublesome that we now find ourselves with after the fact legislation in front of us? It is now close to two years since the government separated foreign affairs and international trade. Those two departments have been functioning under that new arrangement pretty much ever since because of an order in council that allowed the government to do that before any such debate took place in the House.

We now find ourselves basically being asked to rubber stamp something that has already happened. If we stand in the way of this, it will be suggested that we are being obstructionists and that we do not get it. It will ask us why we do not just get with its program. The government has done this without any parliamentary authority and it wants us to put up or shut up.

Is it not also equally problematic that, at the very time the government purports to be in the process of launching a major review of Canada's foreign policy, we are faced with such legislation? At the very least one could say that the government appears to have put the cart before the horse when it went ahead and separated these two departments without allowing the rationale for doing so to be fully divulged and fully understood, let alone the opportunity for there to be meaningful input from the Canadian people who are about to be invited, which is what we have been told, to give meaningful input into Canada's future foreign policy for the country.

● (1545)

**Mr. Jim Abbott:** Mr. Speaker, it is a pleasure to agree with my friend from Halifax. One of the difficulties we have in this chamber is that very frequently the government does exactly what she has described, which is to treat this House as a rubber stamp.

This has been going on for a two year period and my comments were directed to the fact that in spite of being in a better position of being able to act and react within the world because of the split of the two departments, nonetheless we continue with this timidity on the part of the government.

*Government Orders*

To the second part of her question about having a review of Foreign Affairs Canada, it is exceptionally important that the people of Canada have an opportunity to have some input. However, with the way things are going over at the PMO, it strikes me that with the dithering of the Prime Minister and the fact that the PMO cannot really make a decision, I do not have much faith that we will have any real consultation or that we will see anything inventive. The point of my intervention was specifically that, that it is up to the people in this chamber to direct the people in the bunker.

While I sincerely recognize the hard work, the dedication and the knowledge, particularly of people in the diplomatic corps who are serving our nation well around the world, it seems to me that there is a timidity on the part of the bureaucracy here in Ottawa that in many instances stifles any inventiveness on the part of politicians who want to drive a more outward looking policy, and also stifles the ability of people, whether they are in Hanoi or Dar es Salaam or wherever they are, to actually enact anything that is at all creative.

We have so much goodwill as Canadians and as a nation and we should be trading on that goodwill and doing better things in the world than we are presently doing.

**Ms. Alexa McDonough:** Mr. Speaker, I would like to ask a follow up question.

Given the concerns expressed by my Conservative colleagues, again with which I substantially agree in this instance, a rare occurrence, and the suggestion that we are here being asked to rubber stamp yet another piece of legislation or twin pieces of legislation, and given the suggestion that this is really reminiscent of the arrogance of the majority Liberal government, to which we were subjected for many years, can I seek confirmation from the member about whether his party will also vote to oppose this really arrogant, unaccountable behaviour?

One of the things that I think Canadians welcome a great deal in this minority government environment is that we are trying, wherever possible, to cooperate and collaborate in the House to make government work, to make it work in the parliamentary context and to make it work in the international context. Frankly, the initiative taken by the Minister of Foreign Affairs over the last eight days is a good example of the best kind of cooperative and consultative effort. I have no hesitation in saying that I was proud to be associated with the kind of initiative that took place in the Middle East to seek out what Canada's contribution could be to help support the peace effort in the Middle East, but it seems to me that this legislation and the fact that it is barrelling ahead is the opposite of that.

We have a chance here for all opposition parties to tell the government that it cannot introduce legislation two years after going ahead with doing something on which there was no real consultation. We have a chance to tell the government that we will not facilitate this being put through before a full and proper comprehensive review takes place of the international policy review effort.

I wonder if the member could take the opportunity to indicate whether the Conservative Party will be in concert with the New Democratic Party and the Bloc Québécois in using the opportunity to stand together to insist that this be approached in a more democratic, more accountable and more forward looking way.

● (1550)

**Mr. Jim Abbott:** Mr. Speaker, I have a tremendous amount of empathy and sympathy with what the member for Halifax has said. However, in this instance, as she pointed out in her first intervention, we are two years into this process. While it is deeply regrettable that the government has chosen to treat the House as a rubber stamp, nonetheless at second reading she, as an experienced parliamentarian, will know that the vote for the bill is as a matter of principle.

If we were to see the bill, we would vote in favour of it. If we saw the bill move forward, in a minority Parliament we would have an opportunity to request, indeed demand hearings at committee. This would be part of the parliamentary process. Rather than simply stalling the bill or killing it at second reading, we have an opportunity, as parliamentarians, to put it into committee where the committee, because it is a minority government, would have an opportunity to deal with the kind of issues about which she has spoken.

It is an alternative approach to the one proposed by my friend from the New Democrats, but it is perhaps a wiser approach in that it keeps the process in the parliamentary system and it permits us to hold the government more accountable than simply killing the bill.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I had an opportunity to raise a couple of questions with my Conservative colleague. I am totally mystified by the position that his party appears to be taking on the legislation. The Conservatives have quite thoroughly criticized the bill and properly condemned it for a long list good reasons. Then they suggest that we should, even though the legislation is ill-conceived, ill-timed, arrogant and unresponsive to the real needs for change, put it into the hands of the foreign affairs committee and utilize a great deal of the committee's time. There is a very long list of urgent and pressing matters that need to be dealt with by the foreign affairs committee.

The parliamentary secretary can attest to what I have said. We have a long list of urgent matters, not the least of which is how we will deal with the lessons from the tsunami disaster and how we can better have a more coordinated and timely response to such disasters. I am pleased this subject is on the agenda.

We have not had anything that could remotely be described as a full consultation around the issue of missile defence. Unless the government is prepared to say here and now that we will not proceed one step further into the quagmire of missile defence, which is absolutely on track toward the eventual militarization of space, then we need to have a more thorough hearing. Mr. Dithers over there in the Prime Minister's seat keeps it dangling as a threat before Canadians. I do not get the point of it, but that seems to be the case.

We need to continue to give Canadians an opportunity to appear, share their expertise and make their views known, and that includes going across the country. If the government is not yet persuaded of the reasons why four times as many Canadians are strongly opposed to missile defence as they are strongly in favour, then perhaps the government needs to hear from some more Canadians.

*Government Orders*

Let me turn to the legislation at hand. I have tried hard to find anywhere where anyone can offer a clear, coherent, persuasive, positive reason for the decision of the government to split foreign affairs and international trade into two separate departments. In fact, the only answer I have been given in all my attempts over a period of more than a year, since I became the foreign affairs critic, is that there is only one reason, and he is not saying much about it. The reason is the Prime Minister wants it to happen. I find that very worrisome and pathetic.

I combed through the debate that took place in the absence of the foreign affairs minister and the foreign affairs critics from the House last week because we were in the Middle East. I tried to find a clear, coherent argument supporting this decision.

Rather than attack the parliamentary secretary or some of the other government members who attempted to put forward something that would sound reasonable, I am more inclined to feel that I should stand here and offer my sympathies. I felt as though condolences were in order to Liberal members, especially on the frontbench who had to somehow try to sell the legislation.

I will not say that I read every single word. I tried to go through all the debate and all the comments on the introduction of the bill by the parliamentary secretary, on the wrap-up of the previous reading from the parliamentary secretary and others who intervened. They did not have anything with which to work.

• (1555)

I am not usually into making excuses for why the parliamentary secretary is taking a certain course of action. In fact, I think more often than not he is on his game and on the ball. Without fear of contradiction, he has shown himself to be very capable in dealing with many of the consular service matters that are now in his direct line of responsibility. He was very hard pressed. He had a very shallow pool in which to fish to try to come up with some real explanations as to why this division had taken place.

In the absence of any good reasons from the government that could move anybody in the direction of supporting this initiative, let us look briefly at what 270 former Canadian ambassadors, high commissioners and consuls general have said about the proposed initiative.

I will quote from a letter that was sent to every member of the foreign affairs committee and I believe a letter substantially the same, on which we were copies, was sent to the Minister of Foreign Affairs, the Minister of International Trade, the Minister of Citizenship and Immigration and, finally, the Minister of International Cooperation. Before I quote briefly from that letter, and I am certainly happy to put it in its entirety on the public record, there might be some who would ask what 270 senior foreign service personnel know about this matter or would they not somehow have some narrow self-serving myopic view of this, looking through a rear view mirror instead of looking to the future.

I find it absolutely offensive to hear such suggestions and attempts to discredit the considerable persuasive arguments offered in opposition to what the government is doing by the heads of mission who have served the country so well.

Our week in the Middle East was just another of many reminders of how, despite some of the bungling and mishandling by the government at various points around various international issues, no country has a more highly respected set of ambassadors and foreign service officers in this world than ours. Once again I was reminded of why they are so respected. It is because of their depth of experience, breadth of vision and dedication to the task at hand. If we do not pay attention to what 270 retired ambassadors, high commissioners and consuls general have to say in condemning this legislation, then we are acting very irresponsibly.

Let me briefly quote from the letter of December 8. It states:

Our Association...is deeply concerned about the future of the Canadian Foreign Service. Recently, we have had to come reluctantly to the conclusion that our Foreign Service is being gradually dismantled. One clear manifestation of this happening is the recent decision to split the Department of Foreign Affairs and International Trade... As former diplomats and officials of Foreign Affairs, International Trade and Commerce, Immigration and Canadian International Development Agency...our members have personally experienced the difficulties of integrating coherently these two crucial sectors of Canada's foreign policy. Thus, we believe that the decision to partition the Department of Foreign Affairs and International Trade is unfortunate and a step backwards.

A step backward might be one way of describing it. That comes from the collective experience of 270 such highly esteemed servants of the country in the international arena.

I did an estimate, and I am not sure how accurate it is. As a kind of rule of thumb, suggesting that the average duration of service of those senior foreign affairs personnel would be about 20 years, we are talking close to 6,000 years of collective experience that group of people brings to bear on its downright condemnation of the government's decision to rend asunder the foreign affairs and international trade department.

• (1600)

At the very least, in the absence of there being any real persuasiveness in the government's position, it is puzzling why this would be a priority, given all of the other priorities that are needed and the considerable costs involved. The costs go far beyond what we can measure in dollars and cents. It costs a pile of money to disentangle two departments like that. It is the actual cost in terms of the changing of everything from the stationery, the signage, and all of those kinds of formal things.

The costs go far deeper and are more serious when it comes to the loss of synergy that takes place in pulling those departments apart. Confusion is created. At the very least, the government is failing to take into account, if there could even be a case made, and we have not heard the case made persuasively. There still has been no real answer to the question of why would it be a priority to spend time and energy in the House, in committees, and at the departmental level to pull these government departments apart when overwhelmingly Canada is respected for the integrated coherent approach that is taken by foreign affairs and international trade.

Having said that, one of the reasons why there is great alarm about where the government is going with this is not because it cannot explain it, but because some of its recent actions and inactions, some of its acts of omission and commission of late, cause grave concern about the real motive.

*Government Orders*

Given how little interest the government has shown and how little responsibility the government has taken for the issue of human rights in the international arena being observed, respected and upheld in relation to some of our trading relationships, there is a genuine concern that the real driving force behind this is coming from the multinational corporate friends of the government. They are saying to whisk the international trade portfolio away from foreign affairs so that they will not find themselves having these nasty questions raised about what kind of trade relationships they are entering into, without any kind of protection for human rights, and without any regard for child labour.

We heard this afternoon in question period once again from the NDP critic for international human rights, the former leader, now the member for Ottawa Centre, about something as simple as Wal-Mart. There is little concern for the fact that even in the United States Wal-Mart has been found guilty again and again, and is charged further with violations around child labour, the discrimination of women as employees, and the trampling of the most basic rights for workers to organize.

If the government cannot be concerned about that, because the government does business with Wal-Mart, then what on earth are we going to see in the way of even worse abuses becoming still worse than they are now? In some cases, and I hate to say this, it seems quite clear that CIDA is actually entering into relationships where it is not just condoning but supporting the draconian actions of some Canadian corporations in countries like Honduras, Guatemala, Colombia and so on.

Let me underscore "some" because that is not true of many Canadian corporations, but there are corporations that are being supported in what they are doing that is simply unacceptable in terms of trampling on basic human rights.

The idea that international trade would somehow not have to be bothered by the overall foreign policy priorities of the government, which surely to heavens are going to continue to show some commitment to international human rights, is something that is deeply worrisome to people who have concerned themselves with what the government is up to. It would be equally seen as unacceptable if more Canadians really knew and understood what was happening.

● (1605)

Maybe some government members, or maybe the parliamentary secretary, will jump to their feet in indignation and ask, why would any such allegations or accusations be made? I must say that in the vacuum that is created here, in the absence in this debate of any clear, articulated position for why the government is doing what it is doing, we cannot blame opposition members from looking beyond the sort of vague words to what some of the practices are that are worrisome, and to predict some unacceptable outcomes from what the government is doing here.

Former diplomats and ambassadors refer to this legislation as a step backward. Another way of looking at it would be to suggest that it is very much after the fact legislation. I do not want to use up the time with my question that I put to the Conservative member who spoke before me. I raised the issue of this being at the very least, ill timed because we were promised, since before the election, a

commitment to an early, full comprehensive dialogue across the country on the government's intended international foreign policy, and so we have been waiting.

The commitment was made that this paper would be disclosed to the public and tabled in the House. The original commitment was that it would already be tabled by mid-fall. I remember by the time the foreign affairs minister came before the committee in mid-fall, we were already impatient to have the paper because there had been ample time for it to be prepared. We wanted to get on with planning our work plan for our priorities as a foreign affairs committee. At that time the foreign affairs minister gave the undertaking that the paper would definitely be in the hands of the committee and revealed to the public before the end of November.

We are now coming to the end of February three months later. There is still no paper and no explanation about where it is, why it is being bogged down, and what it is we are waiting for. Meanwhile we are putting the cart before the horse. Another description of the legislation could be the cart before the horse legislation.

Presumably, if the government has its way, although the value of there being a minority government is that the government does not have to get its way on this issue. In fact, the three opposition parties should block this legislation here and now. Frankly, that is the position of the New Democratic Party and I for one, as the foreign affairs critic, intend to strenuously defend this position. Right here and now is the time for us to put this legislation on the backburner, if not bury it for all time.

Let us talk about a compromise. Let us put it on the backburner while we receive the government's international policy review paper and then have an opportunity to study it. That is our work plan in the foreign affairs committee. Then we should go out across the country and consult with Canadians, which is also in our work plan. After we have received an opportunity to see the government's vision and to hear some of the specific directions and initiatives that it wants to put forward for consideration, and after we hear from Canadians, then we will know if the legislation in any way makes sense or if it is legislation that goes in the exact opposite direction of what is really wanted.

I must say, for those who used as an argument for separating these two departments in their rather flimsy defence of the legislation, that there is nothing I can dredge up from the earlier foreign policy dialogue that took place under the previous foreign affairs minister that suggests that this was the way to go. In fact, the contrary would be the case as far as I can recall.

● (1610)

I have searched valiantly and diligently to find anybody who could give a clear explanation of why the government has chosen to barge ahead with this ill conceived and ill timed initiative. The New Democratic Party will be voting against it at second reading. Let us do our homework. Let us then view this issue in the light of the international policy review and the response of Canadians to it.

*Government Orders*

**Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, I want to take this opportunity on this day of all days, the great feast of St. Valentine to thank the hon. member for showing restraint and in fact demonstrating, if I understood correctly, the odd compliment in there too.

**Ms. Alexa McDonough:** That's because it's Valentine's Day.

**Hon. Dan McTeague:** The hon. member has me blushing red right now. I do not just blush red. I believe red is my philosophy. It is my life.

I also want to congratulate the hon. member and all members, the member from the Bloc, the critic for foreign affairs, the member from the Conservative Party, the member for Cumberland—Colchester, for attending the very important meeting which took place last week and the events that surrounded that.

The hon. member is quite correct. It was very good timing, and of course we hope that what has happened in the Middle East in the last week or so will break new ground and that we will all strive toward a just and durable peace in years to come.

I have carefully reviewed the debates of last week and in the hon. member's absence I want her to know the hon. member for Churchill did a very good job. I suspect that should the hon. member move up and move on there will be a very good and very effective replacement in the member for Churchill.

However, I want to point out a couple of glaring mistakes in the assumption about this being the cart before the horse, or Parliament not approving this. There is no one here suggesting that Parliament should not place into effect the creation of these two new departments. They give in fact expanded powers to the minister and to the departments.

What happened by order in council in 2003 is indeed consistent with the Public Service Rearrangement and Transfer of Duties Act which gives the governor in council the ability to transfer portions of the public service administrative powers, duties and functions in one part of the public service from one minister to the other.

Given my work in getting private members' bills to be votable, having probably passed more bills than a lot of members who have been in this place, I understand the hon. member may want to include that in her panoply of bills that she may want to look at. But be that as it may, it is clear that Parliament is not rubber-stamping, but is in fact involved and engaged.

What is more interesting and I want to come to the question very quickly because the hon. member made a very interesting point. She could not find a valid reason and yet pointed out four very important areas that give rise to the need for us to treat foreign affairs policies quite separate from commercial interests.

She referred to ballistic missile defence. I take it that there is no commercial outcome in terms of our involvement with that as to whether or not Canadians want to participate for reasons of sovereignty.

Regarding the tsunami, it is clear that in the past 40 days an event of epic proportions took place and our response had everything to do with the human commitment, not with commerce and trade.

She talked about consulates and gave me a bit of a compliment in the process. Some 200,000 Canadians use our services. It has nothing to do with commerce.

She also mentioned Wal-Mart. I invite the hon. member to look at my work, when I sat on the industry committee, about concentration of the retail sector and the effect it is having on jobs. More importantly, the issue of human rights is clearly and decidedly one of a policy reaction that has a lot to do with how Canadians see themselves, how they see their rights being advocated in Canada, and the kind of rights that we can champion at various forums of international conventions of the United Nations and so on.

These are issues that demonstrate the maturation of foreign policy quite separate and independent from commerce. I find it strange and perhaps this is the question. How can the NDP reconnoitre a policy which in effect says international commercial trade should always be something that one takes into consideration in tandem with pure foreign policy?

• (1615)

**Ms. Alexa McDonough:** Mr. Speaker, I want to acknowledge, not just because it is Valentine's Day, that the last question the member asked was a pretty fair question.

Would people not expect New Democrats to be among those who are saying for heaven's sake, get those commercial issues and trade policy matters as far away from foreign affairs as possible? In that way decisions would be made entirely on the basis of what is in the interests of peace in the world, or what is in the interests of the most genuine human development or overseas development policies that we should adopt. I would give two responses.

Increasingly a concern which people have, and certainly which New Democrats have, is that the government would like nothing better than to remove trade policy as far as possible from humanitarian policy and peacekeeping policy and so on. It would do so precisely to avoid issues about whether the trade policies being pursued do more damage than good to our overall commitment to reduce poverty in the world, or our overall commitment to ensure that we contribute to peace in every way possible.

The reality is that either our trade policy adds further problems to the world's poorest nations, or the opposite. The reality is that our trade policies are either consistent with many of the international obligations into which we have entered as a matter of foreign policy, or the opposite. We cannot divorce the two altogether.

The second thing I would say is that if something is not broke, let us not fix it with misguided policies. I am not saying there is not always room to improve what we are doing within foreign affairs, and a foreign affairs that is in tandem with international trade. However, there has to be some willingness to recognize that Canada has distinguished itself internationally with the kinds of policies and practices by and large that have been implemented under the joint department which was put together I believe in 1982.

*Government Orders*

Twenty-three years later, one should never argue that we should go on doing it because we have always done it, but there is a very powerful argument for continuing with them under the same umbrella because it has worked well, by and large. There are things we could do to improve it.

In the meantime there are a lot of other priorities that are more pressing for the use of the public dollar, for the use of our personnel who get utterly exhausted in the process of this disentanglement and distracted from the job at hand. Just to create the appearance of newness around something that is generally applauded and appreciated in its current form is not a smart policy to pursue. It does not seem very practical to me.

• (1620)

**Hon. Dan McTeague:** Mr. Speaker, I think the hon. member for Halifax is now getting the idea that there are good reasons for us to not argue from a commercial perspective, but in fact to recognize that if we only look at the cataloguing of events that have taken place in the past few months, balanced with the recognition that many departments within government have a foreign international dimension, requires us to be able to form a policy that is quite separate from our commercial interests.

The hon. member has just travelled to the Middle East. I can say with some certainty that if we are to be successful as a country in reflecting Canada's values overseas, as the integrator of all the values and policies that we have in this country and to advocate Canada's values and interests in the international fora and arena, then we must try to accomplish something here. I take the hon. member's comments about the very busy agenda at committee. I said to an hon. member from the Bloc last week, that we have never in my time as parliamentary secretary been involved on committee with issues that deal specifically with trade. We accept that trade is going to go its own route.

We also believe on this side of the House that there is far more merit in understanding the consequential effects of some of the major events that have transpired just in our time, as evidenced by what the hon. member has just given in terms of her concerns about BMD, the tsunami, consular interests and human rights. It seems to me we must reasonably conclude that while we may not agree on report stage or third reading, at least it would be important for us to respect the will of Canadians certainly in terms of their contribution to get this legislation to committee where we can study it, notwithstanding the very heavy agenda that we have there.

I would call on the member of Parliament, the critic, the very capable former leader of the New Democratic Party to redouble her efforts. It might be an opportunity for her to at least give us an indication of whether her party might now think about getting this bill to committee, so that we can study this very important objective which I think all Canadians support. If I understand her answer very clearly, she is not as ambivalent as she was earlier.

**Ms. Alexa McDonough:** Mr. Speaker, it is wishful thinking on the part of the parliamentary secretary. It certainly was not an indication of good listening skills.

I made it absolutely clear that it is the intention of my party, 19 members of Parliament to vote against this bill at second reading. We

have not heard one bit of persuasive argument as to why we should proceed with this legislation at this time.

I also think that the parliamentary secretary put out a bit of a challenge when he said that we should vote to send it to committee and have it come back at third reading to respect the will of Canadians. I do not know what he is measuring as the will of Canadians. Certainly Canadians did not express their will on this issue in the dialogue that took place with the previous foreign affairs minister.

If the parliamentary secretary takes the majority of members' views as the will of Canadians, at least in the parliamentary arena, the majority of members are opposed to this legislation. That has been made clear by the Conservatives, the Bloc and the New Democratic Party. That is another way of measuring the will of Canadians.

Would the parliamentary secretary in his comments wrapping up second reading debate indicate on what basis he deems this to be an expression of the will of Canadians? Maybe he has some kind of polling results which seem to be the main basis for the policies of the Liberal government. Perhaps he has some polling which would show that Canadians are deeply concerned about the issue of whether foreign affairs and international trade are operating within the same department. I would ask him to share with us those polling results and any other basis for this position which he could put forward.

Again I say that I have valiantly searched. I have made it a point to talk to foreign affairs personnel in every corner that I could, both here in Ottawa and overseas, about their views on this. I have not found anyone yet that favours this. Most of the departmental personnel with whom I have talked, from the newest, youngest recruits all the way to the most senior diplomats and some who are retired say, "We do not even know why we are doing it". I would say that is reason enough to vote it down, along with all of the other reasons that have been presented to the government to which the Liberals seem not very willing to listen.

• (1625)

[*Translation*]

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, I was in the Middle East and I could attend only the first part of this debate. However, I would have liked to join my colleague, the international trade critic. By the way, he too is totally against dividing this department, which, I believe, has been Canada's strength. I say that in passing because, like the hon. member for Joliette, I want Quebec to become sovereign. I would make sure a sovereign Quebec has a department of foreign affairs that oversees international trade, international development, human rights and, if possible, immigration. Indeed, foreign affairs is the best way for one country to establish relations with another country. This approach to establishing relations with another country includes certain elements, which must be integrated.

*Government Orders*

I do not understand in the least what could have motivated, justified or explained how we ended up with this *fait accompli*. For almost two years now they have been working on splitting up this department. I do not understand how this happened. It makes me angry. It is quite shocking that for something as important as Canada's foreign policy, its rapport with international agencies and with foreign countries, they arrive after the fact, without consultation or justification, after nearly two years in the House of Commons, with two meagre little bills. It might be a coincidence, but the international trade bill is thicker than the foreign affairs bill. This comes to us as a *fait accompli*.

I listened with pleasure to the speech by my colleague from the NDP. It was an excellent speech. A number of the aspects that she listed I will go over. However, I will begin by saying that by separating the departments we are losing the coordination among these aspects we need in our approach to reaching out to foreign countries and international agencies.

I decided to go back a bit into history and find the previous bills—I stopped at the one from 1985, which was adjusted a bit in 1995—to see what the powers and functions of the Minister of Foreign Affairs have been. Let us look at what he was doing or might have done if he had continued to be the Minister of Foreign Affairs and International Trade. First, he heads Canada's diplomatic and consular relations. Fine. Next, he is responsible for official communication between the Government of Canada and the government of any other country and between the Government of Canada and any international organization. Surprise. In the bill on the Department of International Trade, we find it is now the Minister of International Trade who is responsible for official communication between the Government of Canada and the government of any other country and between the Government of Canada and any international organization.

• (1630)

Perhaps this is an error, but it seems the Department of International Trade is responsible for official communication. Perhaps in looking at both these acts—because it is not explicit in the other—that there are two ministers responsible for official communication between the Government of Canada and the government of any other country and between the Government of Canada and any international organization, on subjects which may intersect. In fact, how could they not intersect? The problem of coordination is already apparent.

Third, in subclause 10(2)(c), it says “[the minister shall] conduct and manage international negotiations;”

We live in a time of rapid globalization. Increasingly, countries meet to discuss all sorts of issues that concern them. Coordination is indispensable. Previously, it was the minister who led international negotiations. That does not mean he participated in all negotiations, but he was ultimately responsible.

Where has that responsibility gone? We see, in the Department of International Trade that it is the minister who conducts and manages international negotiations. The minister is also the person responsible for conducting and coordinating Canada's relations regarding international trade and international investment. Is there not a relationship between international investments and international development, international assistance and international monetary

policy? It will now be the role of the Department of International Trade, surprisingly.

When it comes to the role of the Department of Foreign Affairs, it must of course stimulate Canada's international trade. We understand that this role will now belong to International Trade, but I wonder, do they not think that international trade is still involved in our relations with other countries? How can Canada present any consistent positions. How can departments establish priorities when they are dealing with countries that might, for instance, have human rights problems? We know that if there are such problems in a country, either the international community or our own policies will dictate that we cannot trade with it. That is a foreign policy decision.

When the Minister of Foreign Affairs meets with leaders from a developing country and there is a discussion of our relationship and the desire of Canada to help them, he will of course be discussing international trade but will he not add the possibility of increasing international trade, under certain conditions? Even if stimulating Canada's international trade would appear to be the responsibility of the Minister of International Trade, this is not always the case.

The Minister of Foreign Affairs was also responsible for CIDA, and that will continue.

• (1635)

I have, however, just questioned the connection between international development and international trade. Is this not the coming trend? We saw that at the Kananaskis summit, in connection with Africa, former PM Chrétien's pet cause. The first way to help the countries of Africa would be to establish trade links.

This is, once again, proof of the close connection between foreign policy and international trade policy. There is no way to disentangle the two in real life. This applies to the duties of the Minister of Foreign Affairs, who ought to continue to be the one responsible for everything involving Canada's relations with other countries but it also applies to the embassies.

It is very interesting. In recent weeks, we have been asking questions in the embassies. They assure us that nothing will change, but they also tell us that the staff is greatly concerned. Some of them came in via the foreign affairs route but specialize in international trade, and others, vice versa. How will they sort it out? They do not know and they are greatly concerned. I will address this again later if there is any time left. I do, however, want to raise the point now because it is a serious problem. The effectiveness of embassies depends on their skilled and devoted staff, but they are very worried at this time. We have already heard the criticism of the former heads of mission.

We can see that the Minister of Foreign Affairs shall coordinate the direction given by the Government of Canada to the heads of Canada's diplomatic and consular missions. That is fine, but the heads of Canada's diplomatic and consular missions also have international trade responsibilities. What are the priorities? How will human rights requirements be taken into account?

*Government Orders*

The next subparagraph reads, “have the management of Canada's diplomatic and consular missions”. Management, it says. In these two bills, there is nothing about the management of priorities between these very important components, as if priorities were to be set by the Prime Minister's Office. The question needs to be asked. There is no mention of where priorities will set. Will the two ministers get together to discuss them? That makes no sense.

I read further, “foster the development of international law and its application in Canada's external relations”. Did you know that this was part of the bill on the international trade department?

The Minister for International Trade shall, “foster the development of international law and its application as it relates to Canada's international trade and commerce and international investment”. It is as if they could have totally separate mandates, with no overlap; as if contacts could be avoided between departments—and I have said nothing yet of the committee—regarding their mandates with respect to trade issues or foreign affairs issues. As I said before, those issues go hand in hand.

I read further, “carry out any other duties and functions that are by law assigned to the minister”. When I look at what functions remain with the Minister of Foreign Affairs after many were assigned to the Minister of International Trade, I notice that there is not much coordination left for him to do. Coordination involves management, and management involves strategy development.

● (1640)

The great concern with these two bills is that they seem to have been hastily drafted in response to some imperative that I am still unaware of, perhaps in keeping with what my NDP counterpart said. Is it because certain business people complained that they were obligated to comply with constraints imposed by Foreign Affairs on the Exports Credit Insurance Corporation, which now bears a different name? Could that have something to do with it? If so, this information must be shared and very soon.

We talked earlier about the public. People must know what drives Canada's relations with other countries in terms of trade, international aid, immigration.

As for these two bills, both of them are missing something. There is a complete lack of coordination between the two and the impossibility of coordinating two departments that share the same playing field. This leads me to say that dangerous improvising is going on, which will result in abuses.

I find it very strange that this bill was introduced the same day the new Minister of Foreign Affairs was sworn in. This is very strange. This means that not only were Parliament and the committee not consulted, but the subcommittee on international trade was not consulted either. It seems to me, too, that the ministers themselves were not consulted.

So we find ourselves in a disturbing situation because we are in the dark. We do not know what is behind such an ill-advised policy. When I asked the Minister of Foreign Affairs, when he appeared before the committee, what he thought, he was quite evasive. He said that there were always consultations with the business community. That is what he said. Would this have been after pressure from the business community? I want to say once again that if this is the case,

it must be admitted because this is extremely ill-advised and incomprehensible and it distances us from so-called Canadian values—in many cases, they could be considered universal ones—which Canada wants to champion or says that it does. We are in extremely dangerous territory.

Community groups in Quebec with an international focus are also very concerned. They can worry all they want, because they are not getting any answer.

It seems that there is no priority amongst trade, foreign affairs, human rights and international development. If such priorities do not exist, who will set them?

Will international trade be excluded from the requirement to respect what are considered Canadian values and could even be considered international values?

● (1645)

As my colleague from Joliette, the international trade critic, pointed out, what business people and world leaders talk about when they get together in Davos is not how to make more profits, but rather how to fight world poverty. This way of fighting world poverty requires—and some people admit this—that trade be regulated and that natural resources developers in developing countries be forced to respect laws. If those laws cannot be made at the local level, they must be made at the international level. We cannot attempt to protect the environment and at the same time let the African mines be operated the way they are now.

Time flies too fast. We will be discussing this issue again in committee, but the Bloc will certainly not accept this decision to split a department that allows us, in response to pressure from various people in society of course, to have one policy, to speak with one voice. To all those who believe in international development, in the fight against poverty and in establishing trade rules while promoting economic development, this decision is extremely harmful and damaging and they will be working to make sure that it does not become final.

**The Acting Speaker (Mr. Marcel Proulx):** Before continuing with questions and comments, 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 Oshawa, the Automobile Industry; the hon. member for Charleswood St. James—Assiniboia, Health.

**Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, I would like to thank the hon. member for La Pointe-de-l'Île for her comments. She is the Bloc Québécois critic for foreign affairs.

I am aware, as I indicated previously, that she and the hon. member for Halifax went to the Middle East with the official opposition. I am glad they have returned. Their points of view on the world and on that trip are, in our view, very encouraging.



*Government Orders**[English]*

I want to respond very quickly to the comments by the member for Halifax who suggested that I was going to suggest there were polls done demonstrating the will of Canadians. What I was merely pointing out was that the hon. member used both the tsunami and BMD and she was very categorical in her support: four to one, for those who were strongly against the idea of our participation; nevertheless an issue reflecting Canadians' concerns about foreign policy, as was expressed when they voted with their pocketbooks on the subject of the tsunami. However both those issues are quite separate and independent from international trade.

● (1650)

*[Translation]*

I listened closely to the comments by the hon. member from the Bloc Québécois opposite. I understand her position when she says there were relations. Of course, trade relations have existed for a long time. Still, I also think that if we look a little further, we can also see that there are relations with respect to our foreign affairs. There are also immigration issues and it is important that we discuss these and reach agreements with other countries and not only with the United Nations.

She also touched on the question of human rights. This is something that is often raised in our meetings. She also mentioned consular issues and environmental issues that affect us in all our communications and meetings with other countries.

There are questions of defence and aid. How should aid be distributed? How should other countries be helped? There are major issues of security in a time of terrorism. These are obviously all considerations we must face in the present context.

Although I do not like the Bloc Québécois's decision not to support this bill at second reading, I understand it. It may be a fixation on some sort of philosophy. Still, we must be realistic; we must understand that the world has changed.

We on this side of the House find one thing interesting. The Bloc Québécois is against dividing a department into two, but has nothing against dividing our country. I find that not very interesting. But that is Bloc Québécois policy. All sorts of other factors have to be taken into consideration.

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

**Hon. Dan McTeague:** Finally, they got up. I have given them food for thought.

All our efforts with various countries have put us in a position where we there to ensure that the values shared by all the regions of our country are understood by everyone, and this in the current context.

The hon. member wants to vote against the bill anyway. There have been many changes, and she was involved in making these changes a few weeks ago and again last week. Would she not agree that the Bloc Québécois could support this decision to ensure that the Department of Foreign Affairs can now focus on broader human rights issue, such as the environment?

**Ms. Francine Lalonde:** Mr. Speaker, I found some of the parliamentary secretary's remarks amusing and I could say that they were incomprehensible, but I would not do that.

I will, however, point out that what he has said justifies my criticism. In this era of increasing globalization, every country needs a strategy that covers all aspects. Immigration ought to be coordinated as well, if that were possible. It needs to be done. This policy needs to include it, or so I would hope.

As for foreign affairs, we have someone here who was an excellent Minister of Foreign Affairs. He headed the Standing Committee on Foreign Affairs and International Trade, as well as a very large number of studies addressing foreign affairs, international aid, human rights and international trade. He could back me up on this: not one of those studies would have been possible without all four aspects. We would have had a wobbly table with one important leg missing. That is what is being proposed to us.

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**FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT**

The House resumed consideration of the motion that Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other acts (fiscal equalization payments to the provinces and funding to the territories) be read the third time and passed.

● (1655)

## SPEAKER'S RULING

**The Acting Speaker (Mr. Marcel Proulx):** Before continuing our deliberations, I would like to briefly revisit something that occurred earlier today. The question on the motion at third reading of Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other acts (fiscal equalization payments to the provinces and funding to the territories) was put. There was some confusion at that time.

In order to clarify the situation, after discussion among the parties, I wish to inform the House that the division on that motion now stands deferred until after government orders on Tuesday, February 15, 2005.

I thank hon. members for their cooperation in this matter.

\* \* \*

**DEPARTMENT OF FOREIGN AFFAIRS ACT**

The House resumed consideration of the motion that Bill C-32, an act to amend the Department of Foreign Affairs and International Trade Act and to make consequential amendments to other acts be read the second time and referred to a committee.

*Government Orders*

**Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, this is quite interesting. Members of this party are ready to get all worked up over international issues as they relate to airlines and the aeronautic industry. They really want us to support this industry. I can understand clearly why they want to lump this in with foreign affairs issues.

I have just one question for the hon. member, since my colleague wants to ask a question too.

Since our government includes 15 departments that have an international involvement or presence, should I infer from the remarks she just made that all these departments should be consolidated into a single department?

[*English*]

Am I crazy about this? It does not make sense. What the hon. member is now proposing is that any department that has anything to do with international relations or foreign affairs should now become part of foreign affairs.

[*Translation*]

The policy she is advocating here makes no sense. Either she wants the foreign affairs department to keep its non-trade mandates, or she wants all our departments to be consolidated into one because they have something to do with foreign affairs. She cannot have it both ways.

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, I will not say that this is the dialogue of the deaf, it would still be too much.

What I said was that there needs to be coordination. The closest coordination must include this foreign policy, which involves a relationship with the other countries and closely encompasses trade issues, international aid and human rights and even immigration, if possible. I say "if possible" because as soon as we go to another country, all the policies we adopt regarding visas, quotas etc. are automatically thrown at us.

My colleague pointed out the fact that I had been, with the Minister of Foreign Affairs, on the Middle East visit. I would remind him that this is not the first mission in which I was involved. However, I had the opportunity to see that in this Minister of Foreign Affairs' mission, the most important meeting was within a meeting of the Canada-Israel Chamber of Commerce. It was the Minister of Foreign Affairs. He went to talk about trade because it was a good way to meet people.

During these missions, I often had the opportunity to see that, when the Prime Minister, the Minister of Foreign Affairs or perhaps the Minister of National Defence meet people in another country, they meet business people. They necessarily talk about trade as well. It is important for policies to be understood and coordinated. This is only what I am saying.

I would hope that, despite his firm denials, my colleague opposite will understand and report these statements. When we go on a mission, we deal with these aspects as a whole. It is impossible not to deal with them. If we do so, these aspects must be coordinated. When we think about the future and the treaties that are being

negotiated, from NAFTA to FTAA, through a social fund, a foreign affairs aspect and an international trade, an international aid and a development aspect are always connected.

When we, the committee members, analyze the bills or the studies that we undertake to guide the foreign policy, we must take these aspects into account to make recommendations on human rights, international trade and so on. Let us take the example of the study on the relations between Canada and countries of the Muslim world, a study that was greatly appreciated. When we examined the issue, we studied all aspects of it and we made recommendations on each. Indeed, a way to help countries is to trade with them. However, we do not trade under any conditions. One of these crucial conditions is implementing human rights.

In short, foreign affairs is all the relations that we have with governments of foreign countries.

• (1700)

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Allow me first, Mr. Speaker, to congratulate the member for La Pointe-de-l'Île. Her expertise is important. Her work is valued and we are quite fortunate to have a person like her. A while ago, we heard the member opposite talking nonsense. If he were the only person we could rely on to develop a foreign policy, we would have problems.

I would like to raise an important point. The member spoke of it. This has to do with human rights. For her, protecting rights is something major, especially in the context of international trade and of foreign policy. Indeed, she mentioned it several times. She also said—and it is important—that her knowledge of this file helps not only Quebec, but also Canada. We need people like her to advocate points of view. She also talked of priorities and of slippage, as well.

I want to come back to human rights. In the current context—I would like to hear her opinion on that—will human rights be protected? Will we have the necessary tools for it? Is there a force to protect human rights?

**Ms. Francine Lalonde:** Mr. Speaker, my colleague raises an excellent question. Indeed, international trade is a way to work for respect for human rights. When a country which purports to have values, can say to another that would like to establish closer relations with it that there undoubtedly will be trade, but that it should pay attention to this and that issue in terms of human rights, it clearly demonstrates that these elements are linked.

I thank my brilliant colleague for his brilliant question.

**The Acting Speaker (Mr. Marcel Proulx):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Marcel Proulx):** The vote is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Marcel Proulx):** All those in favour will please say yea.

**Some hon. members:** Yea.

*Government Orders*

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

**Some hon. members:** Nay.

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

*And more that five members having risen:*

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

*And the bells having stopped:*

**The Acting Speaker (Mr. Marcel Proulx):** I have been requested by the chief government whip to defer the division until Tuesday, February 15, after government orders.

\* \* \*

● (1705)

[English]

### FOOD AND DRUGS ACT

The House resumed from December 14, 2004, consideration of the motion that Bill C-28, an act to amend the Food and Drugs Act, be read the second time and referred to a committee.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I am pleased to have a few minutes to address the contents of Bill C-28 and to raise some concerns that we in the New Democratic Party have with respect to the bill and the general approach of the government.

The Liberals in the House would have us believe that the bill is a very small technical matter that would simply clarify matters with respect to interim marketing authorizations and in dealing with the very specific issue of authority for those authorizations.

It is our view that the bill may represent a step in the direction of further deregulation in the vital area of protecting Canadians from any hazards in our food products.

Some may say that is a bit of a leap and may wonder why we are raising concerns in the context of the bill. The House may be interested to know that the government has been working overtime to dismantle, erode and get rid of the Food and Drugs Act.

How many times have we dealt with issues pertaining to the Food and Drugs Act? How many times have we been faced with decisions by the government that seek to move us in a very questionable area pertaining to the health and protection of Canadians? That is the issue at hand today.

There is a fundamental issue. What is the plan of the government? How does the bill fit in terms of the overall strategy of Liberals to dismantle what used to be considered a very reputable and solid health protection system.

**Ms. Alexa McDonough:** An exemplary system.

**Ms. Judy Wasylycia-Leis:** An exemplary system, as my colleague from Halifax has just stated.

However over the period of the life of the Liberal government, we have seen dramatic changes and significant movement with respect to the original solid foundation upon which our health protection system was built.

Time and time again we have seen the government take steps to off-load responsibility for the fundamental authority it has under the Food and Drugs Act to protect, beyond a reasonable doubt, the safety of our food. We have seen the integrity of scientists questioned at every stage when they have raised doubts and concerns about the scientific surveillance of food and drugs on the market today.

We have watched as the government has dismantled every office of oversight that is so vital to the broad requirements to ensure the precautionary principle, which is to ensure that the food we eat, the water we drink, the air we breath and the drugs we must take for our health requirements are safe beyond a reasonable doubt. It is not the other way around, which is to allow industry to put products on the market and then for the consumer to prove there is something wrong. However that seems to be the prevailing thinking of the government these days.

This is not something recent. This has been happening on a very insidious basis over many years. I think back to the first day I was elected to this chamber and named the health critic for the New Democratic Party. The very first announcement we had to deal with was a decision by the then minister of health, Allan Rock, to dismantle the drug research laboratory.

● (1710)

In 1997 the Liberals made the decision to shut down the one office in Health Canada that had responsibility for ongoing research into drugs that had been placed on the market, to check the side effects and any kinds of adverse reactions when that drug was taken with food, with another drug or with a natural health product. It was gone in one fell swoop. The bureau was shut down and oversight ended.

**Ms. Alexa McDonough:** The drug companies could do it.

**Ms. Judy Wasylycia-Leis:** Yes, as my colleague from Halifax has said so aptly, the government argued at the time that the drug companies could monitor the drugs themselves.

Even more ridiculous was the suggestion that the universities could do it, even though they were not given any resources to do the task. That was all just a charade. In the end, no one took up the job of the bureau that was closed down in 1997. Since that time, we have had a steady onslaught of other developments that have put us on a path of destruction of our health protection system.

Let us look at the developments around the food research laboratory and the treatment of some of the scientists who raised concerns in that area. Let us look at the veterinarian drug research bureau and the abuse scientists took when they raised concerns. At every step, whenever concerns were raised about the safety of any of these products, rather than accepting that advice and further investigating the problem, the government got rid of the scientists and shut them down.

*Government Orders*

I am sure members will remember Shiv Chopra and Margaret Hayden, two outspoken scientists. What happened to them? The government got rid of them because they were a thorn in its side. Whenever there are obstacles put in front of a government that is determined to off-load responsibility and move toward a self-regulating model on the part of the industry, it gets rid of the obstacles, the problems and the barriers.

Scientists have been threatened and intimidated. Some have been fired and demoted. There has been a steadfast erosion of the essential ingredients of a good health protection system.

What we want to know today is why we are not hearing from the government and receiving legislation about its statutory obligations under the Food and Drugs Act to protect the health and well-being of Canadians beyond a reasonable doubt. Why are we not hearing about its statutory duty to protect health and not to protect the industry?

Why are we dealing with a bill that appears to give power to the minister, which he did not have previously, to give interim market authorizations for products that contain hazards that are believed not to be harmful to human health? What does that mean? Why does the minister need this kind of power? Why has that power been removed from the normal workings of the department's responsibility, which is to uphold the Food and Drugs Act?

Why are we moving this power from the bureaucratic level, the level of public service scrutiny, to the minister and political oversight? What does that mean? What is the real agenda here? Does it give the government more power to intervene when lobbied and pressured to approve a certain product? Does it take us a step away from objective, scientific surveillance of our food supply? Those are important questions that need to be addressed in the context of the bill.

• (1715)

It is certainly one of the reasons why we in the New Democratic Party are very cautious about giving our support to the bill. At this point we will refrain from supporting it and will be looking for some explanation and accountability over these issues when the bill goes to committee. However, at this point, it would be very foolish for us to support such a bill given the track record of the government and given some of the speculation about the real motives behind it.

If the minister, through the bill, has the power to exempt certain hazards in our food supply from regulation, who does that serve? What is the purpose? Will it help enhance the health of pregnant women? Will it be good for children? From my vantage point, it seems that this kind of move, along with all the others we have seen over the years, means it is something that is only good for agribusiness, the chemical industry and the giant food industry. It does not seem to be a move that would help ensure Canadians are further protected from hazardous pesticides and other additives in our food supply and products.

When we opened the paper today, we saw news about another example of problems with our food supply. Surely that would give us all cause to pause and reflect upon the intentions behind Bill C-28 and the interest of the government to take a proactive stance on behalf of Canadians.

My colleague from Elmwood—Transcona raised a question about today's news. It is scary for Canadians, for pregnant woman or women who are breastfeeding their children to hear that basic products we consume every day, such as salmon, ground beef, cheese and butter, are laced with chemical flame-retardants. The fact these filter into the food supply that goes from mother to baby is surely something the government would want to address and act on decisively and immediately.

However, what did we hear from Minister of Health today? It is being studied. They are looking into it. They cannot comment. How many times have we heard that over the last 10 years when the government has been confronted with issue after issue of food toxicity and of hazardous ingredients in our food supply? The list is quite endless.

I can think about dozens of times I stood in the House to ask the health minister about a particular study showing further damaging ingredients in the food supply. I can remember raising the issue of lead in raisins, mercury in fish and honey, contaminated lettuce, recalled hot dogs, imported raspberries, pressure-treated wood, side effects of Propulsid, brain tissue transplants, Carbadox, the reuse of medical devices, adverse drug reactions, Dursban pesticide, phthalates in plastics and when chewed on by babies causes serious problems in development, chronic wasting disease, BSE, GMOs, et cetera. The list is endless.

Every time there has been evidence of serious adverse effects on human health because of one of these products being digested or ingested by human beings is showing a direct link to ill health and serious health problems, the government has said that it will study it. It never comes back and says that it has studied it and fixed the problem, or that it has banned the product, or that it has taken it off the market or has phased it out. It studies and studies but does not nothing about these kinds of issues. That is a symptom of what has happened with the government in terms of the Food and Drugs Act and specifically in terms of the health protection responsibilities of the department.

• (1720)

The government has a criminal responsibility under the Food and Drugs Act to ensure that the food we eat is safe beyond a reasonable doubt. It is legislation that falls under the Criminal Code. It is legislation that requires the government to take it seriously and to act judiciously.

We are very skeptical about the bill and are concerned about the real intentions of the government. We would like some explanation as to why the bill is necessary at this time. We would like to know the long term plans of the government. For many months the government has said that it plans to overhaul the Food and Drugs Act. It has said that we are dealing with antiquated legislation and that it needs to be updated and modernize. Every time we see draft legislation in that regard, we realize this is not about updating old legislation. It is about using that as the excuse to change the very nature of government regulations and government responsibilities in the area of human health and well-being.

*Government Orders*

Every step of the way the government has found a way and is intent upon finding a way to diminish its responsibilities, to offload them wherever it can and to ensure that it is not held responsible for any wrongdoing or serious problem in our society today pertaining to our food supply. Perhaps that comes from the hepatitis C fiasco. Perhaps the blood scandal and the Krever inquiry have made the government aware of its responsibilities. Perhaps it has chosen to go in the opposite direction of the recommendation of Krever, which is for government to recognize that there is a fundamental role for it. It has a major responsibility to ensure that the food we eat is safe beyond a reasonable doubt.

When there is evidence of an adverse reaction, or of toxicity, or of contaminants, or hurting the health of a baby, or certain foods being adjusted that affect pregnant women, it is the role of government to put on hold the sale of that product or to ban it if the evidence is conclusive. To do nothing is to be negligent, some would say criminally negligent given the Food and Drugs Act. I will use the words negligent and derogation of duty. The Food and Drugs Act is so specific and clear about government's responsibility and roles.

We could argue for weeks on end about what the appropriate role of government is in this modern age, this new era of globalization and rapid technological change. Some will argue that the least government is the best government. However, many of us in the House and across Canada still believe that there is a clear role for government in many areas, none more important than when it comes to human health. We on this side of the House cannot accept any legislation that contributes to an agenda where the role of government in this vital area is diminished and where the authority is passed along the line to industry and individuals to be aware, without much information about what they are eating, drinking and the dangers to their health and well-being.

That is our position today. We are very concerned about Bill C-28 and the overall intentions of the government to carry out its responsibilities for protecting the health of Canadians. We are anxiously awaiting some explanation for the government's actions in the days ahead as the bill proceeds to committee and beyond.

• (1725)

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Madam Speaker, regulations that have no basis in legislation are a constant problem that only recently has been addressed in any significant way.

Often when legislation is made, the regulations that allow for the implementation and enforcement of the law are made after the fact, by the relevant department or ministry. Essentially, Parliament confers upon the minister the power to create regulations, provided they do not exceed the parameters of the legislation. What often happens, however, is that the lengthy and convoluted process required creating regulations results in regulations that are technically not legal. Powers that have not been conferred by law are given through regulation to the minister.

Not only does this situation violate the supremacy of Parliament, it effectively allows law to be made without any accountability or oversight. While some irregularities are due simply mistakes, others are deliberate attempts to ignore the intent and alter the outcome of legislation.

The Standing Joint Committee of Scrutiny of Regulations is responsible for the line by line analysis of regulations. It is charged with the often thankless and tedious task of ensuring that regulations made outside of Parliament adhere to the intention and letter of the legislation made by members of Parliament.

Thanks to the rare passage of a private member's bill, Bill C-205, in 2003, which may I add, was the result of the hard work of its sponsor, the Conservative member from Newton—North Delta, Parliament now has greater powers to ensure that law by regulation is curtailed.

The Standing Joint Committee of Scrutiny of Regulations was given the power to disallow any regulations made pursuant to authority delegated by Parliament. Canada's elected officials now have a greater ability to ensure that Parliament, and not unelected bureaucrats, have the ultimate law-making authority. Democracy has been strengthened.

The bill is the direct result of five years of pressure by the Standing Joint Committee of Scrutiny of Regulations on Health Canada. The irregularity of the regulation was first pointed out in 1999, and it is only now, after years of resistance, that the department has finally brought the bill forward.

The bill is an amendment to the Food and Drugs Act. Currently, a regulation allows the direct, in this case the deputy minister of health responsible for health products, to issue notices of interim market authorizations. The regulation gives the director administrative discretion that exceeds the legislative authority granted by Parliament to the governor in council. In other words, the regulation contradicts the authority of the original legislation. The bill seeks to correct this discrepancy.

The regulation was created in 1997, and since that time 82 interim market authorizations have been made. Because the regulation violates the legislation to which it applies, all these authorizations have technically been illegal.

The amendment seeks to fix this irregularity by giving the minister the authority to make interim market authorizations. The bill also seeks to exempt any food that contains an agricultural chemical at or below a limit specified under the new Pest Control Products Act. Those foods containing safe levels of substances can be sold because their sale poses no harm to consumers.

Interim market authorizations are made to allow, by providing exemptions from the Food and Drug Act's requirements, the sale of foods that contain substances at or below specified levels. This will allow Canadians faster access to food products. The bill applies to the immediate sale of food products that contain pesticides, veterinary pharmaceuticals, added vitamins, minerals and amino acids at or below the specified maximum limit.

*Government Orders*

●(1730)

This bill is not creating from scratch a new practice, but is simply making legal or enshrining in law a practice that has been taking place for years.

The Conservative Party supports this amendment because regulations that violate the letter and/or the intent of the law should not be tolerated. Any action that eliminates irregularities should be encouraged.

We also support the writing into law of interim market authorizations. As long as the safety of Canadians is accounted for, there is no reason that food and other products should not be allowed for sale if the substances they contain do not exceed the specified safety levels.

These measures allow Canadian food producers and manufacturers to quickly bring their products to market, increasing their ability to compete. Canadian consumers also benefit by gaining quicker access to new and modified products.

Like other smart regulations, interim market authorization creates a level playing field for Canadian business especially within the U.S. market. Currently the U.S. government allows food products in the approval stage to be marketed, given that they are not harmful or restricted by other laws.

That being said, caution is needed. Although interim market authorizations have been common practice since 1997 supposedly without incident, this is not to say that unsafe food products have not been prematurely authorized for sale. Not only might their sale pose a health risk, but the government may be liable for damages in the event of unsafe food causing problems.

Interim market authorizations are necessary and welcome, but must be used only when it is known beyond a doubt that whatever substance is in a food product is at or below an already approved safe level.

In summary, Bill C-28 is a corrective measure to bring an existing regulation into line with the legislation to which it applies.

We want to reduce the number of regulations that contradict the authority of the legislation. This will take years, but it is a necessary undertaking worth the effort. We support this change as a small step toward better laws and better law making.

**The Acting Speaker (Hon. Jean Augustine):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Hon. Jean Augustine):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Hon. Jean Augustine):** I declare the motion carried.

Accordingly, the bill stands referred to the Standing Committee on Health.

(Motion agreed to, bill read the second time and referred to a committee)

●(1735)

**FINANCIAL ADMINISTRATION ACT**

The House proceeded to the consideration of Bill C-8, an act to amend the Financial Administration Act, the Canada School of Public Service Act and the Official Languages Act, as reported (with amendment) from the committee.

**Hon. Bill Graham (for the President of the Treasury Board and Minister responsible for the Canadian Wheat Board)** moved that the bill, as amended, be concurred in.

**The Acting Speaker (Hon. Jean Augustine):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Hon. Jean Augustine):** I declare the motion carried.

(Motion agreed to)

**The Acting Speaker (Hon. Jean Augustine):** When shall the bill be read a third time? By leave now?

**Some hon. members:** Agreed.

**Hon. Bill Graham (for the President of the Treasury Board and Minister responsible for the Canadian Wheat Board)** moved that the bill be read the third time and passed.

**Hon. Diane Marleau (Parliamentary Secretary to the President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Madam Speaker, I am pleased to begin the debate at third reading of Bill C-8, a bill aimed at giving legislative confirmation to the Public Service Human Resources Management Agency of Canada which was created by order in council as a result of the government reorganization of December 12, 2003.

As reported to the House, Bill C-8 was reviewed by the government operations and estimates committee on February 1. All clauses of the bill were approved unanimously, including one amendment made by the Bloc Québécois to subsection 4.2 of the Financial Administration Act in order to stipulate that the President of the Treasury Board is not only responsible but also accountable for the coordination of the activities of the secretary of the Treasury Board, the president of the Public Service Human Resources Management Agency of Canada, and the comptroller general of Canada.

While this precision makes more explicit in Bill C-8 what is in fact already part of the normal responsibilities of any minister of the crown, we accept this amendment. This is just consistent with the government's goal to foster an effective, clear and transparent accountability regime across the public service at all levels. This being said, let me take this opportunity to remind hon. members of the origin, the purpose and the benefits of Bill C-8.

First, as mentioned in the introduction, it dates back to over a year ago to the government reorganization which took place in December 2003. One of the goals of the changes made in December 2003 was to restore the confidence of Canadians in their public service. How? Through resource reallocation from low to high priorities, through strengthened financial management controls and leadership capacity, and through the implementation of the highest standards of ethics, accountability, transparency, and openness.

To this end, significant changes were made to how the administration of the federal public service was structured and organized. As part of this reorganization, the Treasury Board Secretariat was streamlined to better focus on comptrollership and financial management while the Public Service Human Resources Management Agency of Canada was established by orders in council to modernize and foster excellence in human resources management and leadership across the public service.

In this context the purpose of Bill C-8 is simply to confirm by legislative means the orders in council that established the agency and placed it within the Treasury Board's portfolio. It does not change powers or functions already conferred on the agency. It merely enshrines in legislation what exists in fact.

Essentially Bill C-8 does four things. First, it adds the position of president of the agency to the Financial Administration Act, just as the secretary of the Treasury Board and the comptroller general of Canada are already identified in the act.

Second, it specifies the nature of the powers and functions that may be delegated by the Treasury Board to the president of the agency in the same manner as set out in the Financial Administration Act for the secretary of the Treasury Board and the comptroller general.

Third, it stipulates that the President of the Treasury Board is responsible and accountable for the coordination of the activities of the secretary of the Treasury Board Secretariat, the comptroller general and the president of the agency.

• (1740)

[*Translation*]

Since the position of the president of the agency is included in the Financial Administration Act, this bill requires amendments to two other acts.

First, it requires an amendment to the Canada School of Public Service Act to appoint the president of the agency as an ex officio member of the school's board of governors, replacing the president of the Public Service Commission.

It also requires an amendment to the Official Languages Act to stipulate that it is the president of the agency, rather than the Treasury Board secretary, who will provide the Commissioner of Official Languages with any audit reports that are prepared under the responsibility of the Treasury Board.

That was the "what" of Bill C-8. Let me now finish by outlining the "why".

First, a legislative basis will provide greater visibility, legitimacy and stability to the agency that only a legal framework can offer.

### *Government Orders*

This will facilitate implementation of its policies, programs and services. It will help the agency provide the leadership that is needed to modernize human resources management and leadership throughout the public service.

Second, a legislative basis will clarify the role of the agency within the system, including with unions. In particular, it will clarify its relationships within the Treasury Board portfolio, as well as with the Treasury Board in its role as employer.

Third, a legislative basis will support better integration of activities relating to human resources management within the Treasury Board portfolio.

Finally, and perhaps most significantly, it signals the government's recognition that its most precious resource is its employees, the people who are in the service of Canadians. It shows the commitment and determination of the government to develop and sustain excellence in modern and exemplary management of its human resources.

[*English*]

The federal public service is Canada's largest employer. Setting up a true human resources management agency for the federal public service sends a strong signal to all managers, public servants and union representatives that sound human resources management is a priority for the Government of Canada.

• (1745)

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Madam Speaker, it is my pleasure to rise to speak to Bill C-8, an act to amend the Financial Administration Act, the Canada School of Public Service Act and the Official Languages Act. I participate in this debate to express the concerns that have been brought to my attention regarding this piece of legislation.

I come to this debate with a clear conscience knowing that I voted against Bill C-25, the Public Service Modernization Act. I had a number of concerns regarding that legislation and it would appear that my concerns were well-founded. This piece of legislation, Bill C-8, as has been acknowledged by the governments members, is a continuation of Bill C-25, which is another public service reorganization.

I am proud to confirm my record of supporting the men and women who are members of the Public Service of Canada. When civilian jobs were threatened on Canada's military bases, I joined the picket line to protest a visit by the Prime Minister to my riding of Renfrew—Nipissing—Pembroke. That was when he was spending all his time trying to depose Jean Chrétien and not attending Treasury Board meetings.

The Prime Minister was not doing the job of finance minister by his own admission while on the witness stand at the Gomery commission. Canadians will never know, if the Prime Minister had attended some of those Treasury Board meetings he allegedly missed, whether some of the 100 million ad scam dollars would not have gone missing. That protest was our successful campaign to stop the supply chain proposal at the Department of National Defence. Bill C-8 sounds like the supply chain proposal all over again, except this time, rather than just pushing it on to the Department of National Defence, this is the supply chain for the entire public service.

### *Government Orders*

The experience of Canadians, whenever the federal government seeks to reorganize, has been higher user fees, fewer public servants leading to longer wait times for basic services, more regulations, reduced accountability, and a reduction of service and higher cost, ultimately leading to higher taxes.

In centralizing personnel functions, will this allow for greater accountability of public servants or will this allow another sponsorship scandal to occur with no chance of anyone getting caught taking taxpayers' dollars? Is Bill C-8, and Bill C-25 before it, a case of closing the barn door after the horses have already been let out?

Canadians monitoring the Gomery inquiry into government corruption have been shocked while listening to the testimony of former elected Liberals, like the public works minister. He claimed the fraud and corruption schemes described as money laundering as being the fault of public servants.

Today's editorial page of the *Ottawa Citizen* sees this bureaucratic reorganization as nothing more than shuffling the deck chairs on the SS *Liberal*, or does it mean the *Titanic*, as a way to buy votes rather than improve administration of the Government of Canada? This is what the *Ottawa Citizen* says about the government procurement:

What about government procurement? There used to be two separate departments—Public Works, and Supply and Services. Jean Chrétien combined them into Public Works and Government Services in 1993 and eventually put Alfonso Gagliano in charge. Just ask the Gomery Inquiry how well that worked.

Canadians must ask, will Bill C-8 make it harder or easier for another sponsorship scandal, the worst scandal involving financial mismanagement in this country and perpetrated against the people of Canada?

Canadian confidence in how this country is run is further diminished when Canadians are told by the Prime Minister that once funds are allocated to a program, there is no accountability on how the money is spent and whether or not the program objectives are being met. Where is the justice in a Prime Minister who feels it is more important for the taxpayer to buy golf balls with his name on them to give away to his golf buddies or a minister of public works, who has a box of expensive pocket watches beside his desk to hand out to his political contributors, when there are children in this country who are going to bed hungry at night? There are a million Canadians who do not have a family doctor.

● (1750)

We fight separatism with good government, not monogrammed golf balls and Canadian lapel pins made in China. Where is the justice in that sort of activity?

It was evident from the arrogant testimony of the former Prime Minister that in his mind, his mistake was not in setting up a program that resulted in the defrauding of tens of millions of dollars from taxpayers, but the very way he presented himself to the corruption inquiry made it clear that he and those who supported his way of thinking felt that their mistake was in getting caught. An independent public service makes it far more difficult to perpetrate the type of corruption and mismanagement that Canadians are listening to, which took place at the senior levels of the government.

If Canadians are looking for a single reason to be skeptical when the government talks about costs, programs and how costs are

managed, they should look no further than the horrendous example of the bloated out of control Liberal gun registry to understand why a majority of Canadians do not trust the government when it comes to accountability and how it manages programs that involve taxpayers' dollars.

When Bill C-68, the gun registry, was introduced, the Liberal Party assured Canadians that the program would operate at a net cost of \$2 million. Where is it today? As of March 31, the hated gun registry will have cost the taxpayers of Canada \$1 billion.

One billion dollars would have funded a lot of day care spaces. One billion dollars would have saved a lot of lives with the purchase of needed medical equipment like MRIs. One billion dollars could have been used toward the purchase of strategic lift for our armed forces, so they could deliver humanitarian aid on a timely basis. That first billion dollars is only the direct costs.

Even the CBC, which has supported that program in its newscasts, estimates that another billion dollars has been wasted on the indirect costs of the gun registry. Some \$2 billion for a program that was promised by the government to cost \$2 million. These are the indisputable facts.

The sad part of this miserable episode is to hear government ministers continue to defend this terrible waste of money. It is with this record in mind that I look at what Bill C-8 really means. This legislation is part of an internal services modernization program that will encompass the whole Government of Canada. The idea of a common infrastructure and service delivery review is now being driven by 9/11.

The federal government found that with so many departments using different platforms, there is a basic inability of the various departments to communicate with one another. With about 800 interfaces to other systems and more than 100 data centres, this means that Big Brother effectively does not know what is going on within its own organization.

Centralizing the functions of government, including the personnel function in this legislation, is meant to increase control. There is no evidence that efficiency will increase as well. The planned layoffs of government employees that will follow this legislation are necessary in order to sell this plan to some elements of the government party.

Bill C-8, along with the previous bill, Bill C-25, is part of a seven year plan to radically change how information technology is handled. That in and of itself is not a negative goal, but will it improve services to taxpayers? Past experience says no.

● (1755)

There is a plan in this internal services overhaul to create an information technology shared service organization as a special operating agency within Public Works. I would remind the minister that Canadians still do not have answers regarding the \$161 million that went missing from the Department of National Defence as a consequence of its information technology reorganization changes and the lack of financial controls and proper accountability of how taxpayer dollars were spent.



*Government Orders*

When the Prime Minister tells Canadians he does not care how dollars are spent, which is what he told the Gomery inquiry, he is sending a clear signal that nobody should care, including the individuals who administer these programs.

I recognize the element of Bill C-8 that restores the comptroller-ship function that was cut back so extensively by the former finance minister, now Prime Minister, that led to the missing millions from DND and ad scam, but is reinstating the comptroller enough?

The status quo projection for the next seven years is that the program areas themselves will spend an additional \$9 billion performing similar related functions. Program managers and employees will spend approximately \$17 billion on administrative matters. The likely spending by identifiable corporate function organizations in the areas of human resources, financial, materiel and information technology services is in the order of \$40 billion. That is a lot of money.

What will it cost to implement this internal services modernization program? We can look for an expenditure in the upcoming budget of \$2 billion for the corporate administration of this project over its seven year projected life, with a further \$1.5 billion over five years to purchase the information technology to go with the program.

What is the human cost of this plan? Bill C-8 is all about human resource management so why does the government feel it needs legislation to supercede orders in council, which is the preferred way of sneaking change to avoid democratic oversight?

When this program was originally presented it was done so on the premise that "harvested savings" would pay for the reorganization. Now it has been determined that the so-called savings do not appear before year four of the seven year plan. The need for new money has resulted in Bill C-8. If the government is going to save \$1 billion in annual operating costs, the money has to come from somewhere and once the master plan is announced the last thing the government wants is public scrutiny.

The projected impact of this plan, measured in full time equivalents, is 32,000 people. That means 32,000 positions in the public service will be directly affected by this program. The number of employees expected to lose their jobs is 13,000. Let me repeat that the federal government expects that 13,000 employees will lose their jobs implementing this program.

Moving public servants into the shared service organization that is envisioned by this plan will allow for processing functions to leave Ottawa, which is the carrot to get scared cabinet ministers from vulnerable ridings to sign on to this program.

What this has traditionally meant is pork-barrelling into the areas of the country the government is afraid of losing, as *The Ottawa Citizen* so aptly pointed out today. The concern is not the lost jobs in Ottawa, and I hope Mayor Chiarelli is listening. It is moving the remaining jobs to ridings outside of Ottawa.

The tactics of this new program have been laid out: get control quickly and centralize that control. Constituents of my riding of Renfrew—Nipissing—Pembroke are already suffering from the effects of the government's reorganization plan.

● (1800)

The federal government has identified the recently reconfigured Human Resources and Skills Development Canada, HRSDC, as a department with a pressing need to transform service areas within that department. HRSDC clients are the latest victims in this current experiment in government reorganization.

What this has meant for unemployed insurance claimants, seasonal workers applying for benefits in my riding, is that a 28 day waiting period for benefits has become, in some instances, a two and a half month wait. That kind of delay is clearly unacceptable.

The federal government knows that come late fall seasonal workers will be coming forward with their unemployment insurance forms. This is not new. This is the reality of certain kinds of employment in Canada.

What is new is when my constituency office is told by HRSDC that somehow it was taken unaware of the fact that for certain types of employment those workers are laid off during the winter and, surprise, surprise, will be applying for unemployment insurance benefits to tide them over to the next season. Two and a half months is a long time to go without any money in a household when one has bills to pay and children to feed.

It is bad enough that the government is running a \$46 billion surplus in the employment fund, a fund for which workers pay in the form of a payroll tax. The economy pays for the payroll tax with fewer jobs since dollars that could have been used to create employment are paid out, in a payroll tax, in a fund that has a \$46 billion surplus. However the government is trying to make it as difficult as possible for workers to draw from a fund that they pay directly into to protect against times of unemployment. To qualify and to then be told that one has to wait 6, 8, 10 or even 12 weeks for benefits is a symptom of everything that is wrong with the government.

This is the latest bureaucratic reorganization. It is recognized as having the potential to make a few individuals and their companies very wealthy. The number of vendors who will be able to provide services to the Government of Canada will be rationalized, in the words of the federal government. In the process of cutting suppliers, the opportunities will be presented to the favoured few, and that is a lobbyist's dream.

Any human resource reforms must have the support of the people they affect if they have any chance to succeed. What the public servants of Canada do not want is another top down plan imposed upon them without their consultation. Before any of these plans are implemented, I encourage the government to talk to and engage the people they affect before the plans are implemented.

As it has been noted elsewhere, 40 years of restructuring have never produced the results that are promised every time a bill like Bill C-8 is written. If the federal government were seriously committed to managing government more proficiently, it would start with ministerial accountability and it would start at the top with the Prime Minister.

*Government Orders*

[*Translation*]

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, I listened to the eloquent speech of the hon. member for Renfrew—Nipissing—Pembroke and of the hon. member of Sudbury before her. She talked about the part of Bill C-8 dealing with the amendments to the Official Languages Act.

Does the hon. member for Renfrew—Nipissing—Pembroke consider adequate the amendments in Bill C-8 on the Official Languages Act, the transfer of responsibilities from the President of the Treasury Board to the president of the agency, and this horizontal transfer, which does not include greater responsibilities?

Since her party has a special sensitivity as concerns the implementation of the Official Languages Act in the public service, I would like to know what she thinks.

• (1805)

[*English*]

**Mrs. Cheryl Gallant:** Mr. Speaker, my main concern with Bill C-8 is how it is being purported to be just a minor housekeeping bill. However, with the recent revelation last Friday, it appears to be enabling legislation to allow the government's new internal management modernization program to go forth. On that basis I give my concerns to Parliament.

As outlined by the plan, this would have an impact on 32,000 full time equivalent jobs, which could be 64,000 part time workers. In all, as the program is implemented, 13,000 people will lose their jobs. That is a lot of jobs.

Having seen how the government has put forth proposals in the past, like the gun registry which was supposed to cost \$2 million and is now approaching \$2 billion, I am very concerned that we will not see these so-called harvested savings outlined by the program which Bill C-8 would enable.

[*Translation*]

**Mr. Benoît Sauvageau:** Mr. Speaker, I thank the hon. member for her excellent answer. The only problem is she did not answer the right question. I will repeat my question: What does she think about the Official Languages Act and Bill C-8? I did not talk about the firearms registry or the sponsorship scandal, but about the implementation of the Official Languages Act under Bill C-8.

[*English*]

**Mrs. Cheryl Gallant:** Mr. Speaker, my concern with the legislation is focused on the fact that it is an enabling program that would result in thousands of jobs being lost, regardless of the legislation's primary language.

[*Translation*]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Mr. Speaker, I listened to the remarks of the hon. member for Renfrew—Nipissing—Pembroke. I am a little taken aback. I thought she was from some place much farther away from Quebec. Apparently, she does not live that far from Quebec. She might do well to pay a visit to Quebec.

I would like to tell her that we do not fight separatism. Separatism is a consequence of actions that lead people to find a better system than the one they have.

It is difficult to ask people not that interested in politics to understand this, but a person who is well informed enough to run for office does not seem to understand either.

Here is my question: Does she believe that, instead of fighting separatism, fighting anglophone hostility to an equitable sharing and the creating of a sound and honest public administration would be a more efficient way to build a united Canada?

[*English*]

**Mrs. Cheryl Gallant:** Mr. Speaker, I thank my colleague for describing where my riding of Renfrew—Nipissing—Pembroke lies. It is right across the river. Pontiac county is right across and both communities get along very well. Any language barriers are overcome because of the goodwill of people to understand one another.

My hon. colleague should also be concerned about the people in that riding who will be impacted by the modernization program once it is implemented by this enabling legislation, Bill C-8.

It is when people do not have access to job opportunities that are available in other parts of the country that they become discontent and begin looking for various solutions to achieve a better life for themselves. It is through affording genuine and meaningful employment to people across the country that we attempt to have unity in Canada.

• (1810)

[*Translation*]

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, I am pleased to speak to Bill C-8. I am a little disappointed by the lack of response from the hon. member for Renfrew—Nipissing—Pembroke. Bill C-8 affects mainly two aspects, one of which is very important and that is official languages. My colleague from Sudbury emphasized this very well. I think she would agree it is sad to see that the Conservative Party critic has no idea how the Official Languages Act will apply or influence the new tenor or philosophy in the federal public service.

I gave them a chance to say a few words about it. During the election campaign there was some bad press, but sometimes people are quoted out of context. We thought we would give our opponents a chance and allow them to say a few words about this. We will have to wait for the next time to get an explanation on their party's position on this.

This is the second time I am speaking to Bill C-8. As I was saying, I listened closely to the speech by my colleague from Sudbury, who summarized this bill very well. I will mostly repeat what she said. However, I will try to make concrete arguments on certain aspects of the changes made by this bill.

*Government Orders*

One of the main objectives of Bill C-8 is to amend the Financial Administration Act to establish the office of the President of the Public Service Human Resources Management Agency of Canada. That is clause 1. This bill only makes official what has already been done. Indeed, on December 12, 2003, Michelle Chartrand was appointed by order in Council, order PC-2003-21-13, President of the Public Service Human Resources Management Agency of Canada.

The president of the agency has the powers of a deputy head of a department and is appointed by cabinet and can be removed at any time. This is not so for the Commissioner of Official Languages or the Auditor General, which is not a problem, I simply want to clarify that there is a difference in terms of their status and independence from the House.

The powers of the president are assigned to him or her by the Treasury Board, not by Parliament. Clause 1(2) provides that the President of the Treasury Board is responsible for the coordination of the activities of the Secretary of the Treasury Board, the President of the Public Service Human Resources Management Agency of Canada and the Comptroller General of Canada. As I recall—correct me if I am wrong—this provision was amended in committee to add that he or she is responsible for the coordination but must also be accountable. I thought that was what I heard the hon. member for Sudbury say.

Why should the president be accountable? Hon. members know that the wording is important when amending bills or drafting legislation. Allow me to say a few words about the ambiguous nature of the word “coordination”. Clause 1(2) provides that the President of the Treasury Board is responsible for the coordination.

I was official languages critic for a few years and I have learned that, in theory, the Minister of Canadian Heritage is responsible for the coordination of the Official Languages Act. In practice however, the minister with the least responsibility in connection with the Official Languages Act is the Minister of Canadian Heritage.

If the Minister of Canadian Heritage is the minister responsible under section 42 of the Official Languages Act, this should also be the minister responsible—I realize I am not speaking directly to Bill C-8, but I just want to make a quick point about the word “coordination”—for implementing the official languages action plan. But this responsibility was assigned to a different person at the time, namely the current Minister of the Environment.

• (1815)

The Official Languages Act provides that the Minister of Justice is responsible for part of the act, that the Minister of Canadian Heritage is responsible for the coordination, that the Prime Minister shall appoint a minister responsible for the act, that the President of the Treasury Board—as the agency's secretary—is responsible for the act as it relates to the public service, with the result that the individual responsibilities have been diluted to the point that no one is responsible for anything anymore.

When they appear before the committee and are asked why they have failed with regard to some aspect of the legislation, there is full latitude—since there are 22 individuals responsible, so none—for them to say that it is not them and that someone else is responsible.

That is why the Bloc Québécois amended one little word that may seem completely inconsequential. However, given our experience with the Official Languages Act, this little word is extremely important. In fact, this amendment means that the President of the Treasury Board is no longer the only one responsible for coordination of this legislation, but accountable for it too. Consequently, if there is a problem, he cannot say that it was the fault of the commissioner, the president of the agency, his brother-in-law or anyone else; he is the one who is ultimately responsible.

We know too that ministers appeared before the committee—Gagliano, to name just one—and they told us that ministers are not responsible for their department. In this case, the minister responsible is the President of the Treasury Board. This is the first question I asked him when he appeared before the committee, “Are you responsible for your department? If you are not responsible for your department, there is no point in our asking you questions, since you are not responsible for anything”. To my great surprise, he said that he was responsible for his department. If he is responsible for his department, he is therefore accountable for the actions taken during his mandate. That is why the Bloc Québécois sought this amendment—and we are happy that it passed—to subclause 1(2), which provides that the President of the Treasury Board is responsible and accountable for the coordination of activities.

Further on in the bill, they are amending—as I have said, and will keep on saying—the Canada School of Public Service Act, section 2, and the Official Languages Act, section 3, to ensure that the president of the agency is an ex officio member of the school. The second point is an interesting one. The supposed purpose is to ensure that it is the president of the agency, rather than the president of the Treasury Board, who will provide the Commissioner of Official Languages with any reports concerning the monitoring and auditing of observation by the federal institutions of the principles, instructions and regulations originating by either himself or the governor in council concerning official languages.

The purpose of all that verbiage is to say that the head of the agency will be the one to provide the COL with these files.

I have another problem here. When the president of the agency receives these reports and passes them on to the COL, there should be both responsibility and accountability in place. This is not the case. The person who receives them and passes them on is not assigned any responsibility.

I filed a complaint nearly a year ago to the COL about the Treasury Board. My complaint was that the Treasury Board policies and action plans state in black and white that it will not comply with the Official Languages Act. It is not set out in so many words that: “We are going to go against the Official Languages Act”, but it is there in connection with the position designated bilingual. For instance, it indicates that 60% of army positions designated bilingual are staffed with unilingual anglophones, and that in a specific sector, 22% of positions designated bilingual are staffed with unilingual anglophones. Finally, Treasury Board writes that it has an action plan whereby, in the next two, three or four years, they will bring those figures down by 2%, 3% or 4%. It we look at this carefully, what that comes down to is stating “We hereby inform you that we will continue to break the law for the next three, four or five years.”

*Government Orders*

I thus filed a complaint with the Commissioner of Official Languages and that complaint was deemed to be in order and is currently being investigated. Accordingly, when people say that the president of the agency will receive the annual reports relating to the implementation of the Official Languages Act and will be in charge of follow-up, I have a little problem. Indeed, what was done before was not proper. We are renewing what was done before. It will not be proper.

I seem to recall, Mr. Speaker, that you too used to sit on the Standing Committee on Official Languages. You must have heard this part of my pet question, which goes like this, “Why is a unilingual person hired to fill a bilingual position, if the hiring criterion is being bilingual?”

• (1820)

I often asked the question of all the ministers who appeared, namely how many lawyers in the Department of Justice are not lawyers, but carpenters, who managed to get hired on a promise that they would eventually become lawyers. My impression is there are none. How many people who formerly worked at Jean Coutu's have been hired in the Department of Finance as accountants on the promise that eventually, since they know how to operate cash registers, they will become accountants? I think that the hiring criterion to be a lawyer in the public service is to be a lawyer. Similarly, the hiring criterion to be an accountant in the public service is to be an accountant. Why is that the hiring criterion to be bilingual in the public service would not be to be bilingual?

In this respect, I would be willing to accept—it is called non-imperative staffing—that we extend this criterion to the public service as a whole, if we want to apply it this way. In other words, if criteria do not matter, let us hire truck drivers—for whom I have a lot of respect—as management executives or accountants at the Treasury Board, on the promise that they will one day become accountants.

You know that, with exception clauses, some people are being hired in designated bilingual positions, on the promise that they will become bilingual one day. Afterwards, they go through their career as unilingual employees in the designated bilingual position. Then, when they retire, other people make sure that their farewell party is in one language, because they would not understand if it was in another one.

Bill C-8, in transferring the current powers of the President of the Treasury Board to the president of the agency, does not solve this problem, which I think is very serious. I heard Conservative members say there was somewhat of a void. However, this is a problem that we would like to see corrected in a speedy and concrete fashion with the new agency. However, we do not have much hope.

The bill also has a number of transitional provisions, consequential amendments and coordinating amendments to tie Bill C-8 with the coming into force of certain sections of the Public Service Modernization Act, that is Bill C-25.

So, we must make the connection between Bill C-25 and Bill C-8, which I will do briefly. Indeed, I spent too much time on official languages, but it is a subject dear to my heart. Since the essence of the work of the Human Resources Management Agency and of its

president is to implement the provisions of the Public Service Modernization Act, it is important to remind the House about the main comments of the Bloc Québécois on this bill.

In the 2001 Speech from the Throne, the government said that it was undertaking:

—the reforms needed for the Public Service of Canada to continue evolving and adapting. These reforms will ensure that the Public Service is innovative, dynamic and reflective of the diversity of the country—able to attract and develop the talent needed to serve Canadians in the 21st century.

Bill C-25 contained four significant measures to reform the public service: it amended the Public Service Staff Relations Act; it repealed the Public Service Employment Act; it amended the Financial Administration Act to transfer certain powers with respect to human resources management to the Treasury Board; and it amended the Canadian Centre for Management Development Act to pave the way for its merger with Training and Development Canada, and the eventual birth of the new Canada School of Public Service.

In fact Bill C-25 significantly changes the legislative and institutional framework for the management of human resources in the public service. The role of the Treasury Board increases considerably with the consolidation of employer responsibilities. The Public Service Commission will refocus its activities on the protection of the merit principle and political neutrality in staffing.

This is an important principle. I have sat on committees with certain Liberals. One of the positions taken by the Bloc Québécois is that returning officers in each riding should be appointed based on their ability, merit and skills, rather than being appointed by the Prime Minister.

• (1825)

The Liberals are opposed. I keep telling them that I am sure that some Liberals will continue to be appointed as returning officers because there have to be a few competent ones in the bunch. They need not worry. I am not suggesting they will be the majority, but there could be five or six appointed in the 308 ridings. They need not worry. People can still be appointed on the basis of their qualifications.

Bill C-25 also dealt with the protection of whistleblowers. It has since been amended and has now become Bill C-11. It is under consideration at the Standing Committee on Governmental Operations and Estimates. It is designed to allow the disclosure of wrongdoing. The Bloc Québécois has two main reservations with respect to Bill C-11. First, there should be an independent officer of the House—like the Auditor General or the Commissioner of Official Languages—whom the employees throughout the public service could trust and whom they could tell about wrongdoing taking place in their departments or workplaces.

We have seen how difficult working for his department became for Mr. Cutler after he brought the whole sponsorship scandal to light. I am not referring to the minister, because I am not allowed to refer to Minister Cotler by name. I have to refer to his riding. I was talking about Mr. Cutler, the government employee.

Mr. Cutler had problems in his department when he disclosed what happened in the sponsorship program. We want to make sure public servants can divulge such information not to their supervisor, but to an independent officer of the House and that the public servant is protected from retaliation. All of this is laid out in Bill C-25.

Let me come back to Bill C-8. I do not know if I was sufficiently clear, but the Bloc Québécois supports Bill C-8, despite our many reservations. We have reservations about certain aspects of the bill, especially when it comes to the Official Languages Act. We support Bill C-8 because its purpose is to refocus some existing legislation and correct some legislative and administrative measures.

We are in favour of this bill because, despite several omissions, it will ensure better cohesion for human resources management within the federal public service. The Bloc Québécois accepts the principle of the bill since it is the first step to improving the coordination activities involved in human resources management in the Canadian public service. However, we will continue to expose the omissions that we feel are far too important.

While we reaffirm our confidence in and our admiration for the federal public service and while we say that it needs Bill C-11 to allow public servants to disclose possible acts of wrongdoing, we would not want to go as far as the President of the Treasury Board, who said on his website that, being the President of the Treasury Board of the very best country in the world, he wanted to have the best public service in the world. I have not checked today, but last October, when I made my first speech, this is what appeared on the President of the Treasury Board's website.

Again, I have a lot of respect for public servants. We must have an exemplary public service, that is respected and that respects itself. I hope that Bill C-8 will give these people better working conditions and that other laws will also allow them to tell us about serious wrongdoing. I know that we are dealing with a huge machine and a huge public service. Unfortunately, as we say "man will do what man will". There will unfortunately always be wrongdoing. However, serious wrongdoing, such as we have seen lately, must be disclosed promptly to prevent serious situations like that to undermine public confidence in the politicians and the public servants.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1830)

[*English*]

### AUTOMOBILE INDUSTRY

**Mr. Colin Carrie (Oshawa, CPC):** Mr. Speaker, I rise today to address something of great importance to the people of Canada. I want to talk about jobs, particularly jobs close to the heart of my constituents in Oshawa, automotive jobs.

In November last year I rose in the House to address the issue of jobs and the government's insistence on pushing forward with its implementation of the Kyoto accord. I am pleased to tell the House

that since I last spoke about this issue, I along with members and senators of the Conservative auto caucus had the opportunity to travel across southern Ontario and visit all the Canadian automobile manufacturers.

Our findings confirm my concerns about the government's inaction on such an important file. I heard about the government's unrealistic proposal, legislation to decrease fuel consumption of automobiles by 25% by 2010. This arbitrarily chosen number will cause undue hardship on the automotive industry and lose automotive jobs.

In Ontario we build mid and large size vehicles, mini-vans, cars and trucks. Under the proposed legislation, virtually every car built in Canada could not be sold here. What does this mean for automotive jobs in Ontario? As one auto executive bluntly told me, "Why would we build cars in Canada if we cannot sell them here"?

The government is oblivious to the reality that these demands on the auto industry will have devastating effects on Ontario's auto based communities. One of the side effects of the legislation would be that Canadians would only be able to buy subcompact cars such as the Pontiac Wave or the Toyota Echo.

I have a friend and this friend just happens to be six foot three. His wife is six foot one. They have two kids who are also quite large. On the weekend he drives to the cottage with his family, his coolers, gear, the dog and occasionally grandma. Which car does the minister want him to take on his weekend trips to the cottage? The Wave or the Echo?

Another one of my questions is, where are the government's economic impact studies that provide numbers on how many automotive jobs will be lost because of the government's implementation of the Kyoto accord? My concern is of special importance at this time.

General Motors has recently announced its intention to invest \$2.5 billion through its Beacon project, a project that would ensure retention of automotive jobs and would invest in research and development. Infrastructure would be put in place to ensure that the Ontario automotive industry has a prosperous future. It seems everyone but the federal government is on board. The local community is on board. The industry is on board. Our local university is on board. Even the Liberals' provincial cousins are on board.

The time has come for a solid commitment to this project. It is déjà vu for the people of Oshawa. Only a few years ago, we lost out on the ITER project, a project that would have brought international recognition and an estimated \$10 billion benefit to our region. Oshawa lost the ITER project for only one reason. The federal government dithered for too long. The ITER proposal died because the government would not act.

*Adjournment Proceedings*

As Oshawa's representative, I cannot and will not let history repeat itself. Oshawa's auto workers are the best in the world and we will not accept more inaction from the Liberal government. We are losing auto jobs as a result. The Beacon project deserves the support of the government. It is time to stop dithering, reverse the climate of uncertainty and inaction.

The minister thinks it is hogwash that Kyoto could affect 80,000 jobs. Well, the government was quick to have our very own Canadian flag made in China. How long will it be before our automobiles are made in China?

The Canadian International AutoShow begins in Toronto later this week. There is no better time to announce support of the Beacon project. I would like to know if my hon. colleague will take a moment tonight and assure the House and the people of Oshawa and Ontario that their jobs and their future are a priority for the government?

• (1835)

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, the member's original question was directed to the Minister of Industry.

I want to point out to the member that the government takes the issue of automotive jobs very seriously. In fact in 2002 we created the Canadian Automotive Partnership Council, CAPC, to identify ways in which the Government of Canada and the private sector could work collaboratively to strengthen this particular sector.

CAPC recently released a report called, "A Call for Action: A Canadian Auto Strategy" which outlines a vision for making Canada the location of choice for automotive manufacturing in North America.

I can assure the House that the government is listening. The CAPC report will be an important contribution to a new national automotive strategy. We know that this is the best country when it comes to investing in automotive jobs. When Lexus was built for the first time outside of Japan, Cambridge, Ontario was picked because of the quality of the workmanship and the quality of workers.

The member talked about Kyoto. There is no question that we take our responsibilities regarding climate change very seriously. That is why we are working collaboratively with the automotive sector. It is important that we come up with a voluntary agreement.

It is important that economic competitiveness and the environment can and will work closely together. We announced a \$100 million contribution to Ford's Oakville facilities, an important new research and engineering undertaking. This is tied to a commitment by Ford to proceed with a \$1 billion investment which will introduce new manufacturing processes to secure the future of the site and related employment for years to come.

Clearly we are listening to the automotive sector and are working collaboratively. That is why these kinds of investments are being made by the government and by the auto sector.

The member for Oshawa said that the government is not listening to the sector at all. Clearly in budget 2004 the government committed to develop a new strategic automotive framework. Many

of my colleagues on this side of the House in our automotive caucus have been working very collaboratively with the ministers affected.

The June 2004 announcement of \$500 million to support major automotive projects and the explicit reference to the auto sector in the Speech from the Throne reaffirm this policy commitment.

I appreciate the hon. member's representations from his constituency. I know that those jobs in Oshawa are important. I want the member to be assured that we are not going to do anything that will affect any jobs in his constituency or anywhere else.

We want to emphasize that the support for auto initiatives will be linked to our overall national priorities, such as innovation, skills development, infrastructure and of course, the environment.

Ford, as I said, will invest heavily in innovation, training and new environmental technologies as part of its Oakville initiative. These are all very important. They are important for Canada. They are important for workers. They are important for society at large.

Ford recognizes the advances in technology, such as fuel cells and hybrid vehicles, in improving fuel efficiency and the environmental performance of its vehicles. We welcome that.

Rather than carrying a big stick, we are working collaboratively. Eventually if a voluntary agreement cannot be entered into, obviously we would have to look at other approaches, but I am confident that we will reach an agreement on a voluntary basis.

**Mr. Colin Carrie:** Mr. Speaker, the hon. member brought up CAPC and one of the major recommendations was to address disharmonization across the border. Kyoto does just that.

Adopting the Kyoto protocol will spell disaster for Canada's auto industry. Even the government's own forecasting shows that adopting Kyoto would result in 80,000 automotive jobs being at risk. The truth is that the government seems to do a lot of talking but it is clearly not interested in listening.

The Liberal government threatens to drive away our auto industry if it does not commit to effective policy that will ensure stability and competitiveness of the auto industry in the face of a growing number of challenges.

As the member said, the government is not going to do anything. That is what I am concerned about. I do not want the Beacon project to meet the same fate as the ITER project. We lost ITER because Durham Liberal MPs could not get the job done and I refuse to watch the same thing happen again.

The government needs to jump on board and be up front with the people of Oshawa. Will it commit to the Beacon project and assure us that it will not—

• (1840)

**The Acting Speaker (Mr. Marcel Proulx):** The hon. Parliamentary Secretary to the Minister of the Environment.

*Adjournment Proceedings*

**Hon. Bryon Wilfert:** Mr. Speaker, let us cut through the political rhetoric. On the issue of ITER, I want to point out to the member that all members on this side of the House worked very hard on that. In fact, \$100 million was put up by the government. The problem was that the private sector, which was supposed to be involved heavily in this, came back and needed another \$3 billion. Even though we had the ideal site et cetera, that was an issue.

The member wants to know about the auto sector. I made it very clear that we are prepared to work with the member for Oshawa. The member for Oshawa is engaged in the polemics. He is not engaging in the real issue of the day. His party continues to run away from its obligations to deal with the real issues concerning climate change. California and other jurisdictions in the United States are moving ahead—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. member for Charleswood—St. James—Assiniboia.

## HEALTH

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, I have raised the issue of hepatitis C compensation for those who were infected by tainted blood on numerous occasions. The government has continued to delay and dodge the question. I will ask my question one more time and very simply. Will the government stop discriminating against the pre-1986 and post-1990 victims of tainted blood? When can these people expect compensation?

We have heard from the minister that an actuarial report is due in June, but people continue to suffer and die from this tragic event. When can people expect this actuarial report? When will Canadians be able to have comfort in knowing that these people will be compensated?

I would like to point out that there is a huge surplus in the hepatitis C fund and yet the Liberals have continued to deny people access to the surplus even though it is clear that they will be able to pay compensation as required to the people who have not yet died.

The minister has suggested that lawyers are going to be involved in determining compensation availability through the fund. The last time this was put to lawyers, it cost the victims' fund approximately \$58.5 million. How much will come out of victims' pockets this time around?

Roger Perrault, who was in charge of the Red Cross blood program during the 1980s and who was charged by the RCMP with three counts of negligence in regard to the issue of tainted blood, has asked the courts to drop criminal charges against him. Victims across Canada are demanding the Crown oppose that move. I wonder if the parliamentary secretary could provide assurances to Canadians that the person who was responsible for this tragedy will not get off easy and will be pursued to the full extent of the law.

• (1845)

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, I thank the hon. member for his question which was originally directed to the Minister of Health. I congratulate the member on raising these issues. I know it is important to him and obviously important to others, including myself in this House.

Clearly, many departments are involved in this dealing with stakeholders and particularly the ministry of health. As the hon. member knows, extensive detail on the activity which he raises has been a priority.

Health Canada is engaged in a careful assessment and analysis of the options to address possible risk to the drug supply, particularly the issue of prices. As the minister has made clear, the issue will soon be discussed in cabinet. I give that assurance to the member. We continue to monitor the situation south of the border. As the member knows, there has been increased demand by Americans.

Current levels of cross-border drug sales are a small fraction of the total U.S. market. There are millions of Americans who have no health coverage at all, no adequate health insurance at all. Clearly, cross-border drug sales from Canada are not a sustainable solution to the potential needs of those people.

**Mr. Andrew Scheer:** He did not ask about drugs. Answer the question. It is about hepatitis C.

**Hon. Byron Wilfert:** Mr. Speaker, it is unfortunate, the member is listening attentively. If his colleagues would listen attentively, they might learn something.

The minister will respect the deliberations of the standing committee. However, the minister has also stated that he is prepared to act if it is in the national interest to do so. The government will always act in the national interest.

In practice, yes, that means that the government will take action if such action is necessary to protect the health of 31 million Canadians. There is much potential at stake. If required, we will act to preserve the very features of our system that Americans do not enjoy. While we are not unsympathetic, it is clear that we must take care of Canadians first.

With regard to the punishment of an individual, I cannot comment on any case that is before the courts. I say to the member and I want to emphasize that it is a small minority of Canadian practitioners whose ethical and professional practices are cause for the concern. The fact that there is a small group is still an issue for this government. As I said, there are avenues that the government is currently looking at to deal with that. The great majority of doctors and pharmacists are complying.

This is an important issue. As I said, there will be a discussion shortly before cabinet in terms of dealing ultimately with the health and safety of all Canadians.

**Mr. Steven Fletcher:** Mr. Speaker, that was quite something. My question dealt with the compensation for people who received hepatitis C due to tainted blood.

What the member was just talking about was Internet pharmacies. I did not raise that issue. I am not talking about that issue. I find it very disturbing that he would not even answer the question that I am raising, or any of the questions.

*Adjournment Proceedings*

It is disconcerting because it shows the contempt perhaps of this government toward these victims. I am utterly astounded that the Minister of Health has not taken the time to deal with this issue nor the Parliamentary Secretary to the Minister of Health, but we have the Parliamentary Secretary to the Minister of the Environment answering these questions.

Even though it has been widely publicized and everyone knows about this issue, the response has nothing to do with the questions which were raised and with which we are now dealing. The member's response makes a mockery of this whole process. I am profoundly disappointed, mostly for the victims of hepatitis C.

**Hon. Bryon Wilfert:** Mr. Speaker, on the issue of hepatitis C, the government has made it very clear about the issue of compensation.

The hon. member knows that originally there were certain years where compensation was going to be awarded. It was due to the fact that it could only be based on the information available at that time. The minister has made an announcement with regard to the issue of compensation across the board. Clearly, the member has an interest in this issue. However, the government has made its plans clear.

This member may not agree with the form or the type of compensation that is being offered. However, I would point out to the member that what is important is the long-term assistance for individuals affected by hepatitis C. It is very important that the financial resources be there for the health of those individuals, particularly in the area of drugs which can be, and I am sure the member knows, very expensive. That kind of compensation and that kind of assistance to deal in the long-term with the hepatitis C issue is extremely important.

• (1850)

[*Translation*]

**The Acting Speaker (Mr. Marcel Proulx):** 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 6:50 p.m.)

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