



CANADA

# House of Commons Debates

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VOLUME 135 • NUMBER 164 • 1st SESSION • 36th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, December 2, 1998**

**Speaker: The Honourable Gilbert Parent**

## CONTENTS

(Table of Contents appears at back of this issue.)

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# HOUSE OF COMMONS

Wednesday, December 2, 1998

The House met at 2 p.m.

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*Prayers*

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• (1400)

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

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

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## STATEMENTS BY MEMBERS

*[English]*

### LEANNE BAIRD

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, it is with great pleasure that I stand today to congratulate an outstanding and energetic young lady from my riding of Stoney Creek.

Miss Leanne Baird, who was crowned Miss Canada International in August, has recently returned from the Miss World International competitions in Seychelles.

As Canada's ambassador to this prestigious world competition, this dynamic 21 year old has displayed the highest level of goodwill, sportsmanship and excellence. Leanne carried out her duties with skill and compassion and should be very proud of her accomplishments.

Her leadership qualities were clearly illustrated here in Ottawa when she attended the week long Forum for Young Canadians.

Leanne is an inspiration to people of all ages everywhere and has shown the world what is right with Canada's young people.

I join with all members of this House, Leanne's family and friends and all the residents from the riding of Stoney Creek in wishing Leanne congratulations for a job well done.

## 2010 WINTER OLYMPICS

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.):** Mr. Speaker, in 2010 Vancouver and Whistler intend to be hosts to the world's finest Olympic winter athletes.

Vancouver is already world renowned for its attention to culture and enthusiasm to athletics, and Whistler has repeatedly been acclaimed as the number one ski resort in the world. A combination like this is truly second to none.

Yesterday, 72 voting delegates of the Canadian Olympic Association said that British Columbia would be Canada's choice for the competition.

Congratulations go to Arthur Griffiths, head of the Vancouver-Whistler bid society, and to the many athletes and organizers who have contributed endless time and energy in making the bid successful.

Congratulations should also go to Calgary and Quebec City which both presented top notch bids.

British Columbians look forward to the opportunity of showcasing Canada's most spectacular province to the members of the IOC, establishing that B.C. is certainly the gateway to the world.

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### JAMIE HUNTER

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, each year I co-sponsor an essay contest for students in my riding of Mississauga South. This year's topic was "The famous Canadian I would like to meet".

The winning entry was submitted by Miss Jamie Hunter, a grade 7 student at Homelands Public School. The essay caught my attention because it was about an outstanding Canadian, Cassie Campbell, who has become a role model and an inspiration to Jamie.

Cassie loved hockey and despite significant hurdles she became a member of the Canadian National Women's Hockey team, representing Canada in national and world championships and at the Olympics. Cassie Campbell also obtained a university degree, did some modelling, coaches and runs hockey camps, authored a book and is a spokesperson for a program to prevent young women from smoking.

*S. O. 31*

Jamie Hunter is in Ottawa today to meet the Prime Minister and I want to thank her for sharing her story about her famous Canadian role model.

When I encounter motivated young people like Jamie I am reminded just how important it is for all Canadians who touch the lives of children to provide the leadership, support and guidance that our youth will need to become the leaders of tomorrow.

\* \* \*

#### INTERNATIONAL DAY FOR THE ABOLITION OF SLAVERY

**Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, today is the international day recognizing the abolition of slavery. It is a day that is commemorated around the world by countries whose citizens were victims of the slave trade.

The International Day for the Abolition of Slavery calls upon each and every one of us to pause, to reflect and to take stock of the vestiges of slavery and its implications for universal human rights.

This year is the 50th anniversary of the Declaration of Human Rights and we must not forget the human rights violations that slavery fostered over 200 years ago.

I call upon my colleagues from all sides of the House to join me and thousands of African Canadians in recognizing this day and the history attached to it.

\* \* \*

[*Translation*]

#### CANADIAN FARMERS

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, I want to recognize today farmers across Canada and all those in Brome—Missisquoi. They represent a vital link in the agri-food chain and contribute to a complex system involving suppliers, carriers, processors, grocers and restaurateurs.

Despite our farmers' productivity, global circumstances beyond their control have them facing a financial crisis. Economic problems in Asia had a ripple effect worldwide, causing a decline in sales. Great crops are usually good news for farmers, but not this year. The loss of markets and inventory surpluses, combined with the effects of American and European subsidies, have caused a severe economic crisis in Canadian agriculture.

I sit on the Standing Committee on Agriculture and Agri-Food and we have been listening to farmers and to their suggestions as to how this crisis might be resolved. I am confident we can respond to them quickly and adequately.

[*English*]

Let us put our heart where our mouth is.

#### EMPLOYMENT INSURANCE PREMIUMS

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, talk like Santa, act like Scrooge. That is the finance minister. With great fanfare he announces a drop in employment insurance premiums, but hides the fact that he really owes workers five times more than he is paying back to them.

The chief actuary of the employment insurance program says that the finance minister owes each worker \$350. So why is Scrooge paying back only one-sixth of what he has been overcharging workers? It is no wonder the finance minister has to talk so much about an uncertain environment. He was the one who helped create it with illegal taxes on Canadian families.

This Christmas there will be a hole in each worker's wallet where \$300 ought to be for Tiny Tim. Even Scrooge would hang his head in shame.

\* \* \*

• (1405)

#### CANADIAN FARMERS

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, the government has been working hard to find a response to the farm income crisis.

Nationally, farm income is declining. Commodities taking the deepest dive are grains and hogs. In Manitoba and Saskatchewan, where concentration is particularly intense, farm income is expected to drop about 40% and 70% respectively. Although the impact is most severe on the prairies, wherever these crops are produced farmers are hurting.

The problems that began in Asia have caused a multiplier effect around the globe. Customers no longer have the funds to buy, supply is increasing and prices are falling into the basement. European and American subsidies are compounding the problem.

In my home province of Manitoba farmers tell me that the need for assistance is urgent and the time to act is now. I urge all members—

**The Speaker:** The hon. member for Cambridge.

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#### WOMEN'S CRISIS SERVICES OF CAMBRIDGE

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, the Women's Crisis Services of Cambridge and North Dumfries, formerly known as the Family Crisis Shelter of Cambridge, was recently awarded \$5,000 from the Donner Canadian Foundation Awards for Excellence in the delivery of social services.

This national award is a testament to the innovation and high quality of service provided to women and children in our commu-

nity who are victims of abuse. The Women's Crisis Services provides a safe environment for those escaping violence in the home, as well as counselling, legal advocacy, public education, peer support and crisis intervention programs.

I congratulate all the volunteers and staff for their ongoing dedication and achievements. I wish them continued success under the new name.

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### THE SENATE OF CANADA

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, on Monday this House gave a standing ovation to Mr. Max Bacaus, an elected senator.

When opposition members stood to applaud, we did so in support of a triple E Senate. Liberals on the front benches jeered despite the fact that the Prime Minister has promised an elected, equal and effective Senate and has failed to deliver at every opportunity.

Alberta pays for 10 senators, gets only six and receives the services of none.

On October 19 of this year Alberta took steps to change that by electing two senators. Here today are two elected senators from Alberta who received the support of 593,000 voters, the largest number of votes cast for any parliamentarian in Canadian history.

Canadians deserve democratic representation in their government. The election of senators in Alberta is only the beginning.

\* \* \*

### HOCKEY NIGHT IN OTTAWA

**Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, the action was fast and furious as Team Liberal faced off against the opposition last night in an historic hockey game. When the ice chips settled, Team Liberal skated away as the political champions of Canada's national pastime.

Although the member for Pictou—Antigonish—Guysborough promised to pepper Team Liberal with shots, our rotund member from Bourassa stood on his head in the net as he kept a low goal deficit. Our veteran member from Nickel Belt was a shining, scintillating star for the winning team. Also accolades go to our member from Nunavut. She was as graceful as a gazelle on skates. Our member for Brampton Centre offered vocal and moral support as our door manager.

Team Liberal was triumphant despite the opposition attack led by the terrible trio of the members from Medicine Hat, Prince George—Peace River and Surrey North.

### S. O. 31

The opposition did suffer a hold-out by the Bloc Quebecois players, who refused to play unless there were winning conditions.

**The Speaker:** The hon. member for Québec.

\* \* \*

[Translation]

### EMPLOYMENT INSURANCE

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the ministers responsible for the growth in poverty have just announced they intend to continue fleecing employees, by making a nickel and dime cut in EI contribution rates at a time when the program is covering only four out of every ten unemployed workers.

The Minister of Human Resources Development can say that this cut will put \$1.1 billion back into the pockets of Canadians, but what he is not saying and we ought to know is that, at the same time, he is discreetly taking approximately \$5 billion out of their other pockets.

How can the Minister of Human Resources Development let the Minister of Finance help himself with both hands to a fund his government does not pay a penny into, instead of recognizing that the surpluses in the unemployment insurance fund belong to those who pay contributions and must be paid back to them, by substantially lowering contribution rates and improving the employment insurance plan?

\* \* \*

● (1410)

[English]

### TRANSPORT CANADA

**Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP):** Mr. Speaker, the auditor general has revealed that Transport Canada's performance in managing and administering its highway investment shows many weaknesses.

This is nothing for New Brunswickers. New Brunswickers know about Transport Canada's mismanagement of money. Starting in January they will have to pay tolls to drive on a highway that was built as part of a federal-provincial agreement signed by former transport minister Doug Young who now heads the private company putting up tolls.

By 2001 it will cost cars up to \$14 and trucks \$45 for a round trip.

The now transport minister has said that measures will be taken to forbid tolls on federally funded highways in the future. However, for this deal he has chosen to protect Doug Young's interests instead of standing up for Atlantic Canadians.

*S. O. 31*

New Brunswickers will have to pay tolls to drive to work, to go to a doctor or to visit friends and family. The people driving to and from Atlantic Canada will have to pay those tolls also. Atlantic Canadians will also see an increase in the price of goods.

\* \* \*

[*Translation*]**TORONTO MAYOR**

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, the Mayor of Toronto compared the PQ government to the communist regime of Fidel Castro. He also said that no federal buildings belong to Quebecers, and he called sovereignty a stupid project.

How could the mayor of Canada's largest city not know that Quebecers pay close to one quarter of federal taxes? The reality is that one quarter of the federal buildings in Toronto belong to Quebecers. And, after a yes vote, we will be prepared to trade our federal buildings outside Quebec for all the federal buildings located in Quebec. This is what sharing the debt and the assets is all about.

How could the mayor of Canada's largest city consider it stupid for a people to refer to its history and want to succeed on the international scene? Why would something that is good for Canadians be stupid for Quebecers?

I do not see what interest the Mayor of Toronto has in publicly airing his biases against Quebec. It seems to me that what we need right now is an honest dialogue and constructive discussions, not—

**The Speaker:** The hon. member for Nunavut has the floor.

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[*English*]**HOCKEY NIGHT IN OTTAWA**

**Mrs. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, being a hockey mom of four boys, I can imagine how the opposition must be feeling today. Defeat can be tough at times.

The opposition was trounced by a score of 13 to 8 at last night's famous hockey game. Again we have proven that our Liberal team is hard to beat. Our players came together as a team of force. Liberals always do.

The ice became another venue where our members came out as winners and I am very proud to be part of the team.

I have a message for the opposition. Everyone cannot be a winner. It is all about trying one's best. Unfortunately, the opposition's best could not topple our Liberal spirit.

\* \* \*

**VETERANS AFFAIRS**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I just want to tell members that the reason the Liberals won was because I was supposed to be the coach and I could not make it. That is the only reason they won.

Yesterday the auditor general's report congratulated the Department of Veterans Affairs for its reduction of the turnaround time for veterans' applications for benefits.

However, many veterans feel that there are still problems that exist within the system, one of which is the lack of credibility afforded to veterans who have no way of proving their claim for benefits due to the lack of accurate records.

We in the Progressive Conservative Party feel that veterans in this particular circumstance should be given an opportunity to testify under oath before the veterans review board as to the validity of their claims; therefore, not only giving the benefit of the doubt to the veteran, but also leaving the board to substantiate its decision.

These men are entitled to better treatment and other people's errors should not be a reason for doubt. Lest we forget.

\* \* \*

[*Translation*]**TOURIST INDUSTRY**

**Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.):** Mr. Speaker, I take this opportunity to tell you about another initiative of our government in developing our natural heritage.

On November 12, the hon. secretary of state responsible for Canada's economic development announced a \$1.6 million investment to develop the recreational and tourist potential of the Saguenay fjord. Through a partnership agreement between Fisheries and Oceans, Economic Development and Heritage Canada, the pier at Anse-Saint-Jean will be redeveloped.

In addition to restoring the site's beauty, the work will help support the region's tourist industry.

The Government of Canada is proud to be associated with a project based on partnership. This initiative will promote tourism, which is a major industry in our economy.

## ORAL QUESTION PERIOD

• (1415)

[English]

### EMPLOYMENT INSURANCE

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, this Prime Minister owes millions of Canadian workers \$290 each. This Prime Minister owes thousands of Canadian businesses \$415 per employee. That is how much further the employment insurance premiums should have been cut yesterday according to the chief actuary of the plan.

Why does the Prime Minister not simply tell his finance minister to give that money back to the employers and the workers of Canada?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the department of the Minister of Human Resources Development has a committee that has been established under the law. It is made up of employers and employees. The three members of the commission looking at all the circumstances recommended a reduction of 15 cents.

When we became the government in 1993, EI premiums were to be \$3.30 on January 1, 1994. They have been reduced with this move to \$2.55. We are reducing premiums, contrary to what has happened in previous years.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the Prime Minister hides behind the Employment Insurance Commission, which is a frequent posture of the Prime Minister.

How independent are these commissions? Two of them work for the Minister of Human Resources Development and the other two are appointed by the government. If they object to this heist, they will probably be collecting employment insurance themselves.

Why does the Prime Minister not just do the right thing and give the employment insurance money back to the workers instead of blaming the commissioners?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am not blaming anybody. In fact, because we have managed the finances of the country in a very careful and responsible way, we are in the second year of a surplus position. I am very surprised that the leader of the Reform Party wants us to go into a deficit position again as quickly as possible.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, it is not just the workers that the Prime Minister is ripping off. The government has been ripping off hard pressed farmers by

### Oral Questions

up to \$1 billion a year in income and input taxes. The government is ripping off the working poor to the tune of about \$15 billion a year from families and individuals who make \$30,000 or less.

Maybe the Prime Minister can tell Canadians who just do not understand why he has instructed his finance minister to tax the life out of workers, farmers and the working poor.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, my instructions to the Minister of Finance were to be a good, responsible Minister of Finance. I am very happy with his delivery.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, the chief actuary for employment insurance says that the EI rate should be as low as \$1.90 per \$100 on Canadians' paycheques. That is \$1.90, not \$2.55. That difference amounts to hundreds of dollars a year for workers and small business in this country, yet the finance minister insists on keeping it at \$2.55.

Why is the minister being so stubborn? Why will he not lower it more?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member owes it to her party to at least cite the actuary correctly. The actuary quoted a range and the other side of the range was \$2.50.

The Prime Minister has just said that the actuary makes a recommendation to the commission. The commission has representatives from the employer side and the employee side. That commission made a recommendation to the government which the government has accepted.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, in fact the government owes it, and it owes workers hundreds of dollars.

The finance minister once said that payroll taxes like EI are a cancer on Canadian jobs.

The chief actuary, whose judgment is not tainted by politics, still says that EI premiums are way too high. Each business is paying hundreds of dollars more than it should per worker.

Again I would like to ask the minister, how can he justify jingling that money out of every Canadian worker's pocket?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I think we should be very clear. This is not about EI premiums, nor in fact is it about income taxes. It is about the Reform Party's agenda to gut the health care system, to cut the transfers to the provinces, to make sure that aboriginal Canadians do not have decent health care and do not have decent education. The Reform Party talks about the working poor. When we brought in the child tax benefit to help the working poor, the Reform Party opposed it with its narrow fiscal agenda.

*Oral Questions*

• (1420)

[Translation]

**SOCIAL UNION**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, according to an article in this morning's *National Post*, senior federal officials have prepared a social union proposal, and an announcement is expected shortly.

Is the Prime Minister going to pull his usual stunt and release the proposal after the recess so as not to have to answer questions in the House about his proposal to the provinces?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the answer is no.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, if I understand correctly, the proposal will be announced before the House adjourns. Yesterday, the Minister of Intergovernmental Affairs told us that we might see it before February, but the Liberals refused to amend yesterday's motion. This is double talk.

If the Prime Minister seriously wants to be consistent and show that he is interested in social union with all the provinces, should he not agree to leave any new program that interferes in provincial jurisdiction out of the next budget?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I ask the hon. member to be patient. He will have his answer when we bring down the budget in February.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, a day does not go by that the Prime Minister, the Minister of Finance and the Minister of Health do not repeat that the federal government intends to put money back into health care. However, they are very careful not to say how much or how they plan to go about it.

Is the Prime Minister prepared to reinvest the money he says he wants to put back into health care through transfer payments, as he ought, as long as there is no agreement on social union?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the member will have his answer when the budget is brought down in February.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, we heard the Minister of Intergovernmental Affairs saying that the federal government wanted to retain its spending power in provincial jurisdictions.

What message is the minister, who says he is acting in good faith, sending to the provinces, when he says he is ready to negotiate in good faith and then repeats that he will do what he wants because, whatever the case, the federal government is right?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, in all federations around the world, the distribution of powers applies to the power to legislate, but the federal government can spend wherever it considers it in the national interest to do so.

The provincial governments want us to use this federal spending power in a way that does not upset their priorities. We are very open to discussions with them, because we know that we will end up with the best policies by working together for all Canadians.

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[English]

**SOCIAL PROGRAMS**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the Prime Minister stunned Canadians yesterday when he said that he does not see the link between the social union and the federal budget. Canadians do see the link. It is more children living in poverty, fewer unemployed receiving benefits, every single Canadian harmed by health cuts. Why is the Prime Minister the only Canadian who cannot see that his unilateral budget cuts are tearing apart our social union?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I point out to the member that we have introduced a national child tax benefit of \$1.7 billion. Since we have been in government we have increased the amount of the child care deduction. We have provided a family income supplement for roughly 350,000 low income parents on EI. We have enhanced the community action program and the Canada prenatal nutrition program for children at risk. I could carry on but I do not have the time.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the Prime Minister boasts about balancing the federation but his cuts have created a Canada that is dangerously out of balance. There are 800,000 unemployed living without benefits. This year alone 37,000 more people have been forced to use food banks. There are 1.5 million children and their families living in poverty.

• (1425)

Is this the Prime Minister's idea of balance? What kind of balance lets our children go hungry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, because we are very concerned, I will carry on reading the list.

We have introduced tax relief for low and middle income Canadians, taking 400,000 low income Canadians off the tax rolls completely. We have transferred \$25.9 billion to the provinces through the Canada health and social transfer in 1998-99. We have introduced a millennium scholarship program to permit people



with low incomes to attend university. Above all, we have established—

**The Speaker:** The hon. member for Cumberland—Colchester.

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### HIGHWAYS

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, my question is for the Prime Minister.

The Prime Minister's former Minister of Transport, Doug Young, signed an agreement to fund 100% of the cost of a highway in New Brunswick. The auditor general revealed yesterday that the same Doug Young has secretly altered the terms of the deal to allow a private company to charge tolls on that same highway. Doug Young is the president of the same company that is going to charge the tolls.

It does not take an ethics commissioner to know this is a crooked deal. Will the Prime Minister use the tools described by the auditor general to stop this outrageous rotten deal?

**Hon. David M. Collette (Minister of Transport, Lib.):** Mr. Speaker, the hon. member takes great licence with the auditor general's report because he has come to conclusions that the auditor general did not come to.

The auditor general came to some conclusions. Quite frankly, Transport Canada disagrees with most of them and we told the auditor general and his staff that we disagree with them.

We disagree that the federal government failed to control highway funding. We disagree that Transport Canada failed to provide accurate information. We get our information from the provinces. We work with the provinces. We do not parallel the provinces.

If the auditor general has a problem, he should talk to the provinces about the information they provide us with.

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, what the auditor general said exactly was that Transport Canada failed to exercise the controls entrenched in the agreement to ensure that federal positions are honoured. It is the same thing we have been talking about for months and months.

I ask the hon. minister if he will take action, stop boondoggling, stop the delays, stop stonewalling, use the tools as described by the auditor general, take action and stop this deal.

**Hon. David M. Collette (Minister of Transport, Lib.):** Mr. Speaker, the auditor general confuses minimum acceptable national standards for the national highway system with normal evaluations.

We have engineers and experts of the provinces—

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

### Oral Questions

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

**Hon. David M. Collette:** Mr. Speaker, as I said, the auditor general appears to confuse minimum acceptable standards and design standards. Those standards are developed in concert with the provinces which have the engineers and the experts.

What the auditor general seems to imply is that the federal government should set up a parallel department to mirror all of the work the provinces do. We do not do that. His analysis is predicated on faulty assumptions.

\* \* \*

### TAXATION

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, yesterday the finance minister announced that on January 1 payroll taxes are going up. He is giving back Canadians 15 cents in EI premium cuts, but on the other hand he is adding 30 cents to the CPP payroll taxes, a 15 cent hike per \$100 from Canadian workers' pockets. Apparently he thinks that workers are not taxed heavily enough.

He is a pathological tax hiker. He never met a tax hike he did not like. How many jobs does the minister expect to create by hiking payroll taxes?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, again we are dealing with the real agenda of the Reform Party.

Yes, unfortunately, because of the inattention of previous governments, the Canada pension plan premiums, on agreement with the provinces, are going up. But that is not where the difference lies. The difference is that the Reform Party does not believe in the Canada pension plan. It does not believe in sharing the risk. It does not believe that Canadians of all generations and of all income levels are entitled to a decent retirement. We beg to differ.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, a decent retirement is in part predicated on having some money to put away.

• (1430)

The minister has raised taxes more than any finance minister in Canadian history. Every year he stands up here and gloats and smiles but every year he raises taxes.

How many jobs does the minister think he could create by raising payroll taxes on January 1?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the results are there: 1.3 million since we took office; over 300,000 jobs created this year alone; and 57,000 created last month.

That is not where the difference lies. The difference lies in the forces of extremism. The Reform does not believe in the positive role of government and we do.

*Oral Questions*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Minister of Human Resources Development was all thrilled yesterday to announced his amazing 15 cent reduction in employment insurance contributions.

By stubbornly refusing to improve the program and to make a substantial decrease in contributions, is the minister aware that, between now and March 31 of next year, each and every cent workers see as a deduction on their pay stubs is an unfair tax going directly into the pocket of the Minister of Finance?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques acknowledges how thrilled I was yesterday.

I believe it was an excellent piece of news, that we had succeeded for the fifth year in a row in decreasing employment insurance contributions, bringing them down to \$2.55, and that we did so in keeping with the unanimous recommendation of the employment insurance commission comprised of both union and employer representatives, while at the same time succeeding in having a system that puts \$2.7 billion into active measures to get the unemployed back into the work force.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the minister is seriously in need of taking Fair Taxation 101.

How can he not understand that making low wage earners, who already contribute too much to employment insurance, foot the bill for general income tax decreases, including those for ministers who do not pay employment insurance, is fiscally unfair and morally unacceptable?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, perhaps the hon. member needs to take Math 101.

I can tell hon. members that there are also seniors who pay no income tax and who would not have benefited from an additional drop in employment insurance contributions either.

What we were seeking was a balance between an employment insurance system that will remain in place for the workers of this country, even if there should happen to be an economic downturn, and at the same time a steady decrease in contributions for five consecutive years.

I believe we have achieved the desired balance.

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[English]

**SOCIAL UNION**

**Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.):** Mr. Speaker, what a difference a day makes. Yesterday it was no to the social union; today it is a go.

Yesterday one of the Prime Minister's own members described the social union as "a warmed over Charlottetown accord which would give more power to the provinces and weaken the federal government".

Canadians want to know whether the Prime Minister agrees with the member for Wentworth—Burlington, or does he really support the social union?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, I appreciate the question. When we speak about the Government of Canada we speak about those who believe in the social union. Canada has one of the best social unions in the world.

Not only is the Government of Canada saying that. Recently Harvard university released a study comparing 150 countries in the world on the capacity of governments to give their citizens good services while respecting their freedom. Canada was ranked fifth. That is not so bad.

**Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.):** Mr. Speaker, this seems to be the problem: the provinces believe there needs to be change and the federal government thinks everything is A-okay the way it is.

We would like to put the Prime Minister and his government to a test. If they really support the social union, will they commit the government not to initiate any new social programs in the budget unless the provinces agree to them?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, the member is not in the best situation to ask for clarification. Yesterday I asked the Leader of the Opposition to say, if he was unfortunately the Prime Minister of Canada, whether he would sign the proposal of the provinces as it is.

● (1435)

He would not say that to Canadians. He never answered. Members of the NDP said that they would not sign as it is. The Bloc said it would sign because it would be a step toward separation. The Tories were unable to say what they would do. Is that the new definition of the united right?

*Oral Questions*

[Translation]

**2010 OLYMPIC GAMES**

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, we know that it was because of the direct intervention of the Minister of Canadian Heritage, who claimed that she wanted to avoid any political interference, that the Canadian Olympic Association held off announcing its selection of Vancouver as a candidate for the 2010 Winter Olympics until the day after the Quebec election.

By taking this supposedly precautionary step, did the minister not instead send the message that important political considerations were involved in choosing Vancouver over Quebec City?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, unlike the Bloc Québécois, the Government of Canada wants to respect democracy—

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

**Hon. Sheila Copps:** —and allow a democratic vote. The decision was made by a majority of the members on the Olympic committee, in two secret ballots.

At least have the courage to respect a majority vote.

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, we now know that two federal ministers, the Minister of Fisheries and Oceans and the Minister of Revenue, supported Vancouver's candidacy. Their names appeared on the official list of delegates and lobbyists for Vancouver.

According to the principle of ministerial solidarity, was this not a message—

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

**The Speaker:** Order, please. The hon. member for Rimouski—Mitis has the floor.

**Mrs. Suzanne Tremblay:** According to the principle of ministerial solidarity, was this not a message that the federal government openly supported Vancouver's candidacy over that of Quebec City?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, it is unbelievable that the member is engaging in this sort of speculation when I myself was with Quebec's minister of culture, who spoke out in favour of Quebec's candidacy during the nomination process.

So, if there is any double standard, if ministers from other parts of Canada want to make their views known, at least respect the democratic decision taken by a majority of 72 individuals who—

**The Speaker:** The hon. member for Selkirk—Interlake has the floor.

[English]

**AGRICULTURE**

**Mr. Howard Hilstrom (Selkirk—Interlake, Ref.):** Mr. Speaker, the foreign affairs minister and the agriculture minister went down to Washington, cap in hand, to beg the Americans to stop the unfair subsidies that are partly responsible for destroying our Canadian farms. The trade minister says that the heritage minister is a big part of our trade problems.

Is it not true that the reason the Americans have not backed off on their farm war is the heritage minister's personal vendetta against U.S. magazines?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the minister of agriculture went yesterday and made a very strong case in favour of Canada.

I have received word from the Canadian ambassador in Washington that he was very proud of our minister of agriculture.

**Mr. Howard Hilstrom (Selkirk—Interlake, Ref.):** Mr. Speaker, I do not believe that. It says a lot about—

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

• (1440)

**Mr. Howard Hilstrom:** I do not want to hear from our ambassador down there. I want to hear something strong from the Americans saying they will abide by trade rules.

Quite simply the heritage minister has poisoned Canada's trade relationship with the U.S. It refuses to co-operate on agricultural issues because she has been so abusive to its magazine industry.

Why would the Americans deal fairly with us on important matters like agriculture when the heritage minister has been taunting and abusing U.S. business for years?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I found the comments of the hon. member very interesting when he went on national television the other night and accused Canadian pork producers of crying. I found his interest in agriculture to be very regressive.

\* \* \*

[Translation]

**2010 OLYMPIC GAMES**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Minister of Canadian Heritage, in response to the accusation that the federal government supported Vancouver's application, says that the Quebec minister of culture supported Quebec City's application.

*Oral Questions*

No one is surprised at the B.C. premier's support for Vancouver, that is understandable, as was Ms. Beaudoin's for Quebec City.

However, what is surprising—and this is my question—is why were two ministers of the federal government identified by name as supporting Vancouver's application, when no federal minister from Quebec supported Quebec City's application?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, first the member's statement that the federal government supported one of the three cities is wrong. And if he thinks so, he better be ready to bet his seat here, because that is totally wrong.

Second, the member's remarks about the Premier of B.C. were wrong too. He was not on the committee.

\* \* \*

[English]

**AGRICULTURE**

**Mr. Ovid L. Jackson (Bruce—Grey, Lib.):** Mr. Speaker, last September our \$20 billion agricultural trade with the United States was seriously hampered when a few governors and some producers blockaded our borders. I understand they intend to repeat that practice this weekend.

What is the agriculture minister doing to make it clear to our American friends that the practice of blockading and rhetoric is not the way to solve trade disagreements?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I was in Washington yesterday speaking to industry and political leaders, including two conversations with Vice-President Gore.

I undertook to dispel the myths and misunderstandings of a number of trade issues in the agriculture and agri-food industry between our two countries. I urged them to explain to their producers who are threatening to blockade again that the root cause of all this is basically understanding, and that while blockading the borders may get attention it does not solve the problem.

We have too much at stake with \$20 billion to lose it.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, Sergeant Darnell Bass was associated with the Canadian forces secret commando unit called JTF2. He was sentenced Monday to seven years in prison for his role in a Calgary armoured car heist.

In the meantime police have seized guns used in that Calgary robbery from homes of other commando members living just outside Ottawa.

• (1445)

My question to the defence minister is what on earth were commandos doing with prohibited machine guns and why were no charges laid even though police discovered that they were the same guns used in the Calgary robbery?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I am sure the hon. member will respect the chief of police of Calgary who said there were any number of sources from which these weapons could have been obtained.

The matter is still under investigation by the Calgary police to determine the source of these weapons. Certainly we will do everything we can to co-operate with them.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the point of the matter is that the same guns used in that robbery were seized from other military members in that commando unit.

Darnell Bass unexpectedly used his preliminary hearing Monday to plead guilty to a lesser charge of conspiracy to commit robbery. He was immediately sentenced to seven years in prison; no presentence report and no disclosure of evidence.

Bass quietly goes his way and the other JTF2 accomplices are never charged. What deal did the military make with Bass, the prosecutors and his accomplices?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** There were absolutely no deals, Mr. Speaker. This is a crime and the courts have determined the appropriate punishment in that regard. The Calgary police have investigated this matter and we are fully co-operative with them on that.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP):** Mr. Speaker, fewer and fewer unemployed workers are getting employment insurance benefits.

At the same time, child poverty is on the rise and the gap between rich and poor is growing. There is an obvious link between the employment insurance reform and the rise in poverty, but the Minister of Human Resources Development refuses to see it.

When will the minister visit these regions and adjust his reform, which generates so much poverty in Canada?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I believe that the employment insurance reform implemented by our government better reflects the new labour market for which we are headed.

*Oral Questions*

The system had not undergone such substantial change in 25 years. We are aware, of course, that the reform must be closely monitored. This is why the act itself requires that a report on the implementation of the employment insurance reform be tabled once a year.

This year, a new report will be tabled in the House in early 1999. But for the time being, the impact that we can see—

**The Speaker:** The hon. member for Winnipeg Centre.

[*English*]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, the NDP EI critic, the member for Acadie—Bathurst, is currently touring the country consulting Canadians about our flawed EI system. So far not one person has said they wish their premiums were 15 cents lower. What we are hearing instead is people saying they wish they could feed their families on these lousy benefits, or they wish they qualified at all. This reduction in premiums does nothing for unemployed Canadians.

What does the minister plan to do to expand the benefits so that more Canadians qualify and fewer Canadians are shut out of this flawed EI system?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, 78% of Canadian workers who lose their jobs are covered by the EI system.

This party is asking us not to lower EI premiums. It just told us that it did not want to hear about the 15 cent lowering of the EI premiums. That is the NDP. This party of the right is asking us to lower it a great deal more and to be harsher—

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

\* \* \*

## TRANSPORT

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, further on in the auditor's report, with respect to a \$50 million contract, the auditor says the minister directed department officials on the management committee to review the alternative financing arrangements to ensure that it met federal terms and conditions. However, this was not done.

Because this was not done, thousands of people in Atlantic Canada will pay Doug Young tolls every day beginning January 4 on a highway that was already paid for.

Will the minister now use the tools available to make sure that all parties comply with the terms of the agreement as originally signed?

• (1450)

**Hon. David M. Collette (Minister of Transport, Lib.):** Mr. Speaker, despite the hon. member's selective quotes from the auditor general's report, all the regular procedures were followed. There was no impropriety on the part of the former minister of transport or on the part of the New Brunswick government in the establishment of this highway.

We have covered this issue a number of times in question period. I have said the federal government will make no further contributions involving any tolls on highways until we have a full policy established after consultation with the provinces. That should be satisfactory to the hon. member.

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, the auditor general goes on to say that although unable to implement the minister's direction, the departmental representatives signed the contract authorizations allowing the province to claim the funding for the project costs on a \$50 million project. He did not do the job. He did not tell the minister. He signed the contract anyway which allows Doug Young to collect tolls from Atlantic Canadians by the thousands very day.

Will the minister simply follow the terms of the agreement and make sure all parties comply with the original agreement like the auditor general says?

**Hon. David M. Collette (Minister of Transport, Lib.):** Mr. Speaker, I am not sure the auditor general is saying that at all.

All the parties to the agreement have complied. What the hon. member is doing is raising in the House of Commons a very serious allegation about the former minister of transport and I am wondering if he will repeat that outside the Chamber.

\* \* \*

## LAND MINES

**Hon. Sheila Finestone (Mount Royal, Lib.):** Mr. Speaker, on December 3, 1997, 122 countries came to Canada to work to rid the world of antipersonnel land mines thanks to a new approach to international consensus building initiated by the Minister of Foreign Affairs.

Given that the convention will enter into force on March 1, 1999, faster than any disarmament convention in history was negotiated, will the foreign affairs minister inform the House of the status of the convention with a brief indication of what has been achieved in this past year?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, since the 122 countries came to Ottawa we have made substantial progress. There are now 133 countries that have signed the treaty and 55 countries have actually ratified it. As the member properly pointed out, it will become international law on March 1.

*Oral Questions*

Many of the countries that have not signed the treaty have actively abided by the treaty and are not exporting mines so that the trade in mines has virtually dried up.

The initiative announced by the Prime Minister for major Canadian contributions has meant that in 22 countries Canada is now active in taking mines out of the ground. We have destroyed 11 million mines in stockpiles. But perhaps most important, today the number of casualties in many countries has dropped by 70%—

**The Speaker:** The hon. member for Kelowna.

\* \* \*

**CANADA POST**

**Mr. Werner Schmidt (Kelowna, Ref.):** Mr. Speaker, the minister of public works last week assured the House that postal franchisees would not lose any money as result of their new deal with Canada Post. Yesterday Canada Post cut the commissions to the postal franchisees by more than 50%.

How does gouging over 50% of the commissions to postal franchisees live up to the promise that they would not lose any money?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, Canada Post for the past two months met with more than 600 postal outlet franchise operators. After discussing with them, yesterday it announced a plan of compensation that any postal outlet making \$300,000 or less in sales per annum will not lose any money and will receive a compensation package and those above \$300,000 will receive a \$25,000 a year payment so that they can compensate for the new commission fees.

**The Speaker:** The hon. member for Roberval.

\* \* \*

[Translation]

**2010 OLYMPIC GAMES**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Minister of Canadian Heritage, solemnly, from her seat, challenged me to put my seat on the line to prove my allegations.

Naturally, when someone asks a member to do that it means they are ready to do the same.

My question to the Minister of Canadian Heritage is this: Did she see the membership list for the official delegation of the City of Vancouver, which includes the names of two government ministers, the Minister of Fisheries and Oceans and the Minister of Revenue, and will she therefore kindly do what she asked me to do and resign?

• (1455)

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the only lobbying done by the Minister of Fisheries and Oceans, who was himself a medal winner in the 1960 Olympics, was in support of having Quebec City as the site of the 2002 Olympic Games. The only lobbying he has ever done was for Quebec City.

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[English]

**AGRICULTURE**

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, North Dakota farmers are threatening to resume their vigilante actions this weekend, blockading the border against Canadian livestock, grains and oilseeds.

We know trade officials from both countries are working in Washington this week to try to put out this firestorm before it flares up again.

Would the Minister of Agriculture and Agri-Food please inform the House on progress in this important area and while he is on his feet can he tell desperate farmers when he will be announcing the long awaited disaster relief program?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, it a pleasure to tell the hon. member and everyone else that as a result of a previous blockade in the Dakotas and along the Canada-U.S. border that started on October 8 negotiations have been continuing and are ongoing.

The negotiation teams on both sides of the border are very close to some agreements that will be very helpful in demonstrating the value and the importance of two trade between our countries. We hope to announce some of those things in the very near future.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, the Minister of Agriculture and Agri-Food has stood in the House and repeatedly said how he has consulted the provinces, the stakeholders and the producers on the new aid package.

The reality is that very few of those people know what has been presented to cabinet. In fact, our leader met today with the minister of agriculture in Manitoba and he has no idea what is going forward.

Is this the minister's idea of co-operative federalism? I do not think so. How many more premiers have not been consulted about this package?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, they do not know the specifics of the package that is being discussed because the final decisions have not been made by cabinet. Those discussions will remain in cabinet until a decision has been made.

*Points of Order***VIOLENCE AGAINST WOMEN**

**Mr. John McKay (Scarborough East, Lib.):** Mr. Speaker, this week Canadians are holding vigils and public education campaigns to raise awareness about the horror of domestic violence and violence against women. It has now been nine years since the massacre at l'École polytechnique.

Could the justice minister tell the House what the government is doing to fight violence against women and tragic deaths by firearms?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the hon. member is right to remind all of us this week about the scourge of violence against women. None of us should forget December 6 at l'École polytechnique when so many young women lost their lives.

It is with great pride that I inform the House that yesterday we implemented our new gun control legislation.

\* \* \*

**TRANSPORT**

**Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP):** Mr. Speaker, New Brunswickers will be paying thousands of dollars on toll fees. Consumers will be paying more for goods because of all this added tax on businesses.

How can the government allow provinces to charge such tax on highways already paid for by taxpayers? Why has the Minister of Transport chosen to protect Doug Young's interests instead of standing up for Atlantic Canadians?

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, one year after this matter on the question of tolls on the Trans-Canada Highway by my friend from the Conservative party was raised, the NDP has awakened to the issue because the auditor general has made some reference to it.

• (1500)

I have answered these questions in the House. We are developing a policy on the applicability of tolls in the context of federal-provincial highways. I welcome the opinions of the New Democratic Party and others. As far as we are concerned there are no improprieties in this agreement or in the conduct of the former minister.

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**AGRICULTURE**

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, yesterday the minister was in Washington dealing with farm producers in that area. It was nice to see that one country was supporting its agricultural industry. Unfortunately it was not Canada.

In one speech Vice-President Al Gore commented on four programs that were put in place by the United States government. One was a farm aid program on pork to Russia.

Why was our minister not looking at those types of programs for our farmers?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member might remind himself of some other things Al Gore said. He also said that they were taking a look at improving their crop insurance program.

From time to time they continue to have people in Canada studying our net income stabilization account. The opposite is true. The Americans are up here looking at how we provide safety nets for our farmers.

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**FISHERIES**

**Mr. John Cummins (Delta—South Richmond, Ref.):** Mr. Speaker, last summer fisheries scientists designated the north coast of the Queen Charlotte Islands as a no kill zone for coho salmon. Yet the minister of fisheries authorized a sport fishery for his friends at Oak Bay Marine Group which killed 30,000 coho.

What does no kill mean to the minister? Does it mean that only his friends and campaign contributors can go fishing?

**Hon. David Anderson (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I remind the House that the questioner is the one member among us who is being convicted for infractions of the fishing code in Canada—

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

**The Speaker:** I would ask the hon. minister to please withdraw his last statement.

**Hon. David Anderson:** Mr. Speaker, a complex system was put in place last summer—

**The Speaker:** I would ask the hon. minister to withdraw that statement.

**Hon. David Anderson:** Certainly, Mr. Speaker, I will withdraw the reference. I will say—

**The Speaker:** That will bring to a close our question period for today.

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**POINTS OF ORDER**

## COMMENTS DURING QUESTION PERIOD

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, yesterday you counselled members to use temperance in their language in the House. Today we heard the finance minister refer to the powers of extremism.

*Speaker's Ruling*

Could you shed some light on what the line is when it comes to language—

• (1505 )

**The Speaker:** As I have explained, I have urged hon. members since this parliament began to be judicious in their choice of words.

Once again we have inflammatory words used on both sides. Do I have a definite cut-off point? When I feel that the House is being offended I usually intercept, but in this particular case I decided to go the other way.

## BILL S-13—SPEAKER'S RULING

**The Speaker:** I am now ready to rule on the point of order raised by the hon. government House leader on November 18, 1998, concerning the procedural acceptability of Bill S-13, an act to incorporate and to establish an industry levy to provide for the Canadian anti-smoking youth foundation.

[*Translation*]

First of all, I would like to thank the hon. government House leader and the hon. member for St. Paul's for their learned contributions on this subject.

I also want to thank the other members who intervened on this point of order: the hon. members for Macleod, Winnipeg North Centre, Pictou—Antigonish—Guysborough, Haldimand—Norfolk—Brant, Esquimalt—Juan de Fuca, Hillsborough, Kamloops, Thompson and Highland Valley, Pierrefonds—Dollard, New Brunswick Southwest, Lac-Saint-Jean, Delta—South Richmond, Whitby—Ajax, Burnaby—Douglas and Wentworth—Burlington. Their contributions were very helpful to the chair in examining this case.

We heard almost two hours of argument on this point of order and, while I do not propose to match those arguments minute for minute, I ask the House to bear with me as I explain the facts of the case before us and the conclusions which I have drawn from them.

[*English*]

Bill S-13 establishes the Canadian anti-smoking youth foundation, a non-profit corporation whose mandate is to reduce and to work toward the elimination of the use of tobacco products by young persons in Canada. To this end, Bill S-13 proposes that a levy be imposed on tobacco manufacturers to provide the foundation with the necessary funds to carry out its mandate.

A private member's bill originating in the other place, Bill S-13, was adopted there on June 10, 1998 and was given first reading in the House of Commons on November 18, 1998.

[*Translation*]

The point of order raised by the hon. government House leader, simply put, is that the Bill S-13 proposes a taxation measure and

that, as such, the bill ought to have been introduced in the House of Commons where it would have to have been preceded by a ways and means motion. On that basis, he argues that the bill is improperly before the House and asks the Chair to rule that the House of Commons cannot proceed with its consideration.

[*English*]

Before I address the substance of this point of order, I want to respond to the contention made by the hon. member for St. Paul's. The hon. member argued that inquiring beyond the face of the bill and questioning the express provisions of it is to go well beyond the realm of procedure and into an area of law with which the Speaker is not to deal. The hon. member argued that the question of whether Bill S-13 imposed a tax was a matter of law and legal interpretation and, as such, not normally within the jurisdiction of the Speaker.

• (1510 )

The general proposition that the Speaker will not decide a question of law is set out in Beauséne's 6th edition, citation 168(5) at page 49, although the hon. member for St. Paul's did not invoke this citation. The examples provided by Beauséne involved questions that could only be considered as questions of law and which had no procedural dimension. In both cases the issue was whether the legislative proposal before the House was within the legislative powers of the House as set out in the Constitution Act, 1867.

The question that I must consider in relation to Bill S-13, that is whether or not the charge imposed by the bill is a tax, relates to the procedural rules and practices of this House as well as to the time honoured privilege of this House in respect of taxation measures.

More specifically, two questions are presented on this point of order and both are clearly within my jurisdiction as Speaker. First, is a ways and means motion required for Bill S-13? Second, should this bill have originated in the House and not the other place? However, both these questions depend on the answer to be given to a third question, that is, does Bill S-13 impose a tax. If it does, a ways and means motion is required and the bill ought to have originated in this Chamber.

This third question is unavoidable if the procedural and privilege questions are to be addressed. For this reason, though this tax question might be characterized as a question of law and in another context outside this Chamber might be raised and considered as a question of law, in this context it is considered only as an integral part of a question on procedure and parliamentary privilege. Accordingly, it is proper that I address this question and let me do so now.

[*Translation*]

In his presentation, the hon. government House leader argued that Bill S-13 should have originated in the House of Commons since it imposes a tax.



*Speaker's Ruling*

Section 53 of the Constitution Act, 1867, states:

Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

Furthermore, as described in citation 980 found at page 265 of Beauchesne's, 6th edition, bills imposing a tax must be preceded by adoption of a ways and means motion.

To safeguard the financial privileges of the Commons, it is the duty of every member of this House to be vigilant and to ensure that every bill that comes before the House respects this criterion.

Standing Order 80 is categorical on the subject and states in part:

All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House—

In short, the House of Commons claims pre-eminence in financial matters—that is public expenditure and taxation—and all such legislation must originate in the House.

[*English*]

To determine if Bill S-13 is properly before the House, the Chair must ascertain whether or not it imposes a tax. If it does impose a tax, the bill should have originated in the House of Commons and been preceded by a ways and means motion.

Members will appreciate that this matter involves issues of a complex and technical nature. For this reason, the Chair has taken particular care to examine closely the relevant authorities on this issue. I have consulted extensively the works of Erskine May and have found May to be a comprehensive and reliable source of information on financial procedures. I ask for the House's indulgence as I offer the following exposition of the problem at hand.

● (1515)

As members know, financial procedure is primarily concerned with the authorization of public expenditure and taxation. It has been argued that the charge proposed by Bill S-13 is not a tax because the funds collected would not form any part of the consolidated revenue fund.

Under the heading of "Matters requiring authorization by Ways and Means resolution", May's, 22nd edition at page 777, states:

Although impositions are not generally charges on the people (that is to say, taxes) unless the proceeds are payable into the Consolidated Fund, the absence of a requirement for payment into the Consolidated Fund is not by itself conclusive indication that a charge upon the people has been avoided. If, for example, money raised by statutory imposition is not to be channelled to the Consolidated Fund but is nonetheless to be used for the benefit of the public at large or for purposes which might

otherwise have required to be financed from the Consolidated Fund, that imposition is likely to need authorization by a Ways and Means resolution.

In other words, if a charge raises funds that are channelled to the consolidated revenue fund, that charge is a tax. Even if a charge raises funds that are channelled elsewhere, the charge may still be a tax, however. But a charge can only be considered a levy, and thus free to go forward without the usual constraints of financial procedure, if it is a charge made for an industry purpose.

Thus, the point of order, as I see it, hinges on the nature of the charge in Bill S-13 and its objects or purpose. Consequently, a closer examination of the bill is required.

The argument has been made that Bill S-13 imposes a levy "for an industry purpose". In chapter 32, "Ways and Means and Finance Bills" of May's 22nd edition, we read, at page 779:

Levies upon employers in a particular industry for the purpose of forming a fund used to finance activities beneficial to the industry are not normally regarded as charges (that is to say, taxes).

May goes on to state:

Modern legislation, however, frequently makes provision for the imposition of other types of fees or payment which, although not taxes in a strict sense, have enough of the characteristics of taxation to require to be treated as "charges upon the people" and therefore to be authorized by a Ways and Means resolution moved by a Minister of the Crown. This distinction between the types of payments which are or are not covered by the rules of financial procedure is not always straightforward in practice.

In other words, the central issue here is whether or not the levy imposed by Bill S-13 is a charge that is imposed primarily for a purpose beneficial to the tobacco industry. If so, the charge would not be a tax.

Here too May is helpful when he describes a case which presents some similarities with Bill S-13, namely, the U.K. Merchant Shipping Bill of 1973-74. That bill obliged oil importers to contribute to an international fund for compensation for oil pollution damage. In the 21st edition, at page 731, May states:

This impost was so clearly not for the benefit of the industry concerned that it was held to be a tax in spite of the fact that its proceeds were not payable to the Consolidated Fund.

Ultimately, therefore, it was decided that particular bill fell under the rules governing financial procedures and so had to be preceded by a ways and means resolution before being considered by the House of Commons in the United Kingdom.

[*Translation*]

In studying the case now before us, I have examined whether our House has ever dealt with the public bill providing for an industry levy. In a session of the 35th Parliament, Bill C-32, an act to amend the Copyright Act called for the imposition of a levy on blank audio tapes.

*Speaker's Ruling*

• (1520)

The levy was of benefit to that industry since it permitted the audio duplication of copyright material for private use. This would enhance the market for blank audio tapes. The levy on the tapes was designated to raise funds by which owners of copyright material would be compensated for losses caused by private duplication of that material. The link between the benefit to the industry and the levy being imposed seems clear in that case. The levy appears to satisfy the criterion that it was of benefit to the industry and so would not normally be regarded as a tax.

Bill C-32 was not required to adhere to the usual financial procedures and was not preceded by a ways and means motion.

[English]

In the case of Bill S-13, the Chair must determine the nature of the charge being imposed by the bill. It has been argued that the charge is a levy for the benefit of the tobacco industry. In support of that view we are referred to clause 3 of the bill which bears the heading "Purpose" and which states in subsection (1), in part:

(1) The purpose of this Act is to enable and assist the Canadian tobacco industry to carry out its publicly-stated industry objective of reducing the use of tobacco products by young persons throughout Canada—

I will set aside, without comment, the question of whether or not the industry has publicly stated as its objective the reduction of smoking in any segment of the population.

Let me simply continue to quote from clause 3(1) which expands on the purpose of the bill to reduce the use of tobacco products by young Canadians as follows:

—given that

(a) numerous debilitating and fatal diseases and other consequences injurious to health are associated with tobacco use;

(b) young persons throughout Canada use tobacco products and become addicted to tobacco and dependent on its use;—

(d) young persons can only use tobacco products because the products are manufactured and sold;—

The text then goes on to read in subsection (2) of the same clause 3:

(2) The Act complements the general legislative response to the national public health problem of substantial and pressing concern—

These statements seem to me to indicate that the purpose of the bill is a matter of public policy, namely, the health of young Canadians and not, as many members have argued, a matter of benefit to the tobacco industry.

There are those who say that the two need not be mutually exclusive and that the benefit to the industry is such that the charge

in question is not a tax, but a levy. Proponents of this view point to paragraph (1)(c) of this same clause 3 which reads:

(c) the industry is incapable of addressing on its own the problem of tobacco use by young persons because, by its own admission, its members and agents lack credibility as advocates for a reduction in the use of tobacco products—

Surely the lack of credibility referred to here is a function of our common sense understanding of the self-interest of the tobacco industry, namely, that as a commercial enterprise its primary goal is to expand its markets and thereby to increase profits. Young people would constitute the future growth potential for the industry's market. How could it be to the benefit of the industry to reduce smoking among the very people who would constitute its growth market? It is this implausible proposition that underlies the credibility problem to which the bill refers.

Proponents of the bill argue that the public relations benefit represented by the establishment of the foundation would be a benefit for the industry. They cite the independence of the proposed foundation and its role in the national co-ordination of anti-smoking efforts. Is it not reasonable to suppose, if the industry had wanted to improve its public image in this matter, that of its own volition it could have created an arm's length body like the foundation? Why is legislation like this required?

• (1525)

Let us return to clause 3, this time to paragraph (1)(e) which reads:

(e) it is foreseeable that the industry's ability to manufacture and sell tobacco products will be further restricted if the rate of use of tobacco products by young persons is not reduced;

It has been argued that this section points again to a benefit to the industry since the foundation activities may pre-empt further restrictions on the industry. This is to speculate on future government measures and to conclude that the establishment of the foundation will obviate the necessity for such measures. But is this simply not another way of saying that this charge in this bill is a benefit to the industry only because future measures might be less palatable?

I have carefully considered all of the arguments presented and have examined all of the cases which hon. members have brought to my attention, even though I have not discussed each one in detail in this ruling.

I am forced to conclude that the charge imposed by Bill S-13 is directed not toward any benefit to the tobacco industry but to a matter of public policy, that is, the health of young Canadians, a laudable purpose without doubt.

The bill seeks to establish the Canadian anti-smoking youth foundation whose objective is to reduce and eventually eliminate the use of tobacco products by young persons in Canada. It strains credulity to claim that this objective is a benefit to the tobacco industry.

However ingenious the framers of Bill S-13 have been in drafting and structuring the bill to resemble an industry purpose, one that perhaps would enhance the standing in our society of the tobacco industry, Bill S-13 has as its main object the reduction and elimination of smoking. This is a matter of public health policy and it is by virtue of this public purpose that I have concluded that the charge Bill S-13 imposes on the industry is a tax.

The House of Commons has the exclusive right and obligation to legislate financial measures. Only the House of Commons, acting on the initiative of ministers of the crown, can impose taxes to generate the funds needed to support public policy programs. I am obligated as your Speaker to ensure that these fundamental financial privileges are not compromised.

Simply put, any bill imposing a tax must originate in the House of Commons and must be preceded by a ways and means motion. Since Bill S-13 proposes a tax, did not originate in the House of Commons and thus was not preceded by a ways and means motion, I therefore find that it is not properly before the House.

Accordingly, first reading proceedings are null and void and this item is withdrawn from the order paper.

I thank hon. members for their attention.

(Order discharged)

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## ROUTINE PROCEEDINGS

[English]

### WAYS AND MEANS

#### NOTICE OF MOTION

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion to amend the Income Tax Act, along with some explanatory notes.

• (1530)

This measure is not a levy. It will make room for aboriginal governments to levy their own income taxes. I ask that an order of the day be designated for consideration of this motion.

\* \* \*

[Translation]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker,

### Routine Proceedings

pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to eight petitions.

\* \* \*

[English]

### COMMITTEES OF THE HOUSE

#### TRANSPORT

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Mr. Speaker, I have the honour to present in both official languages the fifth report of the Standing Committee on Transport with respect to Bill C-58, an act to amend the Railway Safety Act and to make consequential amendments to another act.

#### CANADIAN HERITAGE

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, I have the honour to present in both official languages the fifth report of the Standing Committee on Canadian Heritage.

Pursuant to its order of reference dated Tuesday, November 3, 1998, your committee has adopted Bill C-55, an act respecting advertising services supplied by foreign periodical publishers and has agreed to report it with amendments.

\* \* \*

### WAR VETERANS ALLOWANCE ACT

**Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.)** moved for leave to introduce Bill C-61, an act to amend the War Veterans Allowance Act, the Pension Act, the Merchant Navy Veteran and Civilian War-related Benefits Act, the Department of Veterans Affairs Act, the Veterans Review and Appeal Board Act and the Halifax Relief Commission Pension Continuation Act and to amend certain others acts in consequence thereof.

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

\* \* \*

### PENSION OMBUDSMAN ACT

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP)** moved for leave to introduce Bill C-460, an act to establish the office of Pension Ombudsman to investigate administrative difficulties encountered by persons in their dealings with government in respect of benefits under the Canada Pension Plan or the Old Age Security Act or tax liability on such benefits and to review the policies and practices applied in the administration and adjudication of such benefits and liabilities.

He said: Mr. Speaker, I think you have summed it up very well. It is a bill that I am sure all of us in the House can support. It opens up the office of a superintendent of pensions for the Canada pension

*Routine Proceedings*

plan and old age pensions. It will deal with complaints. It will assist Canadians from coast to coast with those complaints and will help facilitate them for ordinary people in the country.

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

\* \* \*

**CRIMINAL CODE**

**Mr. Maurice Vellacott (Wanuskewin, Ref.)**, seconded by the hon. member for Saint John, moved for leave to introduce Bill C-461, an act to amend the Criminal Code to prohibit coercion in medical procedures that offend a person's religion or belief that human life is inviolable.

He said: Mr. Speaker, I am very pleased to introduce this bill to amend the Criminal Code to prohibit coercion in medical procedures that offend a person's religious beliefs that human life is inviolable.

• (1535)

The purpose of this bill is to ensure that health care providers working in medical facilities of various kinds will never be forced to participate against their will in procedures such as abortions or acts of euthanasia. The bill itself does not proscribe abortion or euthanasia but makes it illegal to force another person to participate in an abortion procedure or an act of euthanasia.

Incredibly there are medical personnel in Canada who have been fired because the law is not explicit enough in spelling out their conscience rights. This bill will make those rights explicit. It is my privilege to introduce it on behalf of all health care workers in Canada today.

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

\* \* \*

**FARM INCOME PROTECTION ACT**

**Mr. Leon E. Benoit (Lakeland, Ref.)** moved for leave to introduce Bill C-462, an act to amend the Farm Income Protection Act (crop damage by gophers).

He said: Mr. Speaker, I noticed a couple of chuckles on this bill. In fact it is an extremely important bill for farmers who are having crops damaged and acres and acres of crops completely destroyed by gophers. My bill calls for compensation to be paid through the crops protection act for farmers who have had damage done to their crops because the proper concentration of strychnine is no longer being allowed and they have no access to it. Farmers have had thousands and thousands of dollars of crops destroyed due to this lack of control.

This bill will allow for compensation for that if the government will not change its mind and decide that the proper concentration of gopher poison will be reintroduced.

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

**The Deputy Speaker:** I want the hon. member for Lakeland to know how seriously the Chair regarded his gopher bill.

\* \* \*

**PETITIONS**

## HUMAN RIGHTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am pleased to present a petition signed by a number of Canadians, including from my own riding of Mississauga South.

The petitioners would like to bring to the attention of the House that human rights violations continue in many countries around the world, such as Indonesia. They also point out that Canada continues to be respected for its defence of universal human rights. Therefore they call upon the government to continue its efforts to speak out against countries that tolerate human rights violations and to do whatever is possible to bring to justice those responsible for such abuses.

## PAY EQUITY

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, I submit to the House a petition signed by many of my constituents. My constituents are asking that the government immediately comply with the orders of the Canadian Human Rights Tribunal in the matter of pay equity.

## MARRIAGE

**Mr. Maurice Vellacott (Wanuskewin, Ref.):** Mr. Speaker, it is my privilege to present in the House today a hefty stack of petitions. These citizens of Canada are drawing the attention of the House to the fact that a majority of Canadians understand the concept of marriage as only the voluntary union of a single, that is unmarried, male and a single, that is unmarried, female and that it is the duty of parliament to ensure that marriage as it has been known and understood in Canada be preserved and protected.

These petitioners ask that parliament enact Bill C-225 so as to define in statute that a marriage can only be entered into between a single male and a single female.

## FINANCIAL SERVICES SECTOR

**Mr. Maurice Vellacott (Wanuskewin, Ref.):** Mr. Speaker, I also present a petition to the House of Commons and parliament regarding the MacKay task force recommendations. These petitioners strongly urge parliamentarians to not give in to the pressure of the banks on the matter of retail, property and casualty insurance.

• (1540)

## ABORTION

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, it is my pleasure to present a petition signed by 117 of my constituents.

*Routine Proceedings*

They request that a national referendum be held at the time of the next election to ask voters whether or not they are in favour of government funding for medically unnecessary abortions.

## MARRIAGE

**Mr. Leon E. Benoit (Lakeland, Ref.):** Mr. Speaker, it is my honour to present this petition on behalf constituents mostly from Cold Lake dealing with marriage.

The petitioners pray that parliament enact legislation similar to Bill C-225 which would define marriage and that marriage can only be entered into between a single male and a single female.

## NUCLEAR WEAPONS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to present another petition from citizens in the Peterborough area concerned about the threat of nuclear weapons.

They point out that Canada, although it has the capacity to build nuclear weapons, has rejected that option and in so doing recognizes the military futility of nuclear weapons. They pray that parliament support the goal of the abolition of nuclear weapons on Earth by Canada, advocating the immediate de-alerting of all nuclear devices, and that Canada join the nations of the New Agenda Coalition, and that Canada advocate within NATO that nuclear weapons have no militarily useful role.

## IMPAIRED DRIVING

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to present a petition from citizens in the Peterborough area who are concerned about deaths from drinking and driving.

They point out that on average 4.5 Canadians are killed every day as a result of alcohol related vehicle accidents. The statistics for Canadians killed or injured as a result of impaired driving have not changed for over a decade.

The petitioners pray that parliament immediately amend the Criminal Code so that any crash resulting in injury constitutes reasonable and probable grounds for blood or breath testing on drivers. They urge the federal government to provide strong support and encouragement to jurisdictions to continue to introduce administrative sanctions that are user pay.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 158 will be answered today.

[Text]

Question No. 158—**Mr. Jason Kenney:**

For the most recent taxation year data is available: (a) what is the percentage of federal income tax collected from the highest 1% of income earners; (b) what is the percentage of federal income tax collected from the highest 10% of income earners; and (c) what percentage of individuals did not pay any income tax?

**Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.):** The 1996 taxation year is the most recent year for which data are available. (a) In that taxation year, 13.99% of the total net federal income tax was payable by the highest 1% of income earners; (b) 49.05% of total net federal income tax was payable by the highest 10% of income earners; (c) 31.95% of individuals did not have any income tax to pay.

[English]

**Mr. Peter Adams:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

**Some hon. members:** Agreed.

\* \* \*

## MOTIONS FOR PAPERS

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, would you be so kind as to call Notice of Motion for the Production of Papers No. P-45 in the name of the hon. member for Calgary Centre.

Motion P-45

That an Order of the House do issue for copies of all studies and/or reports since September 1993 of the operational and regulatory costs of the Canadian Radio-television and Telecommunications Commission (CRTC) to Canadian industry and/or consumers.

**Mr. Peter Adams:** Mr. Speaker, with respect to this Notice of Motion for the Production of Papers, the information requested is made public each year in the estimates, reports on planning and priorities, also known as part III. I therefore ask the hon. member to withdraw his motion.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, if the parliamentary secretary wishes the member for Calgary Centre to withdraw the motion, he should have given some advance notice of this in order for him to consider the request.

**Hon. Andy Mitchell (Secretary of State (Parks), Lib.):** Mr. Speaker, I propose that Motion No. P-45 be transferred for debate.

**The Deputy Speaker:** The motion is transferred for debate pursuant to Standing Order 97(1).

*Government Orders*

**Mr. Peter Adams:** Mr. Speaker, I ask that the other Notices of Motions for the Production Papers be allowed to stand.

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

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

• (1545)

[*Translation*]

### CANADA CUSTOMS AND REVENUE AGENCY ACT

The House proceeded to the consideration of Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence, as reported (with amendment) from the committee.

#### SPEAKER'S RULING

**The Deputy Speaker:** There are 206 motions in amendment in the Notice Paper concerning the report stage of Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence.

Group No. 1: Motions No. 1, 4, 5, 12 to 24, 27, 30, 31, 34 to 36, 39 to 54, 57 to 63, 66 to 70, 73 to 99, 104, 105, and 108 to 204 will be grouped for debate.

[*English*]

Group No. 2: Motions Nos. 2, 3, 6 to 11, 205 and 206 will be grouped for debate.

Group No. 3: Motions Nos. 25, 26, 37, 38, 55, 56, 71 and 72 will be grouped for debate.

[*Translation*]

Group No. 4: Motions No. 28, 29, 32 and 33 will be grouped for debate.

[*English*]

Group No. 5: Motions Nos. 64, 65, 106 and 107 will be grouped for debate.

Group No. 6: Motions Nos. 100 to 103 will be grouped for debate.

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern at the time of voting.

[*Translation*]

I will now put Motions Nos. 1, 4, 5, 12 to 24, 27, 30, 31, 34 to 36, 39 to 54, 57 to 63, 66 to 70, 73 to 99, 104, 105, and 108 to 204 to the House.

[*English*]

Would there be agreement to dispense with the reading of these motions? There are a hundred and some to read and the Chair is going to go hoarse. If hon. members wish to hear them all, of course, I could do so.

**Mr. Bob Kilger:** Mr. Speaker, I wonder if the House would be disposed to having the motions deemed moved, seconded and read so we can get into the actual debate and substance of the matter.

**Mr. Jason Kenney:** Mr. Speaker, on behalf of the official opposition, I would concur with the chief government whip because the government has already indicated its intention to invoke time allocation on this bill, so every moment spent reading motions is a moment taken away from debate. I would appeal to all of my colleagues to consider that.

[*Translation*]

**Mr. Yvan Loubier:** Mr. Speaker, we are in agreement with the suggestion made by the chief government whip.

**The Deputy Speaker:** Is there unanimous agreement to dispense with reading each of the motions being considered by the House?

**Some hon. members:** Agreed.

**The Deputy Speaker:** The motions in Group No. 1 are deemed moved, seconded and put.

#### MOTIONS IN AMENDMENT

**Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ)** moved:

Motion No. 1

That Bill C-43 be amended by deleting Clause 1.

Motion No. 4

That Bill C-43 be amended by deleting Clause 3.

Motion No. 5

That Bill C-43 be amended by deleting Clause 4.

Motion No. 12

That Bill C-43 be amended by deleting Clause 7.

Motion No. 13

That Bill C-43 be amended by deleting Clause 8.

Motion No. 14

That Bill C-43 be amended by deleting Clause 9.

Motion No. 15

That Bill C-43 be amended by deleting Clause 10.

Motion No. 16

That Bill C-43 be amended by deleting Clause 11.

Motion No. 17

That Bill C-43 be amended by deleting Clause 12.

*Government Orders*

Motion No. 18

That Bill C-43 be amended by deleting Clause 13.

Motion No. 19

That Bill C-43 be amended by deleting Clause 14.

Motion No. 20

That Bill C-43 be amended by deleting Clause 15.

Motion No. 21

That Bill C-43 be amended by deleting Clause 16.

Motion No. 22

That Bill C-43 be amended by deleting Clause 17.

Motion No. 23

That Bill C-43 be amended by deleting Clause 18.

Motion No. 24

That Bill C-43 be amended by deleting Clause 19.

Motion No. 27

That Bill C-43 be amended by deleting Clause 21.

Motion No. 30

That Bill C-43 be amended by deleting Clause 23.

Motion No. 31

That Bill C-43 be amended by deleting Clause 24.

Motion No. 34

That Bill C-43 be amended by deleting Clause 26.

Motion No. 35

That Bill C-43 be amended by deleting Clause 27.

Motion No. 36

That Bill C-43 be amended by deleting Clause 28.

Motion No. 39

That Bill C-43 be amended by deleting Clause 30.

Motion No. 40

That Bill C-43 be amended by deleting Clause 31.

Motion No. 41

That Bill C-43 be amended by deleting Clause 32.

Motion No. 42

That Bill C-43 be amended by deleting Clause 33.

Motion No. 43

That Bill C-43 be amended by deleting Clause 34.

Motion No. 44

That Bill C-43 be amended by deleting Clause 35.

Motion No. 45

That Bill C-43 be amended by deleting Clause 36.

Motion No. 46

That Bill C-43 be amended by deleting Clause 37.

Motion No. 47

That Bill C-43 be amended by deleting Clause 38.

Motion No. 48

That Bill C-43 be amended by deleting Clause 39.

Motion No. 49

That Bill C-43 be amended by deleting Clause 40.

Motion No. 50

That Bill C-43 be amended by deleting Clause 41.

Motion No. 51

That Bill C-43 be amended by deleting Clause 42.

Motion No. 52

That Bill C-43 be amended by deleting Clause 43.

Motion No. 53

That Bill C-43 be amended by deleting Clause 44.

Motion No. 54

That Bill C-43 be amended by deleting Clause 45.

Motion No. 57

That Bill C-43 be amended by deleting Clause 47.

Motion No. 58

That Bill C-43 be amended by deleting Clause 48.

Motion No. 59

That Bill C-43 be amended by deleting Clause 49.

Motion No. 60

That Bill C-43 be amended by deleting Clause 50.

Motion No. 61

That Bill C-43 be amended by deleting Clause 51.

Motion No. 62

That Bill C-43 be amended by deleting Clause 52.

Motion No. 63

That Bill C-43 be amended by deleting Clause 53.

Motion No. 66

That Bill C-43 be amended by deleting Clause 55.

Motion No. 67

That Bill C-43 be amended by deleting Clause 56.

Motion No. 68

That Bill C-43 be amended by deleting Clause 57.

Motion No. 69

That Bill C-43 be amended by deleting Clause 58.

Motion No. 70

That Bill C-43 be amended by deleting Clause 59.

Motion No. 73

That Bill C-43 be amended by deleting Clause 61.

Motion No. 74

That Bill C-43 be amended by deleting Clause 62.

Motion No. 75

That Bill C-43 be amended by deleting Clause 63.

Motion No. 76

That Bill C-43 be amended by deleting Clause 64.

Motion No. 77

That Bill C-43 be amended by deleting Clause 65.

Motion No. 78

That Bill C-43 be amended by deleting Clause 66.

Motion No. 79

That Bill C-43 be amended by deleting Clause 67.

*Government Orders*

Motion No. 80

That Bill C-43 be amended by deleting Clause 68.

Motion No. 81

That Bill C-43 be amended by deleting Clause 69.

Motion No. 82

That Bill C-43 be amended by deleting Clause 70.

Motion No. 83

That Bill C-43 be amended by deleting Clause 71.

Motion No. 84

That Bill C-43 be amended by deleting Clause 72.

Motion No. 85

That Bill C-43 be amended by deleting Clause 73.

Motion No. 86

That Bill C-43 be amended by deleting Clause 74.

Motion No. 87

That Bill C-43 be amended by deleting Clause 75.

Motion No. 88

That Bill C-43 be amended by deleting Clause 76.

Motion No. 89

That Bill C-43 be amended by deleting Clause 77.

Motion No. 90

That Bill C-43 be amended by deleting Clause 78.

Motion No. 91

That Bill C-43 be amended by deleting Clause 79.

Motion No. 92

That Bill C-43 be amended by deleting Clause 80.

Motion No. 93

That Bill C-43 be amended by deleting Clause 81.

Motion No. 94

That Bill C-43 be amended by deleting Clause 82.

Motion No. 95

That Bill C-43 be amended by deleting Clause 83.

Motion No. 96

That Bill C-43 be amended by deleting Clause 84.

Motion No. 97

That Bill C-43 be amended by deleting Clause 85.

Motion No. 98

That Bill C-43 be amended by deleting Clause 86.

Motion No. 99

That Bill C-43 be amended by deleting Clause 87.

Motion No. 104

That Bill C-43 be amended by deleting Clause 89.1.

Motion No. 105

That Bill C-43 be amended by deleting Clause 90.

Motion No. 108

That Bill C-43 be amended by deleting Clause 92.

Motion No. 109

That Bill C-43 be amended by deleting Clause 93.

Motion No. 110

That Bill C-43 be amended by deleting Clause 94.

Motion No. 111

That Bill C-43 be amended by deleting Clause 95.

Motion No. 112

That Bill C-43 be amended by deleting Clause 96.

Motion No. 113

That Bill C-43 be amended by deleting Clause 97.

Motion No. 114

That Bill C-43 be amended by deleting Clause 98.

Motion No. 115

That Bill C-43 be amended by deleting Clause 99.

Motion No. 116

That Bill C-43 be amended by deleting Clause 100.

Motion No. 117

That Bill C-43 be amended by deleting Clause 101.

Motion No. 118

That Bill C-43 be amended by deleting Clause 102.

Motion No. 119

That Bill C-43 be amended by deleting Clause 103.

Motion No. 120

That Bill C-43 be amended by deleting Clause 104.

Motion No. 121

That Bill C-43 be amended by deleting Clause 105.

Motion No. 122

That Bill C-43 be amended by deleting Clause 106.

Motion No. 123

That Bill C-43 be amended by deleting Clause 107.

Motion No. 124

That Bill C-43 be amended by deleting Clause 108.

Motion No. 125

That Bill C-43 be amended by deleting Clause 109.

Motion No. 126

That Bill C-43 be amended by deleting Clause 110.

Motion No. 127

That Bill C-43 be amended by deleting Clause 111.

Motion No. 128

That Bill C-43 be amended by deleting Clause 112.

Motion No. 129

That Bill C-43 be amended by deleting Clause 113.

Motion No. 130

That Bill C-43 be amended by deleting Clause 114.



*Government Orders*

Motion No. 131

That Bill C-43 be amended by deleting Clause 115.

Motion No. 132

That Bill C-43 be amended by deleting Clause 116.

Motion No. 133

That Bill C-43 be amended by deleting Clause 117.

Motion No. 134

That Bill C-43 be amended by deleting Clause 118.

Motion No. 135

That Bill C-43 be amended by deleting Clause 119.

Motion No. 136

That Bill C-43 be amended by deleting Clause 120.

Motion No. 137

That Bill C-43 be amended by deleting Clause 121.

Motion No. 138

That Bill C-43 be amended by deleting Clause 122.

Motion No. 139

That Bill C-43 be amended by deleting Clause 123.

Motion No. 140

That Bill C-43 be amended by deleting Clause 124.

Motion No. 141

That Bill C-43 be amended by deleting Clause 125.

Motion No. 142

That Bill C-43 be amended by deleting Clause 126.

Motion No. 143

That Bill C-43 be amended by deleting Clause 127.

Motion No. 144

That Bill C-43 be amended by deleting Clause 128.

Motion No. 145

That Bill C-43 be amended by deleting Clause 129.

Motion No. 146

That Bill C-43 be amended by deleting Clause 130.

Motion No. 147

That Bill C-43 be amended by deleting Clause 131.

Motion No. 148

That Bill C-43 be amended by deleting Clause 132.

Motion No. 149

That Bill C-43 be amended by deleting Clause 133.

Motion No. 150

That Bill C-43 be amended by deleting Clause 134.

Motion No. 151

That Bill C-43 be amended by deleting Clause 135.

Motion No. 152

That Bill C-43 be amended by deleting Clause 136.

Motion No. 153

That Bill C-43 be amended by deleting Clause 137.

Motion No. 154

That Bill C-43 be amended by deleting Clause 138.

Motion No. 155

That Bill C-43 be amended by deleting Clause 139.

Motion No. 156

That Bill C-43 be amended by deleting Clause 140.

Motion No. 157

That Bill C-43 be amended by deleting Clause 141.

Motion No. 158

That Bill C-43 be amended by deleting Clause 142.

Motion No. 159

That Bill C-43 be amended by deleting Clause 143.

Motion No. 160

That Bill C-43 be amended by deleting Clause 144.

Motion No. 161

That Bill C-43 be amended by deleting Clause 145.

Motion No. 162

That Bill C-43 be amended by deleting Clause 146.

Motion No. 163

That Bill C-43 be amended by deleting Clause 147.

Motion No. 164

That Bill C-43 be amended by deleting Clause 148.

Motion No. 165

That Bill C-43 be amended by deleting Clause 149.

Motion No. 166

That Bill C-43 be amended by deleting Clause 150.

Motion No. 167

That Bill C-43 be amended by deleting Clause 151.

Motion No. 168

That Bill C-43 be amended by deleting Clause 152.

Motion No. 169

That Bill C-43 be amended by deleting Clause 153.

Motion No. 170

That Bill C-43 be amended by deleting Clause 154.

Motion No. 171

That Bill C-43 be amended by deleting Clause 155.

Motion No. 172

That Bill C-43 be amended by deleting Clause 156.

Motion No. 173

That Bill C-43 be amended by deleting Clause 157.

Motion No. 174

That Bill C-43 be amended by deleting Clause 158.

Motion No. 175

That Bill C-43 be amended by deleting Clause 159.

*Government Orders*

Motion No. 176

That Bill C-43 be amended by deleting Clause 160.

Motion No. 177

That Bill C-43 be amended by deleting Clause 161.

Motion No. 178

That Bill C-43 be amended by deleting Clause 162.

Motion No. 179

That Bill C-43 be amended by deleting Clause 163.

Motion No. 180

That Bill C-43 be amended by deleting Clause 164.

Motion No. 181

That Bill C-43 be amended by deleting Clause 165.

Motion No. 182

That Bill C-43 be amended by deleting Clause 166.

Motion No. 183

That Bill C-43 be amended by deleting Clause 167.

Motion No. 184

That Bill C-43 be amended by deleting Clause 168.

Motion No. 185

That Bill C-43 be amended by deleting Clause 169.

Motion No. 186

That Bill C-43 be amended by deleting Clause 170.

Motion No. 187

That Bill C-43 be amended by deleting Clause 171.

Motion No. 188

That Bill C-43 be amended by deleting Clause 172.

Motion No. 189

That Bill C-43 be amended by deleting Clause 173.

Motion No. 190

That Bill C-43 be amended by deleting Clause 174.

Motion No. 191

That Bill C-43 be amended by deleting Clause 175.

Motion No. 192

That Bill C-43 be amended by deleting Clause 176.

Motion No. 193

That Bill C-43 be amended by deleting Clause 177.

Motion No. 194

That Bill C-43 be amended by deleting Clause 178.

Motion No. 195

That Bill C-43 be amended by deleting Clause 179.

Motion No. 196

That Bill C-43 be amended by deleting Clause 180.

Motion No. 197

That Bill C-43 be amended by deleting Clause 181.

Motion No. 198

That Bill C-43 be amended by deleting Clause 182.

Motion No. 199

That Bill C-43 be amended by deleting Clause 183.

Motion No. 200

That Bill C-43 be amended by deleting Clause 184.

Motion No. 201

That Bill C-43 be amended by deleting Clause 185.

Motion No. 202

That Bill C-43 be amended by deleting Clause 185.1.

Motion No. 203

That Bill C-43 be amended by deleting Clause 186.

Motion No. 204

That Bill C-43 be amended by deleting Clause 187.

● (1550)

He said: Mr. Speaker, the Bloc Québécois members are opposed to this bill which is, in our opinion, simply an aberration. It ought not to exist.

What has led the government across the way to want to create one agency after another? Since when have politicians been afraid to act and preferred to have outside agencies make the decisions? Judging by a number of past experiences, these agencies have not been a great success.

Here are a few examples. The food and drug inspection agency, which I do not think is very efficient, and the wheat board as well. Nav Canada, which controls airports instead of the Department of Transport, makes dictatorial decisions, closes control towers without consulting those concerned, putting the flying public at risk. Despite its promises to keep jobs, this agency has quite simply got rid of more than 30% of its employees in the past 18 months alone.

Let us take another example of a government-created agency, Aéroports de Montréal. The purpose of ADM was to promote the Dorval and Mirabel airports, what did it do instead? Quite simply, it destroyed Mirabel by transferring all international flights to Dorval, by fiddling with reports by experts who stated that such a transfer was not the best thing, the status quo was. I am not the one who said reports had been fiddled with. This was the view expressed by Mr. Justice Viau in a decision slamming ADM for its handling of reports.

The Minister of Revenue seems to be more interested in promoting Vancouver and Whistler for the 2010 Olympics than in doing his job, which is to consult people affected by the creation of this agency. The minister is trying to convince us that he has consulted just about everyone and seems to be saying that everyone shares his view. However, no provinces have signed any memorandums of understanding or wanted to have anything to do with the agency. As things now stand, the minister is all alone.

*Government Orders*

The minister dares to say that the government has created a new tax collection vehicle. Instead of paying experts, engineers, to design this new vehicle, which is really nothing more than a Liberal monster, the minister should have put all this money into promoting and restructuring his own Department of Revenue. The majority of Canadians are beginning to have more confidence in the existing Department of Revenue.

• (1555)

The minister wants to create an additional structure that will cost millions of dollars and that will have friends of the government as its commissioners and members. All this does is increase the number of officials in the system.

However, Department of Revenue employee representatives claim that this new agency will mean thousands of lay-offs, close to 40,000 across Canada.

Instead of spending money on this agency, the minister should hire some decent professionals and he should hire enough of them so that taxes can be collected properly. A program on the CBC in the spring revealed that, in Toronto, there is a shortage of between 500 and 1,500 tax collectors at the department of revenue. This shortage of professionals cost between \$500 million and \$1 billion annually. This is not acceptable.

Creating a customs and revenue agency is totally unacceptable. At the moment we are receiving a lot of complaints and letters in our ridings from customs agents fearing for their jobs and threatened with the loss of their job because of this new agency. Everyone is on edge; everyone is afraid of this new monster.

The minister of revenue, instead of wasting his time promoting Vancouver and Whistler for the 2010 Olympic Games, should come back, do his job, really look at the problems and improve the revenue system.

We have no objection to a single window for collecting taxes, but it should be under the control of the individual provincial departments of revenue. Quebec can handle collecting provincial, federal, municipal and school taxes.

How can my colleagues accept this national agency collecting city tickets? It makes no sense. Can we imagine this agency collecting municipal and school taxes? It is simply ridiculous. But it is empowered to do so. It is just crazy.

I really hope that the minister will withdraw Bill C-43, which is untenable and ridiculous. We hope the minister understands common sense and that all the members of this House understand it as well and ask the minister to redo his basic homework, really consult all Canadians in depth and not just simply say "I met a few people. They agree".

Most people we heard in committee expressed their disagreement with this bill.

[English]

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, I am pleased to rise today to debate the motions in Group No. 1 respecting Bill C-43.

• (1600)

The bill is pretty well the only major government piece of legislation before us in this session which proposes to convert the Department of National Revenue into a quasi-independent agency governed by a board, appointed by cabinet and managed by a commissioner appointed by cabinet as well.

The government suggests that this agency would be able to operate more efficiently and would be more flexible in its human resources policies, less bound by the strictures of the current Treasury Board and other statutory guidelines that have hampered its ability to recruit and retain highly skilled professionals in the tax auditing and information technology fields in particular.

The government also suggests that this new agency would be so structured as to work with the provinces on a contractual basis to collect on their behalf provincial source taxes such as provincial corporate and sales taxes.

Given that these are the first amendments before us, I would like to say at the outset that the Reform Party has consistently from the beginning of the debate on Bill C-43 made clear our support for the concept of more flexible management in the public service.

We believe that large sections of the bill are a positive step forward, that by liberating Revenue Canada from the sometimes absurdly bureaucratic regulations in Treasury Board and various statutes on human resources practices the government could be creating an agency which operates in a more businesslike and efficient fashion.

We think this model should not be limited to the tax collection apparatus of the government but rather should be replicated throughout the public service. We do not oppose large sections of the bill dealing with that issue. Nor do we necessarily oppose the creation of a board whose directors would be ostensibly nominated by the various provinces or the prospect of greater federal co-operation with the provinces in tax collection and administration.

However, we have expressed our very grave concern that the bill, absent of some very meaningful amendments, would create the possibility of less accountability in the administration and enforcement of Canada's tax laws.

As I have said before, the power to tax is, next to or along side the criminal law power, the most awesome power which parliament wields. It is the power to destroy economically. It is an enormous power. It is a power that must be exercised with utmost discretion

*Government Orders*

in ensuring in every instance that the democratic representatives of Canadian taxpayers who sit in this Chamber are ultimately able to answer for the practices of our tax collection department.

The last thing Canadians want is an IRS style tax collection agency. The last thing Canadians want is an agency which is a law unto itself, which allows its tax auditors, collectors and agents to enforce the law without regard for the milk of human kindness but with the most rapacious kind of attitude of squeezing money out of taxpayers to the best of their ability. That is not the kind of culture we want to see.

**An hon. member:** Coercive.

**Mr. Jason Kenney:** “Coercive”, as my colleague says. A coercive and intimidative culture is not what we want to see in the tax collection agency of parliament and of government.

• (1605)

The official opposition has put forward a comprehensive proposal for a taxpayer bill of rights which would enumerate for the first time in federal law a number of rights to due process for taxpayers in the entire tax auditing and collection system.

Essentially our draft taxpayer bill of rights would include the declaration of taxpayers rights first promulgated by the then revenue minister, Mr. Beatty, in 1985. It would give it teeth, legislative force, and would expand on it. It would essentially ensure in legislation that taxpayers were presumed innocent until proven guilty in the tax process. It would reverse the onus which is now on taxpayers who are too often determined to be guilty until proven innocent by the agents of Revenue Canada.

Furthermore, it would give taxpayers various avenues of appeal which are not now open to them. Currently if taxpayers of ordinary means find, as they find in many cases, that they have been unduly targeted by heartless collection agents at Revenue Canada, they have only one real avenue of recourse and that is through the tax court. The vast majority of people of modest means do not have the resources to use the appeal process through the courts. They cannot hire tax lawyers and spend months and years and tens of thousands of dollars defending their basic rights.

We propose as part of our taxpayer bill of rights the adoption of an office for taxpayer protection that would essentially be an ombudsman to adjudicate legitimate disputes between taxpayers and the revenue agency. It would essentially provide an avenue of appeal far less costly and far more accessible to taxpayers than what currently exists.

These two measures, a taxpayer bill of rights and the adoption of an office of taxpayer protection, would go a very long way toward protecting Canadian taxpayers in the new era of the Canada customs and revenue agency. We can see no good reason, nor has

the government offered a single good reason, why a taxpayer bill of rights ought not to be introduced and passed alongside the legislation before us today, Bill C-43.

That is why at the outset of our debate over the next couple of days on the amendments to Bill C-43 I would once again call upon my colleagues in government to consider our sincere, detailed and thoughtful proposal for a taxpayer bill of rights. If the minister were to give us an inclination that he was willing to seriously consider the kind of recommendations we have made, we in turn as the official opposition would seriously consider supporting the bill because of some of the incremental administrative efficiencies that may be achieved by it.

Unless and until the government gets the message that Canadians are not satisfied with the level of fairness and due process in the tax collection system and takes some concrete steps to further entrench and protect taxpayers rights, there is no way we could support a bill which has even a slight potential for spinning out of control into an IRS tax style agency.

Our party opposes the motions put forward by my colleague the Bloc Quebecois in Group No. 1 because they are dilatory motions which seek to delete each clause of the bill. We do not think these are constructive amendments. We feel that many sections of the bill, including those which these motions seeks to delete, are worthwhile incremental improvements. We will oppose the motions in Group No. 1 and oppose the bill unless amended to include a taxpayer bill of rights.

• (1610)

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I want to say a few words about Bill C-43 before the House today at report stage and invite some of my friends and colleagues in the Liberal Party to express their points of view.

Many members in the House have independent spirits. I see my friend from Prince Edward Island across the way. I am sure he would not mind making a speech about the bill and how complicated it will make the process. I am sure he would explain to us why his province of Prince Edward Island, for example, has not signed on to it. He is a good friend of his premier. Why has he not been able to persuade the premier to sign on to the bill?

It is a very important issue. What is being established here is a brand new taxation agency. It will take 40,000 people out of Revenue Canada, which is 20% of the people who work for the Government of Canada, and establish a brand new agency to collect taxes.

Perhaps the idea came from the member for Prince Edward Island, I am not sure, but it came from the thought that the government wanted to get rid of the GST. It wanted to solve the problem of a promise by harmonizing the GST with the PST.

*Government Orders*

However, only three provinces agreed: Nova Scotia, New Brunswick and Newfoundland. The thought was to have a new tax agency collecting the new harmonized sales tax, federal income taxes, provincial income taxes, maybe even the school taxes, the municipal taxes, liquor taxes and all other taxes. In other words it was to be a super agency.

My party and I are concerned about that for a number of reasons. It is supposed to collect federal, provincial and municipal taxes. Not a single province at this time has expressed any interest in this regard except New Brunswick in terms of collecting one of the small taxes in that province.

I wonder why the member from Prince Edward Island has not been able to persuade his favourite premier to decide on this agency. Perhaps he or his seatmate from Ontario could tell us about their premiers. Why has the Ontario premier, Mike Harris, not signed on to this agency? It is because Mike Harris is against the agency as is the Government of Ontario.

What about Quebec? Quebec, by its very definition, will not participate in this agency to collect taxes. We know that.

**An hon. member:** You don't buy a car before you see it.

**Hon. Lorne Nystrom:** I have been around here a long time. I heard the member across the way. However, whenever I see a piece of legislation that affects both the provinces and the federal government there is a lot of discussion and agreement ahead of time about how it should be done.

The Canada Health Act is a very good example. All kinds of negotiations take place between the provinces and the federal government when they agree on an agency and then the agency comes forth. However, the government is putting the cart before the horse in this regard. Not a single province has agreed but the government expects us to agree before agreement has been reached with the provinces.

I have an amendment which I hope members across the way would support. It states that we should not proceed until at least half the provinces sign on. That seems to be fair. I am not saying half the provinces with two-thirds of the population or something like that; I am just saying half the provinces.

The member from Prince Edward Island is champing at the bit wanting to participate in the debate. I will not take very long so that he can rise and say his piece on why he has not persuaded his premier and his province to sign on to this agency.

There are all kinds of other concerns. One is the shrinking of the size of government. We hear talk about the united alternative. The Reform and Conservative Parties want to form a very conservative alternative. We have a very conservative government across the

way. We have now the smallest federal government we have had on a percentage basis since before the second world war. The bill will once again shrink the size of the federal government.

We see a Liberal Party that is more conservative than the Conservatives who were there a few years ago. Yet the member from Prince Edward Island sits there, clenches his teeth in frustration and does not dare speak out. It seems very strange that some of these members who are reasonably progressive sit back and take this kind of quasi-privatization on this particular issue.

• (1615 )

The other thing is the question of accountability. Once again the government is going to establish an agency that will be arm's length from the government, arm's length from the Parliament of Canada. The new agency will have a CEO and a board of directors. The CEO will report to the government through a minister. That will be arm's length from this place.

I worry about the whole question of accountability. In setting up this corporation that is going to collect taxes, what about accountability for the people of this country?

Those are some of the issues we are hearing about when we talk about this bill across the country.

There is also tremendous opposition from the workers themselves at National Revenue, as articulated by the Public Service Alliance of Canada, PSAC.

I look across at the member from Prince Edward Island, a former national union leader in this country and the former president of the National Farmers Union. His brothers and sisters in PSAC are saying "Don't go ahead with this bill. It is a bad bill for workers. It is a bad bill for the people who have to collect taxes". Yet this former union leader rests silent in his seat. He is afraid to get up and speak his mind. That is very strange for a former national union leader.

We should be listening to the workers. Those who will work in this agency and collect taxes know best whether it is going to be efficient and good for the people of the country, but they are being ignored.

To top it off, the committee did not even travel to any of the border communities like Sarnia or Windsor to speak to the people who are on the front lines in terms of customs. It did not travel to those communities.

**Mr. Wayne Easter:** It met them.

**Hon. Lorne Nystrom:** It met a few of them. It had a few hours of hearings, but very few.

The committee did not travel to Vancouver or other parts of British Columbia. It did not go down to the east coast or to the

*Government Orders*

Windsor and St. Catharines border crossings to speak directly to the workers. The government is afraid of what it would hear.

I am sure the member from Prince Edward Island must be hanging his head in shame when he hears some of these reports, coming not only from this side of the House but from members of his own party who, because of our parliamentary system, do not have the courage to stand and speak publicly in the House.

The auditor general released his most report the other day. Yesterday it was before the public accounts committee, under the able chairmanship of my friend from St. Albert. In this very voluminous report there is a section that deals with Revenue Canada. It says many things about Revenue Canada and about its many problems. It makes a comment about the agency. It states that "the establishment of a new agency will not in itself resolve the problems outlined in this chapter with Revenue Canada". The auditor general is saying that the problems that exist today in Revenue Canada will not be solved by the creation of this new tax agency.

It goes on and on. There is problem after problem. There is considerable opposition around the country. There is opposition from the provinces, in view of the fact that they have not signed on to this particular agency. There is opposition from the people who work for Revenue Canada and the Public Service Alliance of Canada. Yet the government wants to proceed.

We need some serious parliamentary change so that government backbenchers can speak their mind, tell us what they think, tell us what their constituents think and tell us what the workers in this country think. We need that kind of parliamentary change so the minister is not just jerking them around by the neck and telling them what to do. That is the kind of change we need in this country.

This is a very good example of a bill that should not pass, a bill which should be delayed for at least six months until the proper amendments are made, but the government backbenchers cannot speak their mind. That is why we need parliamentary reform.

If that were the case, the member from Prince Edward Island would not be afraid to stand in this House. But he knows that if he does that he may not be a parliamentary secretary any longer, he may not be a cabinet minister, he may not be a chair of a committee and he may be able to take a certain trip. That is the kind of power the government whip has today.

• (1620)

I appeal to some of these members to show courage and to tell us whether they are concerned about the lack of accountability, whether they are concerned that the provinces have not signed on and whether they are concerned about the establishment of an IRS type tax agency in this country like they have in the United States. I am sure they are and I invite them to speak in this debate.

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, it is with pleasure that I rise today to speak to the motions in Group No. 1 respecting Bill C-43.

The issues are quite complex. The government claims that there will be savings of \$171 million to \$285 million in compliance costs and also savings of \$97 million to \$162 million in administrative costs due to this new revenue agency. That is assuming that all provinces opt in. That is a very big assumption. The government has not succeeded, for instance, in convincing provinces to sign on to the HST or the blended sales tax, with the exception of a few provinces in eastern Canada.

The Canadian Federation of Taxpayers believes that there will be no major savings from this new agency. The federation is certainly well-versed both in terms of tax policy, tax enforcement and also in terms of pointing out inefficiencies in government. I would suggest that is a very significant criticism of the government's plan to create this revenue agency.

We should be focusing, in a very holistic way, on the simplification of the tax code. We should be working toward a fairer, flatter, less Pavlovian tax code. We should be looking at simplifying both business taxes and personal taxes such that Canadians do not have to hire professional accountants and lawyers to deal with their own government. Instead the government is focusing on the logistics of the administrative aspects of tax enforcement. I believe that this is a misdirected effort at this time.

This revenue agency, the way the government is going about it, is inconsistent with general trends of federal-provincial relations. Provinces want greater autonomy. Quebec, for instance, is not interested, and Ontario is indicating that it may want its own agency. Ontario is looking to gain greater authority over its tax levers and over the enforcement side of it.

It cannot simply be said that the provinces are going to sign onto this. There has not been dramatic indication from the provinces. I would argue that without that commitment in advance this simply should not go ahead.

The government says that it will create this good agency and the provinces will at some point understand what a great agency it is and what a great service it can deliver and they will want to sign on. I am very skeptical, as are members of my party, that that will occur. The provinces certainly have not bought into the government's blended sales tax to the extent they were expected to. Although, we have to commend the government on its flip-flop on the GST. It certainly has come a long way in terms of its support of consumption taxes today as opposed to where it was in 1993. But hypocrisy is only half a mortal sin and I guess we cannot pillory the government too far on that.

I am concerned about the appointment process of the board of directors which will be responsible for this agency. I know that the

*Government Orders*

government is saying there will be federal-provincial co-operation and that, in itself, will eliminate or reduce the potential for patronage. That is the same assurance the government provided, for instance, with respect to the Canada pension plan investment board, and yet, of the 12 members of that board, six are prominent Liberals. In fact, five were significant contributors and one was a former Liberal MP.

The fact is that the process is tainted. The board that is responsible for the appointments has representatives from each province, but that board is chaired by a prominent Liberal, Mr. Phelps. He gave a list of 20 names to the Minister of Finance, and the minister chose 12 people from the 20. I suggest that it is no coincidence that 6 of the 12, 50% of the board responsible for the Canada pension plan investment process, are prominent Liberals.

• (1625 )

Members opposite will say there is no patronage. But it is interesting to note that only .2% of Canadians contribute to the federal Liberal Party, and yet 50% of the people on the Canada pension plan investment board are prominent Liberals. So when they say there will be no patronage in the appointments to the board of this arm's length agency, I am very skeptical and for good reasons.

Questions we have to ask are: Why can the benefits being promoted by the government in Bill C-43 not be achieved within the framework of the department of Revenue Canada? It was mentioned earlier that it is the largest government department.

The government indicates that human resources issues are part of the stumbling blocks, including the difficulty in attracting and keeping high quality people, as well as pay issues within the public service. I would say that this would suggest a systemic problem within all of the public service that requires a holistic solution and not the stop-gap, knee-jerk, crisis management kind of approach that this government is taking.

The auditor general speaks to the general government-wide dissatisfaction with human resources management in his report on matters of special interest. The auditor general says that dissatisfaction with existing human resources management is also reflected in the interest among government officials in alternative service delivery mechanisms. One of the driving factors has been that present staffing, classification and compensation systems are too unwieldy and inflexible. The government needs to ensure that the rush to get outside the system does not divert attention from fixing the system.

Many of the human resources issues need to be addressed throughout the public service. This is a prime example of an opportunity for the government to address them, starting with the largest government department, Revenue Canada, which represents one-quarter of the public service, 40,000 to 46,000 employees,

depending on the time of year. We should start actively developing a meaningful, holistic, long term approach to the entire public service.

The public service has unprecedented low levels of morale. We are dealing with a public service that is absolutely devastated by the fact that the government has yet to agree to the human rights tribunal ruling on pay equity.

Government members speak in code, but sometimes when they are talking about the public service they refer to the unions as being part of the problem, although they may not say that directly. However, union issues are dealt with in the private sector. There are many proponents of the free market system which recognize that unions play a very important role in that free market system. Without unions representing workers there would probably be a need for a large government department to look after those issues. Ultimately, that would be far less effective and unwieldy.

If companies like Chrysler Canada and General Motors can work with unions and achieve efficiency, productivity and advances, why cannot the Government of Canada? Why can the Government of Canada not lead the way in terms of human resources development, as opposed to leading the way in ignoring issues within its own human resources? Why is it seeking alternative service delivery instead of fixing the problems in its own departments?

If we created incentives within all of our public agencies and departments, incentives that recognize and reward excellence as opposed to encouraging mediocrity and punishing excellence, and if we introduced market incentives within the existing agencies, we could achieve economies without necessarily creating new agencies.

One of the tragedies in recent years with the government's policies toward the public service and with politicians making gratuitous attacks on it is that we have a public service that is extraordinarily demoralized.

There are people who study public administration and learn many of the same types of skills required for a business administration degree, but they study public administration because they want to be a public servant. They have a public ethic. They want to work for the betterment of society and for the people. We have to recognize that and ensure that we have a system which encourages excellence, both in terms of attracting the best and the brightest, and also keeping them.

My colleague from the Reform Party referred to the potential of this agency becoming an IRS type of agency and I concur with that risk.

• (1630 )

The issues raised by the member from the New Democratic Party are relative to the agency and the risks to workers and their job

*Government Orders*

security. Keep in mind 25% of the public service is in this. These are significant issues. I am not convinced that the government has made a good case for why we should support this agency.

If the government cannot address these human resources issues, for instance, or if it cannot address why the advantages of this agency cannot be achieved within the existing structure of Revenue Canada, then I suggest the government has a significant deficiency in its human resource management.

We need more consultation with Canadians. I suggest the finance committee or a subcommittee travel throughout the country and consult with Canadians and discuss any matter of the gravity and importance of the new Revenue Canada agency proposed by the government.

[Translation]

**The Deputy Speaker:** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Pictou—Antigonish—Guysborough, the APEC Summit; the hon. member for Davenport, the Environment; the hon. member for Halifax West, National Defence; the hon. member for Waterloo—Wellington, Poverty.

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, I want to express my support for all the amendments that reduce the scope of Bill C-43, because the Bloc Québécois is opposed to the establishment of the Canada Customs and Revenue Agency.

In the throne speech delivered in February 1996, the federal government announced the establishment of a national revenue collection agency. Just when we thought the government had completely abandoned the idea, the Minister of Revenue tabled Bill C-43, an act to establish the Canada Customs and Revenue Agency, just before the House adjourned for the summer.

What the minister came up with is not a mere collection agency, but a terrible bureaucratic monster, which threatens the confidentiality of personal information, the rights of revenue department employees, and the provincial powers relating to revenue collection. Even the business community is opposed to the establishment of this agency.

The minister admitted he wanted the House to pass Bill C-43 before the Christmas recess. We wonder why he persists in going that route, considering that no one wants this national customs and revenue agency. The minister proposes to change the current structure of the Department of National Revenue by transforming Revenue Canada into an agency that is quasi-independent of the government.

It would have the job of collecting taxes, not only federal taxes, but taxes of all sorts, including sales and property taxes, provided

of course that tax collection agreements are signed with the provinces and municipalities.

Let me list the reasons why we should oppose this bill. First, the customs and revenue agency is a threat to the privacy of Quebecers and Canadians. In the era of electronic communications, the risks of trafficking in personal information are inversely proportional to the concentration of information within private organizations. If ever it is created, the agency in question will have access to an incredible quantity of personal and financial information.

In addition, this agency would be less accountable through the minister and less subject to scrutiny by parliament than Revenue Canada is at present. As a result, the dissemination of this personal information about taxpayers would be completely beyond public control.

Second, the customs and revenue agency could also jeopardize the working conditions of Revenue Canada employees and even threaten their jobs.

• (1635)

In fact, 40,000 Revenue Canada employees would no longer be covered by the Public Service Employment Act. In two years' time, the agency could thus lower employees' salaries, lay them off, or decide on their working conditions without having to consult them. By passing this bill, the government is taking a heavy-handed approach to modernizing the public service, instead of trying to reach agreement with unions.

Third, the customs and revenue agency does not impress owners of small businesses. The business community was supposed to be the main beneficiary. However, reaction to the agency's announcement was restrained and ambivalent, to say the least. Such bodies as the Canadian Federation of Independent Business have expressed misgivings about the concentration of power within the agency. According to a Public Policy Forum study commissioned by Revenue Canada, no fewer than 40% of businesses indicate no interest whatsoever in the agency. More than two-thirds also believe that its creation would not mean any savings over the present structure, or that it would cost even more.

Finally, and this is a vital point, the Customs and Revenue Agency runs counter to the federal principle of provincial sovereignty in areas that fall under their jurisdiction. Such an agency would, therefore, violate the division of powers between the federal and provincial governments. If the provinces have independent revenues, they must be the ones to collect them.

Even Pierre Elliott Trudeau, who cannot be accused of excessive support for independence, rose up more than 30 years ago to denounce the practice of the federal government's collecting more taxes than it needs in order to implement policies coming under its jurisdiction. Trudeau saw such an act as illegal, even. In 1957, he



*Government Orders*

wrote that the federal government cannot legally have funds in its coffers which it claims, after the fact, are for provincial purposes.

What would happen if the federal government assigned to a central collection agency encompassing the whole of Canada and coming under federal authority the power to collect taxes of various kinds, instead of the provinces and the municipalities? In our opinion, it would then become impossible to halt the centralization of the Canadian federation. When the Minister of Intergovernmental Affairs says that Canada is the most decentralized federation in the world, I think he is the only one to believe it.

I will be blunt: if the federal government collects its own taxes to finance its responsibilities under section 91 of the Constitution Act, that is plausible. However, the fact that it wants to give responsibility for collecting provincial and municipal taxes to appointed officials, who are not directly accountable for their actions, is inconceivable and unimaginable.

As the Minister of Finance announces his surplus of billions of dollars, he should respect the consensus reached by the provinces and give them back the money he cut in recent years. That would enable them to look after health, education and social services, which are also their responsibility under the constitutional agreement. For that, however, we should not really count on our colleagues opposite. The mission of the Liberal members is to defend the federal government and not the interests of Canadians and Quebecers.

The example of the Canada customs and revenue agency should suffice to convince those who have not yet understood that for the past 50 years Canada has been headed inexorably toward centralization. The federal government, and this Liberal government in particular, is trying to destroy all thoughts of autonomy—be they those of Quebec, provinces or regions.

• (1640)

The proposed customs and revenue agency will concentrate in the hands of a few super-bureaucrats the power to dig into the pockets of Canadian and Quebec taxpayers, at the expense of Revenue Canada employees, small businesses and provincial and municipal governments.

We think that the federal government already collects too large a share of tax revenues and that it uses its spending power in an inconsiderate manner. We will not, on top of that, give the minister carte blanche to collect all taxes across Canada.

This is why the Bloc Québécois is opposed to Bill C-43, which proposes the establishment of such an agency, and this is why we support all the amendments that seek to reduce the scope of the bill.

[English]

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, at the outset we oppose Bill C-43. It is a pleasure to speak on the bill and on Group No. 1 motions.

There are good things in the bill. No doubt, as my colleagues have mentioned, there are good things about reducing duplication, about improving the efficiency within the tax system, with having one agency to collect taxes. In my province of British Columbia we have a mess.

We have a mess in the tax system, particularly on the provincial level, where it is so complex that it is costing businesses to pay and implement the provincial tax structures. They would prefer to have a flat system where everything was taxed, believe it or not in some cases, than have the system they have now that is costing them an extraordinary amount of money just to implement it.

We support those elements in Bill C-43 that will streamline the system. However, if we are to have a Canada customs and review agency that will be a super agency, the Canadian public must have the assurance the agency will be transparent and accountable to parliament and therefore to the Canadian people.

We insist therefore that a couple of significant provisions be made in the bill, provisions we feel are essential if the bill goes through. One is to ensure we have a taxpayer bill of rights. This taxpayer bill of rights is a check. It is a balance. It is an assurance to Canadians that they will be protected from an agency. Canadians do not mind paying fair taxes but they do not want to be ripped off.

Some of the elements in the taxpayer bill of rights would include tax laws in plain language that are understandable to Canadians as opposed to the system now where even a person with a Ph.D. finds it very difficult to understand. Taxpayers should be treated properly, fairly and with honesty and have an avenue to complain where the complaints are heard and not merely swept under the carpet. They should be informed of overpayment in a timely fashion.

One of the complaints I am sure we all get as members of parliament is that even though Canadians are asked to pay their taxes on time, and if not they are made to feel like a criminal, if somehow they overpay it can take a month of Sundays before that money is paid back.

Penalties ought to be applied fairly to all individuals. The right to record any and all meetings with Revenue Canada should be there on the part of the taxpayer. The taxpayer should have the right to appeal any Revenue Canada rulings and that CCRA should waive penalties and interest wherever possible where taxpayers have acted in good faith in their payment of taxes but for

*Government Orders*

circumstances perhaps not in their control or due to an unfortunate oversight they happened to pay less than they should have.

• (1645)

Canadians are overtaxed. Most Canadians do their best to pay. Sometimes they run afoul of the payment schedule. We beg and we ask that taxpayers are not made to feel like criminals, that amendments can be made on compassionate grounds to make sure they will pay their taxes in a way that is fair to them.

We want a fair tax system, not a tax system sitting there like a cudgel over the heads of taxpayers and is used to bash them over the head like a group of bovines.

That is not what Canadians want. They want a fair tax system. They do not mind paying their tax, but they do not want to be treated as slaves to a large system that can be created.

It is for those reasons that we want to ensure a taxpayer bill of rights is put forward. The other thing we want is an office for taxpayer protection. This office of taxpayer protection is another element of adding transparency, another check and a balance and a protection for the Canadian people.

We want this taxpayer protection office to report to parliament each year on the state of the CCRA. A chief advocate can be used to present this to parliament and that chief advocate can present 25 of the most serious problems in the system to the House so they can be acted on in a timely fashion rather than what usually happens where it is ignored or tossed under the table.

Also, this office can be used to assist taxpayers in resolving disputes with the CCRA and can act as an advocate for last resort for the taxpayer. This would be a very constructive role by the government. We hope the government listens.

If the government instituted those two solutions then it government would have the support of the Reform Party in passing this bill. We will not support this bill unless those checks and balances are there and unless the Canadian public is protected from the CCRA.

Let us talk on the larger issue of tax cuts. We have been accused of somehow favouring the rich. We have been accused of instituting a plan that will destroy social programs.

If that were the case we would not support tax cuts. The cold hard facts that have been seen across the country and around the world are that tax cuts improve the health and welfare of people and can generate more money for government to save social programs.

That is one of the reasons the Reform Party came here. We saw the degradation of our social programs. We saw the destruction of our health care, our education system and the social safety nets that

are there, thankfully, to help those who through no fault of their own are unable to work.

It has been sadly 20 years of overspending by governments that has caused the mountain of debt and that has caused such a huge amount of interest payments that have eroded into the spending capabilities of government to support the social programs we have all come to be fortunate enough to have in our blessed country.

Let us look at the facts. What do taxes do? Let us look at the tax burden briefly for a second. If we look at individuals, if we look at ourselves versus the United States, we can see that personal taxes have increased over the last three decades 136% in Canada personally compared to 31% in the United States of America. Those are the facts.

In the OECD Canada suffers the highest personal income tax burden of any major economy as a revenue proportion of GDP. Our ratio is nearly 18%. In the U.S. it is 11% and 10% in Britain. Britain lowered its tax rates. Ireland lowered its tax rates. It decreased the complexity of its tax structure, decreased the complexity of the rules and regulations that choked the private sector. As a result, its economy is booming.

Lessons can be learned. Let us take a look at the tax increases by the government. The government likes to say it has decreased taxes. Au contraire. They have actually increased although they have been nibbled away at the tax burden a little bit.

Tax brackets and credits have not been indexed to inflation, therefore we have had bracket creep that has increased taxes 18%.

The CPP tax increase of 73% has actually increased the total tax burden on Canadians by over \$1.3 billion in excess of what the government has actually decreased. I challenge any member from across the way to refute that argument.

• (1650)

On the issue of the benefits of tax cuts, if we look at the 10 states in the United States with the lowest taxes they have had a 20% higher amount of money and a growth rate in jobs far in excess of those 10 states with the highest tax rates. The lowest tax rate states have had a much higher rate of income for their average citizens. If we compare Ohio, Michigan and Ontario the job creation to the marginal tax rates in the United States is much lower than Ontario and as a result the job creation rates were much higher than what we found in Ontario.

If the government wants to do something constructive and productive for Canadians it can restore full indexation to the inflation of federal tax credits and income brackets, eliminate the 3% and 5% federal surtaxes and reduce each of the three federal income tax rates by 2%. The government should listen to that. If it

*Business of the House*

listens to that Canadians will be wealthier, healthier and have social programs and will be better off.

**Ms. Louise Hardy (Yukon, NDP):** Mr. Speaker, the New Democratic Party opposes this new tax agency. We oppose it because it is not needed. The auditor general says we do not need it. It is not wanted. Businesses do not want it. The provinces do not want it and territories do not want it. It should be rejected right now because economically, politically and socially it offers no benefit.

We want a tax agency or a tax system that is more responsive, not less responsive. As an MP many people come to my office for help on issues of taxation. We need it to be responsive because it is important to be able to go to the minister and say this is what is happening, this is how these policies are being applied.

I can give some examples. In Yukon the northern travel deduction has been audited massively. We are talking of thousands of audits of people of the north, and that is quite significant for a small population. We have a local bank manager who was audited three years in a row because he claimed the northern travel deduction. In Dawson City all the employees except for two at one place were audited. They used e-mail to file their tax forms and we can bet they will never do that again. That also brings in the whole issue of privacy and using technology to file tax returns.

The northern travel deduction barely gives enough to walk out of Yukon let alone travel out in any kind of comfortable style, but yet northerners have been audited relentlessly on this. We want a responsive minister when it comes to taxation.

As an example, a 74 year old had to pay back about \$6,000 or \$7,000 because Revenue Canada had made a mistake six years earlier. It sent him a bill seven years later saying he owed approximately \$8,000. He made arrangements to pay back \$200 a year, but it turned out that was not good enough and it would garnishee half his pension to get the money back. It made me wonder if it was determined to get all the money out of this man before he passed on. Revenue Canada's other solution was for him to get a bank loan to pay the debt. It would continue to put intense focus on poor people.

In particular, the complaints that come to my office happen to be from first nations people. There was an older couple who had brought up their grandchildren and claimed the family allowance and the child tax benefit through those years. They were told they had to pay this money back because they could not prove they had brought up their children. As MPs we are able to help in situations like that.

If this tax agency comes into effect it will remove that kind of accountability. It will put it at arm's length. That takes it further away from the House and further away from the people who need

help to get through problems like that. The agency will have a business mandate and we can only imagine an agency contracting out collections.

• (1655)

It would be truly intolerable for people who already feel they are harassed and who feel they make a huge contribution to the well-being of our country through their paycheques and through their volunteer work in bringing up their families. An agency should not be open to making a profit.

Another reason we should not have this agency is it would be reviewed only after five years. Any new agency should be closely monitored, especially in its set-up. I would say at least every six months rather than waiting five years to review such a massive change in how we look after our tax collection.

It brings into question how fairly we will treat the employees who are transferred over to the tax agency. The union does not support that kind of transfer of authority. It is a stressful trying job for the workers who have to collect the taxes.

I take this chance to compliment the people who look after the northern region. First nations people will now be paying taxes. They have been very proactive. They have come to the north. They have had public meetings, information sessions and have gone through the whole process with the folks who will have to file income tax for the first time in their lives. That is the kind of dedication and service we want from public servants. They were there making sure it happened for those people.

This kind of bill is abdicating political responsibility. I know the IMF has suggested that some countries set up an agency to collect taxes, but those are for the poorest, most unstable countries in the world. Canada does not fit that description. We should not be abdicating our responsibility as a government to be accountable to the people we collect money from.

\* \* \*

**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I believe you would find unanimous consent for the following motion. All parties have been consulted. I move:

That, on Thursday, December 3, 1998, at 3.00 p.m., the solicitor general shall be permitted to make a statement pursuant to Standing Order 33; and that any division required that day for the disposal of amendments proposed at the report stage of Bill C-43 shall be postponed to 5.00 p.m. on Monday, December 7, 1998.

(Motion agreed to)

*Government Orders*

[Translation]

**CANADA CUSTOMS AND REVENUE AGENCY ACT**

The House resumed consideration of Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence, as reported (with amendment) from the committee; and of the motions in Group No. 1.

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, I am pleased to rise in the House today to participate in the report stage debate on Bill C-43 establishing the Canada Customs and Revenue Agency.

First off, let me tell you that I am against the establishment of this new federal agency, primarily because of the attitude and actions of this government; this is an arrogant, centralizing government, which ignores provincial jurisdictions.

We in the Bloc Québécois cannot support a bill that only seeks to centralize the collection of taxes in Canada, downsize the Department of National Revenue and, more importantly, create an agency that will be in direct conflict with Quebec's ministry of revenue.

With this bill, the Liberal government is showing that it is having more and more difficulty fulfilling its administrative responsibilities. It is once again about to abdicate its responsibilities.

This new agency could make it possible for the minister of revenue to avoid doing his duty, which is to protect the taxpayer against the abuse of power.

The purpose of the Liberal mania for creating independent agencies is to then use any pretext for blaming them for everything that goes wrong, while refusing to get involved by saying that the independent nature of the agency must be respected and the government cannot get involved.

I can already hear the words of the revenue minister when he has to answer a question about this new agency "As members know, this agency is an independent entity. I will carry out the necessary checks and, as soon as we have the information, we will make it known here in the House".

In other words, while the investigation is going on, they will be looking for a solution that will get them out of the embarrassing situation.

• (1700)

Let us now have a look at what lies behind Bill C-43.

It mandates the federal government to set up the right conditions for one more anti-labour move. The result of this bill would be that 20% of Revenue Canada employees would be taken out from under the protection of the Public Service Employment Act, and this

would allow the new agency full rein to raise or lower salaries, to hire or lay off employees. This government is prepared to do anything to satisfy its excessive need of centralization and its publicity seeking efforts to get the maple leaf onto everything.

For the Liberals, simplification and duplication are synonymous, and harmonization to them means interference in areas of provincial jurisdiction. Quebec is opposed to the creation of this agency. Ontario is also on its guard against this new threat of centralization, and is even giving thought to setting up its own agency.

Can the minister of revenue tell us why he is in such a rush to create this new agency, when Quebec does not want it any more than the majority of other provinces? Where does his support for this bill come from?

We are in favour of the principle of a single collector, and in Quebec this should be the Quebec Minister of Revenue, who would collect all federal and provincial taxes. Judging by the outcome of the joint collection of the Quebec sales tax and the GST in Quebec at the moment, this is an effective formula.

The Canada customs and revenue agency is another federal creation, the inspiration of senior federal revenue officials in Ottawa, who want to create a sort of monster, a sort of octopus reaching out its tentacles beyond the provinces to the municipal and local levels.

They intend to administer everything, from provincial sales taxes to gas and alcohol taxes. Are we going to take the risk and let this arrogant, voracious and centralizing Liberal government enact this bill?

Who is this agency accountable to? Will the members of this House be able to obtain explanations on its management, its results and its errors. Currently, the department of revenue is accountable to the House of Commons. The government cannot avoid embarrassing questions about family trusts and the small privileges the Minister of Finance enjoys with his little boats, for example.

We are afraid that this new agency will face less parliamentary scrutiny than is currently the case for the Department of National Revenue. Members can imagine an embarrassing question on the agency's activities; the Prime Minister, the Deputy Prime Minister and the minister of revenue have already written their answers.

From what we see in the debate on Bill C-54, some answers are needed here about the incredible quantity of personal and private information that will end up in the hands of the federal government. In the current debate on Bill C-54, the electronic commerce bill, which once again collides with Quebec legislation on access to information, we can see already how the federal government would use this information to achieve its goal of centralization.

*Government Orders*

This new bill is doomed to failure. The Canada customs and revenue agency, an agency that wants to collect everything and that should convince the provinces to join it, lacked both agreements and signatures when Bill C-43 was introduced. Even in committee, when we asked the minister of revenue "Where is your support, Mr. Minister", he had none.

Who will foot the bill for this agency? Its users, but at what price? Initially, the federal agency will try to show that it is generating savings, but it will soon raise its user fees to satisfy the voracious Liberals.

And, speaking of how voracious this government is when it comes to finances, yesterday, the Minister of Finance and his sidekick, the Minister of Human Resources Development, had the nerve to announce a paltry 15 cent cut in premiums in response to the Bloc Quebecois' many calls that something be done about the present EI system.

• (1705)

There is no change in the system per se, which continues to be a wonderful method of collecting funds for the election fund of the Liberal Party of Canada, or plumping up the future campaign fund of the Minister of Finance, who has serious designs on the leadership of his own party. And where do the surpluses go? Into the Minister of Finance's pocket. What is this government doing to correct regional rates based on the number of hours worked? Nothing.

When it comes to the most disadvantaged members of our society, this government turns a deaf ear. It is the embodiment of arrogance and heartlessness, taking its cue from the behaviour of the Liberal Prime Minister.

As far as the Y2K bug is concerned, will all the changes that Revenue Canada employees will have to face make it any easier for them to prepare for this transition in informatics, on which much energy already had to be expended?

Where is Revenue Canada at in preparing for the year 2000? Statements made by the Auditor General of Canada show he is expecting the worst because the government is not taking this potential bug very seriously. One can only imagine the administrative and data processing chaos in which the transition from Revenue Canada to a future customs and revenue agency would take place.

In closing, I would like to summarize the reasons why I am reiterating my opposition to Bill C-43: the centralizing obsession of the Liberal government; the danger this agency represents for the revenue department in Quebec; the inordinate amount of power this agency would have; the anti-union attitude of the government in this bill as it affects Revenue employees; the intrusion on the privacy of our fellow citizens; the performance of the Canadian

Food Inspection Agency in its current handling of the scrapie crisis with Quebec sheep, where there is such an administrative muddle that the minister and the agency cannot even figure out where they are at.

I am saying no to the Liberals, I am saying no to the Minister of National Revenue and, once again, on behalf of the Bloc Quebecois, I am calling for the immediate withdrawal of this bill.

[English]

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, as I look through Bill C-43, there are a few things that concern me.

I noticed in clauses 22, 25 and 26, the deal with the appointment of the chair and the commissioner of the agency, that they are going to be appointed at the pleasure of the government. We are dealing here with tax collection, something that is very serious and something that perhaps could be construed to be akin to a quasi-judicial agency.

With the powers that are going to be conferred on the commissioner and because of his or her role as an independent civil servant to collect taxes on behalf of the government, his or her independence must be assured. Yet we find that he or she is not being appointed on good behaviour but is being appointed at the pleasure of the government. Therefore, if he or she does not squeeze enough taxes out of Canadians, the government can say "You are out of here. We are going to get somebody else to do the job because we feel that you are not collecting enough".

The appointment is at pleasure. I ask the government to come forward and tell us why it does not make this appointment on good behaviour. It seems to me that would be much more important. If it were on the basis of good behaviour, then it would at least provide some credibility that this agency was not going to be interfered with by the government, but perhaps it will be.

Turning to clause 38, it reads:

The Commissioner must keep the Minister informed of any matter that could affect public policy or that could materially affect public finances, and any other matter that the Minister considers necessary.

I draw members' attention to "affect public finances". I refer back to an issue that was raised by the auditor general two or three years ago. It was called the family trust fiasco where one ruling by the Department of National Revenue under a very questionable situation cost the taxpayer \$2 billion. To me, that would certainly fall under materially affecting the public finances.

• (1710)

When the public accounts committee had hearings on that fiasco, the deputy minister assured us under oath that there was absolutely no political involvement in the granting of that tax break on that particular family trust. It was one particular issue, one particular taxpayer who got a \$2 billion tax break under the most questionable

*Government Orders*

of circumstances one day before Christmas. It was the best Christmas present he ever had.

The whole concept is that there be no political involvement in granting tax breaks to Canadians and that the act be applied fairly, appropriately and properly to every Canadian. Now we find the commissioner is obligated to get the political masters involved. He must keep the minister informed on matters that could materially affect the public finances. Under this clause the politicians in this House who give direction to the commissioner now have the authority to direct to the commissioner whether or not they will grant these types of tax breaks. Political shenanigans are starting to go on in this bill.

Let us look at clause 33. This is where it gets kind of convoluted and we have to wonder why the government is creating this agency. While the agency is supposed to be at arm's length, everything else is being treated as if the agency were a civil service.

A board of 15 people is being created. It seems to be patronage heaven because the members will have nothing whatsoever to do regarding taxation and collection. The only thing they have to do is run the agency. Clause 33 states:

The Board may advise the Minister on matters that relate to the general administration and enforcement of the program legislation.

The next clause specifically states that the board cannot tell the commissioner how to handle the enforcement of program legislation. The commissioner will be acting on his own, the board is prohibited from telling him how to do his job of enforcement of taxes, yet the board is obligated to talk to the minister on behalf of the commissioner. It seems this is a kind of make work project for the board to get it involved somehow without giving it any teeth to act at arm's length from the government. We see in clause 38 that the government wants to keep that to itself. That is why I have a problem with the bill.

I have to concur with the government on clause 92(5) regarding severance pay. Because the employees are being moved en masse from the Department of National Revenue to the agency and as far as they are concerned there will be absolutely no interruption in employment, they will not be granted severance pay under their collective agreement. Granting severance pay would amount to several hundred million dollars. I am glad to see it is being deferred until the employees retire.

I raised this issue with Nav Canada, which was a privatization a little more at arm's length than this agency. There were people who worked for the Department of Transport one day and who on the following day went to the same job with the same desk, the same telephone, the same boss, the same everything except that the letterhead had changed to Nav Canada. They picked up \$200

million in severance pay. I was absolutely shocked that those employees were given \$200 million.

At committee I said to Mr. Daryl Bean, the president of the union, that it was preposterous for the taxpayer to be expected to shell out \$200 million for a letterhead change. He answered that that was the agreement. And not only that, if people's employment were not severed until their retirement day, when they retired they would get their severance pay.

• (1715)

In the private sector there is nobody who can afford to pay severance pay to every employee who sticks around until retirement age. Yet we as the Government of Canada have deemed it in their sense, not common sense, to grant that benefit to employees. The taxpayers are on the hook for hundreds of millions of dollars, \$200 million for NavCan alone.

Fortunately, and I will give the government credit on this issue, it has deferred the payment of severance pay until these people retire rather than paying a bonus to them the day the letterhead changed.

The agency is smoke and mirrors. The government wants to move it off arm's length because it did not like the fiasco of the GST and did not want to repeat it and be able to blame somebody else. It is not our fault, it's their fault that they are squeezing taxes out of everyone.

I think there are some serious flaws in this bill, serious flaws in the whole philosophy of having an agency at arm's length collecting taxes on behalf of the government. The government has to be responsible to the taxpayers. There is a very close link between the taxes paid by the people who are governed and the taxes collected by those who want to govern. That link is broken, as we see definitely on the reserves of the country where the people who lead, manage and govern their native reserves have no link with those they derive their revenue from. The people on reserves are untaxed. There is no linkage between those people who want to govern the reserve, collecting taxes from those they are to govern and if we break that link here with ourselves, it is very serious indeed.

I would be quite happy to see the government withdraw this piece of legislation and move on to something a lot more important.

BILL C-43—NOTICE OF TIME ALLOCATION

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, now that the hon. member has told us we have to withdraw the bill and we cannot have any of that, I must now regrettably do the following.

An agreement could not be reached under provisions of Standing Order 78(1) or 78(2) with respect to the report stage and third

reading stage of Bill C-43, an act to establish the Canada customs and revenue agency and to amend and repeal other acts as a consequence.

[*Translation*]

Pursuant to Standing Order 78(3), I give notice that, at the next sitting of the House, a minister of the crown will be moving a time allocation motion for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage.

#### REPORT STAGE

The House resumed consideration of Bill C-43, an act to establish the Canada Customs and Revenue Agency and to amend and repeal other acts as a consequence, as reported (with amendments) from the committee; and of the motions in Group No. 1.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, it is with great concern and frustration that I rise today to express my indignation and my anger.

Indeed, since 1993, the Bloc Québécois has kept trying to make this government realize that the duplication of jurisdictions between the federal and provincial governments costs a great deal to the various levels of government. With Bill C-43, which will create the Canada customs and revenue agency, the federal government is once again interfering, without consulting the provinces, in an area it has no business getting involved in. Clearly, this is further proof of the Prime Minister's insatiable desire to centralize everything.

But before going further, I would like members to take time to look and examine this super agency, this tax monster that the federal government wants to set up.

• (1720)

As per usual, since this government has made a habit of avoiding responsibility, of not facing the music and of avoiding any exchange of ideas, on June 4, one week before the House adjourned for the long summer recess, the revenue minister sneaked in Bill C-43, an act to establish the Canada Customs and Revenue Agency.

The establishment of this tax collection monster is a project that goes back to the throne speech of February 1996, in which the government announced its intention to set up a national revenue recovery agency. But already at that time, the Bloc Québécois had opposed the establishment of such an agency.

More specifically, the agency will convert the Department of National Revenue into a semi-independent government body, with responsibility for negotiating with provinces and municipalities wishing to have it collect all taxes in Canada.

According to the Minister of National Revenue, the ministerial responsibilities and parliamentary controls will remain essentially

#### *Government Orders*

the same. This means that the Public Service Staff Relations act, the Access to Information Act, the Privacy Act and the Official Languages Act will continue to apply. In addition, the minister says he will retain full responsibility for the administration of tax, customs and trade legislation.

In short, very little will change. So why create this agency? Why go to all this trouble, if nothing will be any different?

According to the President of the Treasury Board, and I quote:

Creation of the Canada Customs and Revenue Agency is an essential component of the government's commitment to modernize the federal public service.

I do not get it. Modernize by doing nothing. This stunt by the federal government is strangely evocative of the federal system in which we live. A huge bureaucracy, an ideology rooted in the past, with no vision: such is the federal system in which we live. The Canada customs and revenue agency is more of the same.

For the federal government, modernizing a bureaucracy boils down to privatizing public services. It means jeopardizing the jobs of 40,000 employees, or 20% of the entire federal public service, to whom framework legislation such as the Public Service Employment Act will no longer apply. Two years from now, this anti-union attitude will give the agency free rein to raise or lower employees' salaries, to hire or fire unilaterally.

Henceforth, these employees will be at the mercy of the agency's board of management. While we are on the topic, the board's 15 directors will be appointed for three years on the recommendation of the provinces, and will occupy their positions on a part time basis.

The chair, the commissioner and the deputy commissioner will be appointed by the Governor in Council for a renewable term of five years. Great jobs, these, for the party's political buddies.

This is how the government treats its employees, to say nothing of its recent treatment of the thousands of women in the Public Service with its reluctance to give them pay equity. If I were in the shoes of the 40,000 Revenue employees, I would be very much afraid. With this government, a person never knows what low blow can suddenly be delivered. Each day brings its surprises and its trip-ups, courtesy of an immoral and heartless government.

We could also speak of the employment insurance fund, or of the unemployed who have paid into it and cannot even get their own money back from a government that is literally ripping them off. I could go on and on about this.

I was absolutely astonished, when I read this bill, by the lack of accountability there will be for the agency executive. This agency is a classic example of empire-building by senior mandarins ensconced in their ivory towers in Ottawa. This is a classic example of bureaucratic empire-building.

*Private Members' Business*

• (1725)

The role and responsibilities of the commissioner of the CCRA would make him a kind of czar of taxation, a super bureaucrat invested with massive powers but more or less without any need to report to anyone.

By removing the CCRA from the daily monitoring of his office, the minister is putting himself at risk of having his bureaucrats put one over on him. The CCRA would, moreover, more or less have carte blanche over such matters as contracting out property management, equipment management, and information and technology management. With only limited outside monitoring, there would be a greater risk of patronage and abuse of authority.

This is inconceivable and unacceptable. Clauses 47 to 49 are explicit about the agency's lack of accountability. The agency submits an annual business plan to the minister for recommendation to the Treasury Board for approval. The plan would set out the objectives of the agency and its strategies to achieve them.

The minister must cause a summary of the plan to be tabled in both Houses within 15 days of his approval. Parliament has no opportunity to question the agency's decisions once they have government approval. Where is accountability? Where is the transparency in this process?

According to the minister of revenue, private enterprise and the business community will be the first to benefit from the agency, but that is far from confirmed.

Organizations like the Canadian Federation of Independent Business reacted rather coolly to the massive and centralized power in the tentacles of the super agency. No less than 40% of the businesses that took part in a Public Policy Forum study commissioned by Revenue Canada indicated a lack of interest in the agency. More than two thirds of them felt that, after the new agency is established, the cost of dealing with the department as currently structured would increase or remain the same.

And what is the government opposite doing about the provinces' ability to determine their own budgetary policy? Quebec will not give in to this centralizing government. The Bloc Quebecois and its members are reasonable and responsible. They will certainly not vote in favour of this bill.

The federal Liberals' centralizing view of the affairs of state is totally unacceptable. We are in favour of a single tax collection body, but it should be Quebec's Department of Revenue, which is already collecting the GST. This department is fully accountable to Quebecers.

For all these reasons, and for many others that I unfortunately cannot go into, because it would mean sleeping here tonight, the Bloc Quebecois will be voting against this bill. What we are

calling for is the withdrawal, pure and simple, of the bill and the repeal of all its clauses.

It is such a pity to see that, once again, closure is being invoked on a bill as important and as controversial as Bill C-43. Several of my Bloc Quebecois colleagues, as well as colleagues from other parties, wish to speak to the bill. It is very sad to see that this government, which is introducing bills in the House, does not even have the decency to defend them.

[English]

**The Acting Speaker (Mr. McClelland):** It being 5.30 p.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

• (1730)

[English]

### CANADA-UNITED STATES DAYS OF PEACE AND FRIENDSHIP

**Mr. John Maloney (Erie—Lincoln, Lib.)** moved:

That, in the opinion of this House, the Government should designate July 2 and 3, 1998, coming between Canada Day and Independence Day (U.S.), as "Canada-United States Days of Peace and Friendship" in recognition of the close and peaceful relations that exist between the two countries, the warm personal links that prevail between neighbouring communities along the length of the common border and the commitments to freedom, democracy and human rights shared by the two nations.

He said: Mr. Speaker, at this point I would like to ask for unanimous consent to make one amendment to the motion and that is to delete the year 1998. With the way our Private Members' Business works the motion is a bit redundant. It makes a lot more sense that the two dates, July 2 and July 3, would continue in perpetuity in accordance with the motion.

**The Acting Speaker (Mr. McClelland):** Is there unanimous consent for the member to move the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. John Maloney:** Mr. Speaker, I am pleased to rise today on Motion No. 263 to say the fact that the Canada-U.S. relationship is dynamic and thriving does not do justice to its complexity, scope and depth. Our trade with the United States is booming but our partnership is not based only on economics and geography.



*Private Members' Business*

In dealing with important issues posed by a changing world, Canada and the United States have extensive shared interests that often complement each other's roles. The relationship is thriving because it is carefully nurtured. A further step in this nurturing is the motion we are speaking to this evening.

In 1987 a private American citizen named David Boyer felt strongly that there should be an official recognition of the friendship between Canada and the United States. Mr. Boyer diligently contacted both Canadian and American elected officials urging them to take the necessary steps toward such a declaration.

In the United States a joint resolution of the Senate and the House of Representatives was passed proclaiming that July 2 and 3 would thereafter be known as days of peace and friendship between Canada and the United States.

The Canadian government introduced a similar motion on March 25, 1987, resolving that July 2 and 3, 1987, be designated as days of peace and friendship. The 1987 motion was introduced by then Deputy Prime Minister Don Mazankowski and seconded by the now Deputy Prime Minister and member for Windsor West. The 1987 motion was also seconded by the current member from Qu'Appelle. The motion was debated on March 25, 1987, agreed to by the House of Commons, and subsequently agreed to by the Senate on April 2, 1987.

My predecessor from Erie, Mr. Girve Fretz, spoke in support of the motion as the town of Fort Erie was preparing to celebrate the 175th anniversary of the War of 1812 with a four day friendship festival.

During the War of 1812 Americans attacked and burned government buildings in York, the then capital of Upper Canada which is now known as Toronto. In 1814 Washington, D.C., was torched in retaliation. Similarly Old Fort Erie in my riding was burned by U.S. soldiers. Now Old Fort Erie is one of the venues of the celebration of our two nations in the friendship festival.

Therefore celebrating the end of the War of 1812 is significant because when both Canada and the United States lowered their weapons the peaceful result was the evolution of the longest, oldest undefended border in modern history. That border is not something that divides; it is something we build on. From rivals in 1812 Canada and the United States have become fast friends, best trading partners and staunch allies.

From those modest beginnings of a celebration in 1987 I am pleased to inform the House that last July marked the 11th year of the Fort Erie Friendship Festival, one of the major summer attractions in the Niagara Peninsula where over 100,000 visitors enjoy the cultures of our two countries.

The friendship festival organizers do a superb job of planning the event which runs from July 1, Canada Day, to July 4, Independence Day. It attracts participants from southern Ontario and western New York. It boasts the biggest Canada Day celebrations in the

peninsula and is a major attraction for the July 4 festivities in LaSalle Park, Buffalo.

• (1735)

It is interesting to note that recently this annual event was opened by the former Canadian ambassador to Iran, Mr. Ken Taylor, who, at considerable personal risk to him and his staff during the occupation of the U.S. embassy by the forces of the Ayatolla Khomeini, hid members of the U.S. staff from threatening mobs and subsequently spirited them out of the country to safety.

In order to celebrate its 10th anniversary in 1997, the friendship festival approached me about reintroducing a motion to redesignate the days of peace and friendship. Unfortunately Motion No. 327 died on the order paper when the spring election was called in April 1997. When the 36th Parliament returned I immediately resubmitted the motion, and here I stand today.

Due to the delay in being drawn for Private Members' Business the date of the motion still reads 1998. I suggest that the designation of any year should be eliminated and an amendment moved accordingly. The most obvious reason is that the 1998 celebrations have come and gone. Also, by doing so, our commitment to this partnership is clear and without time limitation. It will endure and continue in perpetuity parallel with the positive and beneficial relationship between our two nations.

The fact that people from the Fort Erie community have spearheaded the motion is not surprising. What better symbol to emphasize the peace and friendship that existed between the United States and Canada than the Peace Bridge spanning the Niagara River and linking Fort Erie with Buffalo.

After 70 years since it was first opened by the Prince of Wales, the Peace Bridge is now the second busiest land border crossing between Canada and the United States. Next spring the sod will be turned marking the start of construction of the Peace Bridge twin span, a true testament to the trade and close ties with our neighbours to the south.

Last month, on November 20, the largest duty free facility in North America was opened at the Peace Bridge in Fort Erie, another example in bricks and mortar of the enormous number of travellers who cross our borders each day.

Fort Erie is not alone in its efforts to celebrate friendship between Americans and Canadians. For example, just to name a few, the communities of Windsor and Detroit, Sault Ste. Marie, Ontario and Sault Ste. Marie, Michigan also have yearly events that strive to bring us closer and to celebrate all that we share together. I am certain they would appreciate this effort to celebrate and mark our special relationship. This continues across the entire country from the maritimes through Quebec to the prairie provinces and British Columbia.

*Private Members' Business*

In February 1995, U.S. President Bill Clinton stood in the House and stated that we needed to strengthen that relationship because it was our job to spread the benefits of democracy, freedom, prosperity and peace beyond our shores. We do this as emissaries of the free world and as examples for the entire globe.

Political meetings between our respective countries regularly take place not only between our leaders but at the elected representative level as well. It was with our vital national interests and our close relationship in mind that the 39th annual meeting of the Canada-United States Interparliamentary Group took place this year in Nantucket, resulting in one of our most productive meetings. Organized in three workshops—trade and economics, political and global, and transborder issues—each group discussed in detail from both Canadian and American perspectives over 38 separate issues.

For instance, in the trade and economics workshop topics ranged from culture to lumber and from potatoes, sugar, grain and dairy to electricity.

The transborder workshop considered issues of congestion encountered at a number of border points across our two countries, stultifying the free exchange of goods and services.

There were candid in depth discussions in the political and global workshop where our views differed and where we held common views on the international field ranging from trans-Atlantic trade to Bosnia, Cuba and China, to the economic fallout in Asia, and to the consequences of nuclear tests in the Asian subcontinent.

At the plenary all issues were reviewed by all delegates. The plenary decided unanimously to start a much more active process to exchange views of bilateral concern in a more detailed way between the annual meetings as all delegates believed a number of these issues required more regular, timely and friendly exchanges. The plenary further decided that there would be a bilateral meeting on the west coast to exchange views on the contentious issues of lumber and fish.

I understand that a meeting will be arranged between our parliamentarians and members of our respective governments to facilitate a common North American front on drug trafficking. Another bilateral meeting is to be arranged between parliamentarians and officials to consider our common interest in a trans-Atlantic trade approach and, it is hoped, a common trans-Atlantic action plan.

• (1740)

We share a common history and a common culture. We are two nations blessed with great histories and resources and we have great responsibilities. We were built, after all, by men and women who fled the old world for the new. We are nations of pioneers,

people who were armed with the confidence they needed to strike out on their own and had the talents to shape their dreams in a new and different land.

Culture and tradition distinguish us from one another in many ways, but we share core values, which is more important; a devotion to hard work; an ardent belief in democracy; and a commitment to giving each and every citizen the tools to achieve an understanding of giving back the greater global community a share of the advantages we enjoy.

These common values have nourished a partnership that has become a model for new democracies around the world. They can look at us and see just how much stronger the bonds between nations can be when their governments answer the desires of citizens for freedom, democracy and enterprise, and when they work together to build each other up instead of working overtime to tear each other down.

However the differences have been the true test of our relationship. While we have many similarities, we are different. We disagree on the issue of culture. While Canadians believe that culture is part of our national identity, the Americans view culture as an important commercial export. Canadians believe that with bilateral trade and constructive engagement democratic values can be better implemented in states like Cuba.

Our unique geography and small population impart a unique relationship, one Canadian with another. Our bilingual society reaches populations from coast to coast through public radio and television. Our education, health and justice systems differ substantially as do our political systems.

However, the experience of these two great nations has taught us unity through diversity can thrive, not a new concept for Canadians. By celebrating our friendship and ties we can all come to appreciate and understand those differences. Our diplomacy in dealing with these differences, as I have said before and will say again, is a model for other countries struggling with their relations.

Our economy is another area. Our economic ties remain one of the strongest aspects of our relationship with the United States. I would like to sketch out the extraordinary breadth and depth of the U.S.-Canada economic relationship.

Trade between Canada and the United States has more than doubled since the signing of the Canada-U.S. free trade agreement barely 10 years ago. A mind-boggling total of \$1 billion in trade crosses our border each and every day. Ninety-five per cent of our trade is trouble free; it is the other five per cent of the trade that grabs all the headlines, be it bilateral disputes over spuds and suds or, more recently, hogs and logs. The value of this trade to both countries is enormous. Exports to the United States account for one-fourth of our gross domestic product.

U.S. merchandise exports to Canada exceed every other trading relationship, including trade with the European Community. Just the two way trade that crosses the Ambassador Bridge between Michigan and Ontario equals all U.S. exports to Japan.

Much of this trade is in the auto sector. General Motors Detroit Cadillac plant, for example, receives seats on a just in time basis from a plant in Windsor, Ontario, as well as other parts from plants in Canada and Mexico. Motors produced in Tonawanda, New York, just outside Buffalo, are installed the next day in motor vehicles bodies in Oshawa, Ontario. Overall autos and auto parts account for about one-third of our bilateral trade.

Energy is an excellent example of an economic sector that was deeply affected by domestic regulations and policies which once complicated our relationship but is now an area of close co-operation and enormous mutual benefit. I do not have to tell the House how well Canada does in exporting oil and natural gas to the United States. Canada is the second largest oil supplier, not far behind Venezuela, to the United States.

The future is even brighter. Private economists say the U.S. and Canada have only scratched the surface on the potential of jobs and higher incomes that economic integration through trade and investment can bring to both Canadians and American.

Since virtually all tariffs on trade between the United States and Canada have been eliminated as of the beginning of this year, much of our current focus is on facilitating lawful trade through removing non-tariff barriers, including more efficient customs and immigration processing of cargo and people.

This has been a central theme of the U.S.-Canada shared border accord announced by the Prime Minister and President Clinton in 1995. The accord incorporates a series of practical projects that mix bilateral co-operation and pragmatism with intelligent transportation technology to speed goods and people across the border.

Let me add that Canada is deeply concerned about the potential of the exit control requirements under section 110 of the 1996 immigration reform to create massive bottlenecks on our land border crossing to the United States. Although section 110 was to come into effect on October 1, the immigration and naturalization service of the U.S. indicated that it will not change its inspection procedures at this time. Canada will continue to work with congressional counterparts to ensure that the implementation of section 110 will be delayed perhaps indefinitely and hopefully forever.

• (1745 )

I will conclude on friendship engagement. Canada and the United States have shown the best there is in partnerships between nations. As a monument commemorating the St. Lawrence Seaway Authority at St. Lambert declares, we are “two nations whose

### *Private Members' Business*

frontiers are the frontiers of friendship, whose ways are the ways for freedom, whose works are the works of peace”.

Every day we see the enormous benefits this partnership brings to us in jobs, in prosperity. There is also the creative energy that our interchanges bring. The strength and character of that co-operation is annually demonstrated by the spirit and goodwill which prevails in our border communities, like Fort Erie, Ontario and Buffalo, New York.

Canada and the United States are more than neighbours. Sharing a common past, many interests and objectives, we have become friends, allies and economic partners. Our relationship is a model for the world.

Today more than ever, let us reaffirm and renew our great tradition. We must maintain our partnership. We must make it stronger.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I wish to say only a few words about this private member's motion and to indicate my support for the motion which is to declare July 2 and 3 as Canada-United States days of peace and friendship.

As the mover has said, this matter was presented to the House about 11 years ago, in 1987 by the former deputy prime minister. I believe it was Don Mazankowski from Alberta. It was seconded by the now deputy prime minister who was then the House leader for the official opposition, and myself.

I want to indicate my support for this motion which will promote greater peace, understanding and friendship between the two greatest trading partners in North America.

We have forever shared a very large and long boundary with the United States. Obviously it is our most important trading partner. I think it is very important to foster a better understanding with the Americans.

From time to time we obviously have many trade irritants, differences and disputes. We are currently having one in my province with some American farmers in North Dakota when we try to ship grain and some farm products to the United States. There is the possibility of another protest developing there today and tomorrow from what I understand from the newscasts.

The fact that we do have disputes is just another argument why we need to set aside a day or two as a time to celebrate and recognize the understanding and friendship between our two countries.

I need not go on any longer than that. The mover has given us a very good outline as to why this is a very good idea, a good private member's motion and the reasons we should be supporting it. I certainly concur with what he has said and offer him my support and hopefully the support of most people in our party.

*Private Members' Business*

**Mr. Jake E. Hooppner (Portage—Lisgar, Ref.):** Mr. Speaker, I would also like to commend the hon. member for Erie—Lincoln for bringing forward this motion. It is a very appropriate motion for today, especially as the world gets smaller and we do more things together instead of trying to create division.

I have lived beside the American people for 35 years. My property was only a couple of miles from the border so we lived as a community more or less. We had a curling rink with Americans. We had a skating rink. The figure skating club was in Smoke Lake. The Americans provided us with a little grocery store and a little bar. If we got too unhappy we could share facilities. It was quite an interesting experience.

Manitoba has one of two international peace gardens. If members ever have a chance to visit the peace garden located just south of Boissevain, in the peace tower is a unique little chapel. The piano was put in such a place that when a person plays the morning hymn during the service, one hand is in the U.S. and the other one is in Canada. It is a service that really binds the two nations. It is a real experience to observe that and see how close we as human beings really are.

• (1750)

There is a funny incident I want to bring forward today. I went on a tour of the Pembina watershed. The largest part of it is in the U.S. On the bus coming back were American and Canadian politicians. We came to the little town of Mowbray, Manitoba which is on the U.S. border. We talked about entrepreneurs and how they looked at different types of businesses in those days. One of the elder gentlemen said "You know Jake, if you were out here thrashing in Mowbray with your team of horses, you could drive down this road, reach into the United States and pick up a glass of beer after a long day. It was the first drive through bar that was ever built". It was there for a number of years and never ran into political interference. It operated very well. We have lost some of these things because of quicker communications and transportation.

I want to talk a few minutes about the people across the border from where I live. As human beings we all have more or less similar needs. We want to do what is best for our families.

In the Snowflake and Wales areas, most people had relatives on either side. The intermarriage between Canadians and Americans was unreal during the early part of the century. There were no borders and love crossed whether they wanted to regulate it or not. Their girls seemed to be just a little prettier than ours and vice versa. There was always that type of rivalry building.

**An hon. member:** Watch it now.

**Mr. Jake E. Hooppner:** Well, I am part American too. I do go down south once in a while to get that tan to make me look like a farmer. We do not get too much of a tan in this House. We also

change the dialect somewhat. We get that southern drawl. Those are the positive things.

My roots being in the Soviet Union, in the 1980s I could see how big the disaster was over there and what their needs were. I was astounded at the people who had tried to put up a huge defence against the Russians. The American farmers were the first to collect a whole bunch of durum wheat and ship it across to the Soviet Union by plane. It got there and was used to make bread.

The American people have a heart just like we Canadians. That is what we have to emphasize in this motion. It is not just an issue about wanting a couple of days set aside to recognize that our border is unprotected. I am sure that the hon. member will agree with me that with these two days we want to recognize that we are human beings on the same planet. The less distractions, the less friction, the less feuding that goes on between our two nations, the better off society will be and the better off the whole world will be.

I commend the member for bringing this motion forward again. When we see each other's weaknesses and help to overcome them, only then will we gain the strength as two peaceful nations. We have never had a war of any substance that we could call detrimental to us.

**An hon. member:** Not since 1812.

**Mr. Jake E. Hooppner:** That is one that we kind of ignore as a sparring match. Probably if we had done it in a different fashion we would not have a border, but we do not know. That is for history to debate.

• (1755)

I encourage Reform members to support this motion. This motion is worthwhile. It can only bring us peace and harmony. It is a motion that will benefit either side of the border.

We can show to the world that even with the friction we have in our trade issues, whether we like the wheat board or we do not like the wheat board, whether we like supply management or we do not like supply management, those things can be ironed out and we can work for the benefit of all. We can work to the benefit of all. It does not say that I have to have my way and they have to have their way and we will separate and go in different directions. We have to go in one direction.

I encourage the government to build a relationship with the American government, to go to the next GATT negotiations or the World Trade Organization and work as a team. Together we are a lot further ahead. We have a lot more strength. We have a lot more to gain than we will lose.

I conclude with an invitation for members to come to Manitoba to see the international peace garden. It would be worth their while, just for the feeling they would get when sitting in that peace tower. The feeling of co-operation, friendship and kinship that we have as

*Private Members' Business*

North Americans will explode around hon. members and they will go away with a very positive feeling.

Thank you for the opportunity to speak to this motion. I wish members of the House well and I hope everybody can support it.

**Mr. Mark Muise (West Nova, PC):** Mr. Speaker, it gives me great pleasure to rise before the House to debate the hon. member for Erie—Lincoln's private member's motion calling upon government to designate July 2 and 3 as Canada-United States days of peace and friendship.

I would also like to congratulate the member for focusing the attention of the House on the very cordial relationship we have enjoyed for well over a century with our number one trading partners to the south.

It is very important that we not take the good relationship we have with our American neighbours for granted. We hear too often of cases where Canadians try to bad mouth our American neighbours. The Americans have been very important to us as trading partners, but also as allies, friends, and for many of us, relatives who reside in the states. We should not take it for granted. We should work hard to keep those relationships on a very favourable ground.

Even before Canada and the U.S. became independent countries, commercial trading was very much a way of life between both colonies.

I represent the constituency of West Nova which incidentally encompasses Annapolis Royal, home of the first permanent European settlement in North America.

[*Translation*]

There has been a history of trade between the United States and Canada since the beginning of the 17th century, with the arrival of Samuel de Champlain and his fellow explorers in North America in 1604. Our new immigrants quickly took advantage of the fertile farming land and an ocean full of fish to begin trading with the new immigrants to the south.

[*English*]

Even when France and England were at war with each other during the 17th and 18th centuries, trade between the French colony of Acadia and the English colonies in the New England states continued to trade among themselves despite directives from both colonial powers to end this practice.

[*Translation*]

Throughout the 20th century, many Canadians have moved to the United States in search of work. Like many of my fellow citizens, I have relatives in the United States, particularly in the New England area.

[*English*]

Cross-border relations between the two countries have improved significantly in recent years. Despite rigorous objections from the then official opposition, the Liberal Party, the former Progressive Conservative government concentrated on strengthening Canada's ability to reach new markets by entering into a free trade agreement with the United States.

• (1800)

Despite the fact that some trading disputes have evolved in recent years, mechanisms for dispute resolutions are in place and have adequately dealt with these issues.

I am very pleased to see the Liberal government endorsing our free trade initiatives, particularly after it had promised to rid itself of the free trade agreement once it took power.

I am not surprised by the about-face the government has taken. This government has broken its promise on a number of very important issues, not including its promise to cancel the free trade agreement.

As I am certain everyone remembers, this government broke its promise to cancel the GST. Instead it introduced the dreaded HST that is causing much hardship for residents in the maritime region.

This government has also broken its promise to abide by any Canadian human rights tribunal decision on pay equity, choosing instead to deny mostly low income female workers money they worked hard for and rightfully deserve.

One of the first commercial trading products between Canada and the U.S. was agricultural products. Yet this government appears to have forgotten the important role agriculture plays in our everyday lives.

The Liberal government continues to say it is committed to helping strengthen Canada's farming community yet it has effectively reduced its funding of our farm safety net programs by some 30% since 1995.

Like most of the country, West Nova hog producers are experiencing anywhere from 60% to 70% decreases in their prices. Rather than help sustain our farming industry the government has turned its back on our farmers. The government still has not recognized the serious effects the past two years of drought has caused our Nova Scotia farmers.

Perhaps our agricultural sector is not as large as others but it deserves consideration by the government. I intend to let the government know our farming community has been financially viable in the past and it will be again.

The Liberal government had also promised to implement effective conservation measures for our fishing industry immediately upon taking office because it said if stocks were not conserved now, there would be no fishing industry left on which we could build

*Private Members' Business*

sustainable development. Conservation was ignored in the lobster fishery as illegal lobster fishing was allowed to operate off West Nova shores almost completely unabated by the Department of Fisheries and Oceans.

With the 1998-99 fishing season less than a week old, fishers have told me that some of their catches for opening day were reduced considerably. Let us pray this trend does not continue throughout the fishing season.

Let me apologize if I appear to have transgressed from the topic at hand. However, I think all members recognize the importance this fishery and our farming industry have had on the lives of my constituents of West Nova.

I think the hon. member for Erie—Lincoln definitely has good intentions with the introduction of this bill. Please correct me if I am mistaken, but I believe Windsor, Ontario presently participates in a very enjoyable joint celebration with its U.S. neighbours precisely in recognition of this close working relationship we have with our American neighbours.

Because I recognize the benefits of maintaining and enhancing this close relationship with our American cousins, I believe we should explore the possibility of perhaps doing some kind of joint celebration with our U.S. counterparts. Perhaps we could generate greater recognition of the important ties that bind our two countries together by having both countries agree to recognize a specific day or to participate in a special event.

I believe the hon. member has stumbled upon a good idea to help foster even greater co-operation between two countries. However, I would prefer we do something in conjunction with our American neighbours.

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, on behalf of the Minister of Foreign Affairs I thank the hon. member for Erie—Lincoln for bringing this motion to the House and for reminding us of the deep historical ties that bind Canadians and Americans together.

More than anything else, the unique and enduring relationship between our two peoples rests fundamentally on the broad set of values we share in common, a belief in democratic open societies, respect for the rule of law, tolerance and an abiding faith in the rights and responsibilities of each individual citizen.

Together these values shape our societies and the way we look at the rest of the world. They are the underlying reason our shared border is one of the most open in the world with more than 200 million crossings each year.

• (1805)

Thirty-seven years ago in this Chamber, then President of the United States John F. Kennedy described the relationship between

Canada and United States this way: "Geography has made us neighbours. History has made us friends. Economics has made us partners. And necessity has made us allies".

President Kennedy's words ring as true today as they did many years ago. Among all the countries in the world Canada and the United States are each other's most important partners. The partnership covers the full range of bilateral and global issues, from trade and investment, defence and international security to the furthering of the human rights agenda. But the real measure of our relationship can be found in the everyday linkages between our peoples. For example, millions of Canadians have family members and friends who are Americans.

Canadians continue to occupy key roles in American society, be it in business, popular entertainment, sports, academia or science and technology. Americans visit Canada more than any other foreign country yet it is a mark of the closeness of a relationship that most do not consider Canada a foreign country at all.

Our native peoples share cross-border cultural and historical bonds that are thousands of years old. This continuing flow of people and ideas back and forth between our two countries has been an enduring strength in our relationship and one that has served to cement the bonds between our societies.

Our bilateral trade relationship within the framework of the FTA and NAFTA has grown to create an unrivalled sphere of prosperity for our citizens. Every day approximately \$1.4 billion in goods and services crosses the border creating jobs and raising living standards.

Canadian exports to the U.S. support over two million jobs for our citizens. This makes expanding our access to the United States markets a key international trade objective. The joint management of our shared border is another example of how our close and productive partnership benefits both our citizens. However, we believe we can do even more to expedite clearance procedures, avoid the imposition of unnecessary bureaucratic red tape and ensure the creation of a seamless border for the 21st century.

Cross-border co-operation also extends to law enforcement where Canadian and American police forces work together to fight crimes such as telemarketing fraud and illegal child abductions.

The close ties between our two countries are nowhere more evident than in border communities such as those represented by the hon. member. Every day people flow across the border in these communities forging friendships, new opportunities and working together to create a better life on both sides.

The recent example of how communities on both sides of the border helped each other during the devastating ice storm last winter is a good example of the kind of friendship that Canadians and Americans share. Who can forget the images of exhausted

*Private Members' Business*

American hydro crews working alongside their Canadian counterparts in the struggle to restore power to cities, towns and villages in Quebec and eastern Ontario, or the thousands of tonnes of supplies and equipment that streamed from south of the border. When the crisis struck our American friends were there to help us out.

Another reason for continuing strength and resilience of our relationship is the respect we have for each other as unique societies, each with its own distinct identity, forms of governance, traditions and political and social cultures. It is fair to say respect is an indispensable condition of any friendship, be it between individuals or between countries.

Internationally Canada works closely with our American friends on a wide variety of global issues, from security to trade, through a variety of partnerships. In the security field our military co-operation has a long and noble history.

• (1810)

Canadians and Americans fought together on the battlefields during three wars in this century. We helped create NATO which even now is working to ensure peace in Bosnia and Kosovo. We co-operate in NORAD to share the burden of the defence of North America. The changes to the international system since the end of the cold war present us with new global challenges and threats that NATO and NORAD are evolving to meet. The United States and Canada are working together to ensure these two organizations adapt to the changing world so they can continue to play a role in contributing to international peace and security.

The hon. member's motion provides us with an important reminder of the incredible number of ways Canadians and Americans co-operate together in almost every facet of life every day. The ties that bind us are strong and run deep. They will continue to be based on the organic linkages between our civil societies. As we consider the motion we must reflect on the fact that our relationship with the United States is all encompassing and a daily reality for many Canadians. It does not do that relationship justice for the government to single out two days to commemorate it.

Informal ease of interaction and the essential simplicity of friendships among individuals, communities and regions across the border is a phenomenon whose continued vitality exists apart from the world of government, politics or economics. In an environment where such a healthy and vibrant co-operation can and does develop of its own accord, need we take the step of a formal declaration?

Every day we celebrate the Canada-U.S. relationship through the actions of our people. Every day a citizen of ours travels across the undefended and peaceful border which is a symbol of close ties. Every day our students seek to expand their horizons and allow for unlimited options by examining the fine institutions on both sides of the border. Every day our businesses strive to expand as they

enjoy unprecedented access to the wealthiest market in the world. These are just a few indications of the uniqueness of our close bilateral ties. Do these need a formal declaration to bring them to the attention of our citizens?

We should also consider the possible financial implications of individuals, organizations and border communities seeking funds from government to celebrate these commemorative days. These are just some of the questions that merit additional consideration.

Before I proceed further with this motion it would be helpful to have some idea of possible reciprocal initiatives by our American friends. The hon. member may want to raise this issue within the context of the Canada-U.S. interparliamentary association. I thank the hon. member for providing us with this opportunity to remind ourselves of how lucky we are to have this special relationship with the United States.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, I am glad to participate in this debate to recognize our friends to the south who share in many ways a common heritage of being countries populated by immigrants from around the world. Many of the people who live in both countries, I included, grew up in a foreign land and decided the future would be brighter in North America. They crossed the ocean from wherever they came from to participate in one of these two wonderful countries.

I have enjoyed my sojourn during the 30-odd years I have lived in North America. This country has been very good to me. I have friends and relatives south of the border who enjoy living in the United States. It is wonderful that through our common heritage we are able to share so much and that we have been friends for such a long time. We take great pride in having the longest undefended border in the world.

• (1815)

As a member of parliament representing the people of Alberta, we are especially proud of our relationship with the United States because so much of our oil and gas industry involves communication with people in the United States. We have a large agricultural industry which again depends heavily on markets in the United States. We have tourism that draws heavily from the United States. Of course, we have the Banff and Jasper national parks which draw millions of people every year. Many of these people come from the United States. They come here to enjoy what we have to offer and many Canadians go to the United States to enjoy what they have to offer.

The motion of the member for Erie—Lincoln is quite appropriate, that we join Canada Day on July 1 with Independence Day on July 4, with the two days in between recognizing the peace and friendship that exists between our two countries. There are international parks, such as the one at the border crossing just south of Vancouver going into Washington State, the International Peace

*Private Members' Business*

Park, as well as other symbols of the friendship between the two countries.

I have to commend the member for Erie—Lincoln for introducing this motion and I hope it passes.

**Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, it is my pleasure to say a few words on this motion.

I want to first commend the member for Erie—Lincoln for bringing this motion forward. We take many things for granted when we continually cross the border between our two great countries. His motion would have the government designate July 2 and 3, the two days between Canada Day and Independence Day, as Canada-United States days of peace and friendship in recognition of the close and peaceful relations that exist between the two countries and the warm personal links that prevail between neighbouring communities along the length of the common border and the commitments of freedom, democracy and human rights shared by these two great nations.

I am reminded of the work that the member for Erie—Lincoln does. He is responsible for a riding that stretches from the border of Fort Erie, through Port Colborne, Lincoln, West Lincoln and many other small communities. However, he serves not only the border. He also serves two lakes and those two lakes also serve both countries. His riding holds the biggest border crossing of all the Niagara area crossings.

The announcement of the twinning of the bridges in his area is a good indication of the capacity that crosses that border every day. On the U.S. side, highway 219 is being considered for expansion because of the number of trucks and the amount of traffic, as well as the routes that it will have to the eastern seaboard of the United States.

Recently the member for Erie—Lincoln, the member from Niagara Falls and myself met with the Niagara regional council to talk about the mid-peninsula border. That is to make sure that traffic can flow from Toronto and Hamilton to the Peace Bridge area of our great neighbour to the south.

I have worked on both sides of the border. For 30 years I worked for a major automotive company, sometimes known as General Motors. I had the opportunity to work in many plant cities in the U.S. in conjunction with the plant cities in Canada. It was the co-operation of those plant cities on an ongoing basis that made the automotive business very competitive.

I am reminded that the auto pact which was struck many years ago by a member of this government was an indication of the co-operation and work that goes on between our two countries.

• (1820)

It is with this in mind that I wanted the opportunity to speak of the good work that the member for Erie—Lincoln does and the fact

that he works with the Canada-U.S. parliamentary group on an ongoing basis to solve problems before they even get into the legislature or house of either country. That is the way we have been able to work for many years. We sit down, talk about the problem, talk about the alternatives and then get on with making a resolution.

I want members to understand that I give strong support to the motion brought forward by the member for Erie—Lincoln. By dedicating these two days, it would give all of us, on both sides of the border, a chance to sit back, relax and really appreciate the fact that we have two great countries, a very lengthy border, and the fact that we have freedom, democracy, human rights and many other things that are taken for granted.

I want to thank the member for Erie—Lincoln for bringing this motion forward to the House today.

**Mr. John Maloney:** Mr. Speaker, I wish to thank my colleagues in the House from all parties who have spoken in favour of this motion. It is very much appreciated.

At the opening of the debate I requested unanimous consent to put an amendment to the motion to delete the year 1998. This motion was actually introduced back in 1997, in the last parliament, and the year does not make an awful lot of sense at this time. Accordingly, I would request unanimous consent to delete the year 1998.

**The Deputy Speaker:** Does the hon. member have unanimous consent to delete the year 1998 from the motion?

**Some hon. members:** Agreed.

(Amendment agreed to)

**Mr. John Maloney:** Mr. Speaker, Canada and the United States are broad lands: broad in mind, broad in spirit and broad in physical expanse.

My friend, the Parliamentary Secretary for the Minister of Fisheries and Oceans, quoted a U.S. president and I would like to follow that initiative by quoting another president. Over 50 years ago a U.S. president stated:

Canada and the United States have reached the point where we no longer think of each other as "foreign" countries. We think of each other as friends, as peaceful and co-operative neighbours on a spacious and fruitful continent. . .

The example of accord provided by our two countries did not come about merely through the happy circumstances of geography. It is compounded of one part proximity and nine parts good will and common sense.

The record proves that in peaceful commerce the combined efforts of our countries can produce outstanding results. Our trade with each other is far greater than of any other two nations on earth.



*Adjournment Debate*

We seek a peaceful world, a prosperous world, a free world, a world of good neighbours, living on terms of equality and mutual respect, as Canada and the United States have lived for generations.

This was said over 50 years ago by the late President Truman as he addressed parliament in this very House. What was true then is true today.

My friend, the Parliament Secretary for the Minister of Fisheries and Oceans, also quoted the late John Kennedy, another U.S. president. I would like to reiterate that quote as well because it is very succinct:

Geography has made us neighbours. History has made us friends. Economics has made us partners. And necessity has made us allies.

However, he went on to say the following:

Those whom nature hath so joined together, let no man put asunder.

He then went on to say:

We do not seek the unanimity that comes to those who water down all issues to the lowest common denominator, or to those who conceal their differences behind fixed smiles, or to those who measure unity by standards of popularity and affection instead of trust and respect.

We are allies. This is a partnership, not an empire. We are bound to have differences and disappointments, and we are equally bound to bring them out into the open, to settle them when they can be settled, and to respect each other's views when they cannot be settled.

But our alliance is born not of fear but of hope. It is an alliance which advances what we are for, as well as opposing what we are against.

What was true then, when said by John Kennedy in this very House on May 17, 1961, is true now. This is really an apple pie motion. Canadian apples and American apples make for a very great dessert. It is non-partisan. It is equally applicable to Quebec as it is to New York state, as equally applicable to British Columbia as it is to Washington state.

• (1825)

It is a good motion. My friend, the Parliamentary Secretary to the Minister of Fisheries and Oceans has suggested that maybe we should see what is going on on the other side in the United States and have something come from them. I certainly agree but I think we should show the leadership in this. As a consequence I am going to ask for the unanimous consent of the House to have the motion declared votable. We must take the leadership on this. Let us do it. It is the right thing to do.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** There being no further members able to rise for debate and the motion not being designated as a votable

item, the time provided for the consideration of Private Member's Business has now expired and the order is dropped from the order paper.

**ADJOURNMENT PROCEEDINGS**

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

## THE ENVIRONMENT

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, you may recall that on November 5 the Minister of the Environment told the House that the protocol, the agreement for the reduction and elimination of mercury and other heavy metals, as signed in Aarhus, Denmark earlier this year will be ratified by Canada by the end of the year. The minister on that occasion also announced that in Canada, mercury emissions have been reduced by 64% in the last decade or so. The agreement in Aarhus, Denmark requires however only a 50% reduction based on 1990 levels.

Unlike iron and calcium, mercury serves no function in humans. It is a heavy metal and a persistent, highly toxic substance to be found in the food chain. It must be noted that while mercury occurs in nature as an element that can be found in water, air and land, human activities increase the presence of mercury in the environment to the point that human and ecosystem health are at risk.

As a result, in six provinces and the territories, health advisories have been issued warning of the dangers of consuming mercury contaminated fish. In addition, it has been found that some wildlife species with high mercury levels in their blood have reproductive problems.

A recent study by Environment Canada found that loons have problems with nesting and raising their young because of high mercury levels in their blood. The study also found that mercury levels in loons increase from west to east, presumably because of industrial activities concentrated in eastern North America. Evidently, industrial activities throughout North America increase mercury levels in the environment and in wildlife.

In the Arctic, recent samples of ringed seal and beluga whale show higher concentrations and higher rates of accumulation of mercury than the samples taken in the 1970s and 1980s.

One major source of mercury is from the burning of coal for power generation. Ontario Hydro, following the decommissioning of nuclear reactors intends to meet short term power needs by using

*Adjournment Debate*

coal-fired power plants. By burning more coal, more mercury is released in the air.

In Ontario between 2.7 tonnes and 3.4 tonnes of mercury are released to the atmosphere each year because of human activities. Up to 2.5 tonnes are released into the Great Lakes waters annually.

It is important to note that the national pollutant release inventory is of limited help in revealing how much mercury each company or operation releases because it reports only when the process, manufacture or other use involves 10 tonnes of mercury or more.

• (1830)

Evidently while we must applaud the protocol, a reduction of 50% or even 64% is far from adequate. As in the case of Denmark where mercury is banned or about to be banned, we must protect the public with a complete ban of mercury emissions resulting from human activity.

I therefore ask the minister whether it is the intent of the government either to ban mercury emissions or to introduce regulations that will prevent mercury pollution entirely.

**Ms. Paddy Torsney (Parliamentary Secretary to Minister of the Environment, Lib.):** Mr. Speaker, this is an important issue for the health of Canadians. The protocol we signed last June will be ratified by Canada before the end of this year.

While 16 countries need to ratify the heavy metals protocol before the obligations come into effect, this government is not standing idly by waiting for the support of other nations.

While Canada can or has met most of its obligations, one of the most significant gains from the United Nations heavy metals protocol is that we have commitments from UN ECE countries to reduce their emissions of mercury and other atmospheric pollutants which we know are transported by air currents from various countries to Canada's Arctic and eastern regions.

Canada has already developed extremely effective programs and initiatives that have greatly reduced the atmospheric loading of mercury in Canada.

The controls on mercury emissions imposed under CEPA and the Fisheries Act have convinced the mercury cell chlor-alkali industry in Canada to alter its technology to a non-mercury based process.

While there were 16 such facilities in Canada, only 1 remains and it consistently meets the strict emission control requirements of both acts.

In concert with Environment Canada's accelerated reduction on elimination of toxics program, the mining sector has shown considerable progress in reducing mercury emissions. New

technologies developed by Canadian companies have reduced 18 tonnes of mercury emissions to the atmosphere.

Environment Canada officials have calculated that our most recent data show our emissions have been reduced by 64% and similar reductions are reportable for lead and cadmium.

Canada will not rest there. Our goal is to report further substantial national reductions by the year 2000.

As a fully participating member of the North American agreement on environmental co-operation, Canada is leading the development of a North American regional action plan for mercury, scheduled for submission to ministers by June 1999. Canadian, American and Mexican citizens will have an opportunity to provide input to this important initiative before the plan is adopted by the three countries.

Other mercury reduction programs important to Canada include the New England governors-eastern Canadian premiers mercury reduction plan and the ongoing work to further develop a mercury reduction program under the Great Lakes binational toxics—

**The Deputy Speaker:** I am sorry, the hon. member's time has expired.

## NATIONAL DEFENCE

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, are the Sea King and Labrador helicopters safe? Was the tragic crash on October 2 avoidable? Are any enlisted personnel or civilians currently at risk because of the state of the Sea King and Labrador helicopters?

These are some of the questions the Liberal government owes it to Canadians to answer completely and publicly.

On October 2, 1998 a Labrador helicopter crashed near Marsouli in Gaspé, Quebec killing all six of its crew. Apparently this helicopter burst into flames and broke into three pieces.

In 1992 another helicopter crashed near Bella Coola, B.C., killing Corporal Phil Young from my home province of Nova Scotia.

On April 28, 1994 Major Wally Sweetman and co-pilot Major Bob Henderson were killed when the fuel line of a Sea King helicopter failed. In May 1995 another Labrador crashed at Margaretsville, Nova Scotia. In all, 12 Sea King helicopters have crashed, killing seven Canadians.

Both the Sea King and the Labrador helicopters were first put into service over a third of a century ago, in 1963. At the beginning of the year these helicopters went into service, John Diefenbaker was prime minister, 19 current members of parliament had yet to be born, Medgar Evers was still alive and Martin Luther King had yet to give his famous speech.

*Adjournment Debate*

The newly ordered Cormorant search and rescue helicopters will not be delivered and put into service until the next millennium.

In the meantime, the Liberal government, largely due to its own decisions, may now be in the position of deciding between the health and safety of military personnel and the search and rescue need of civilians at risk.

The Liberal government assured Canadians there would be no cost to cancelling Mulroney's helicopter deal. That no cost turned into \$484 million of Canadian taxpayer money.

In 1994 the government issued a defence white paper with its strategy for the military. Instead of moving ahead and issuing tenders immediately for a new helicopter, it waited three years until 1997. To top it off, the government then ordered basically the same helicopter it had just wasted nearly half a billion dollars of taxpayer money to cancel. Here are a few questions the government owes it to Canadians to answer. Why did the government cancel the original contract when there was a demonstrated need for new helicopters? Why, after assuming office, did it wait a further four years to order the new helicopters? Why, having derided the Mulroney government's original choice, did it opt for the same craft?

• (1835)

The government has said that crews would not be disciplined for refusing to fly the Labradors. By making this offer it seems to me as if the government may be trying to protect itself in the case of a future crash. Clearly there must be concern about the safety of the craft to make that pronouncement.

Former Labrador pilot Lieutenant Colonel Dennis Hopping stated:

It is very difficult as a member of an air crew team to say "No, I won't launch an operational mission to save someone's life". What a terrible position to put a professional pilot in.

Major Marvin Haagsma, retired, stated:

I have personally experienced engine failure rates that are 500 times higher than those accepted as 'normal' by the current generation of helicopters. It is time for people to hear the truth: The Sea King and Labrador fleets are extremely dangerous and ought to be grounded.

I would like to finish with two final questions for the government to answer. Why is the government secure enough about the safety of these helicopters to put them in active service with so many indications to the contrary? What other options have been pursued such as short term leases?

[*Translation*]

**Mr. Robert Bertrand (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, our highest priority is the safety of our crews and our aircraft.

The Chief of Air defence Staff has assured the Minister of National Defence that the Labradors can fly in complete safety. The fact that problems have been detected and immediate remedial action taken speaks to the stringency of our maintenance and inspection program. The Canadian forces have high airworthiness standards, not only for the Labradors, but for all the rest of its equipment.

Since the Labrador crash in early October, it is not hard to understand why Labrador flight and maintenance crews are taking additional precautions to ensure that these aircraft are safe. They are merely showing a great deal of caution.

As the hon. member is aware, an investigation is currently under way to determine the circumstances of this crash, and it would be ill-advised to speculate at this time about the cause. It is important to allow the investigation to proceed in order to find out what caused the crash and what steps should be taken to prevent a recurrence.

It must be kept in mind that the armed forces have other aircraft besides the Labrador helicopters, among them the Hercules and the Buffalo, whose primary purpose is search and rescue.

In January 1998, the government announced that it would buy 15 Cormorant helicopters to replace the Labradors. The first of them will be in service by 2001.

The supply strategy for replacing the old Sea Kings is under study. Leasing is one of the options we are considering as a supply strategy. As the Minister of National Defence said, he hopes to make an announcement within the year.

We still intend to provide Canadian forces with the equipment they need to carry out their missions at home and abroad.

[*English*]

## POVERTY

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, poverty is an issue that concerns all Canadians. A phenomenon that is called the growing gap, the inequality between the country's rich and poor, continues to be pronounced. Although programs already exist to combat the growing gap, the effects continue to be felt by many.

As more Canadians fall below the poverty line we must ask ourselves what we might be able to do to counter this process. The government needs to look at this issue and make changes to rectify the situation.

*Adjournment Debate*

As members know, a social report released this fall indicated that a growing gap does exist between the rich and the poor. It seems that the wealthy are getting wealthier and the poor are getting poorer. Many factors contribute to this phenomenon and they must be examined and countered.

For example, top executives in Canada consistently receive enormous raises while the average worker faces a wage freeze or a layoff or other effects of all too common cutbacks.

The already rich owners, managers, chairs and CEOs of the country continue to get richer. The average worker meanwhile is not getting large increases and in some cases is actually getting poorer.

While in the 1950s and 1960s the average family income more than doubled, this is certainly not the case today.

• (1840)

The average CEO in Canada now makes \$862,000 a year, which jumps to \$1.5 million if we include stock options. This amount has increased at a rate of approximately 13% over the last few years. They continue to make more money and to gain power and prestige. Meanwhile in the same amount of years the wage of the average Canadian worker has risen no more than 2%, which is less than the rate of inflation. Furthermore, many Canadians are laid off and must settle for lower paying jobs or depend on government support.

In 1971 the average income for the richest 10% of families, being \$107,000, was 21 times that of the poorest 10%. The gap was already present but to a smaller extent. By 1996 Canada's richest families were earning on average 314 times the amount of Canada's poorest. These figures are self-explanatory. The gap has widened.

This growing gap between the nation's poorest and richest plays a big role in the lives of most Canadians whether it be for the better or for the worst. Poverty is a problem in Canada. It is our duty as parliamentarians to implement legislation to try to correct this problem.

In a country like Canada poverty is simply unacceptable. Canada is a rich country both in natural and human resources. We are proud to be one of the world's richest and most developed countries and therefore cannot let the issue of poverty change this status. We have always prided ourselves in being a strong country economically, which is one reason why we will not accept that this gap continues to grow. Something needs to be done. It is important that as parliamentarians we try to rectify the problem.

I ask the Parliamentary Secretary to the Minister of Human Resources Development to outline exactly what we as a government should do to correct this situation.

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, our government has introduced a number of measures specifically to help lift people out of poverty.

Last July we began to put \$850 million per year into the national child benefit. An additional \$850 million will be added. By the year 2000 the total will be \$1.7 billion per year going into the hands of low income families with children. This money is on top of the \$5.1 billion we currently provide families with children that need financial assistance.

The long term solution to poverty lies in helping Canadians find jobs. Our Canadian opportunities strategy gives Canadians greater access to the knowledge and skills they need for the better jobs of the new economy. This strategy includes the \$2.5 billion investment in millennium scholarships which will give 100,000 low and middle income students per year access to scholarships averaging \$3,000. Up to 25,000 other students in financial need with children will benefit from the new Canada study grants.

Our youth employment strategy is there to help young people. We know that about 86% of participants are either employed or have returned to school six to twelve months after completing their program.

The employment insurance system is a vital part of our safety net. It gives workers the temporary support they need and the tools they need to get back to work.

Over 31,000 jobs have been created through the transitional jobs fund; \$2.7 billion has been put into active employment measures to help people get back to work; and the family supplement also helped 350,000 low income families with children. A new federal-provincial program will provide \$190 million to help disabled persons to gain better access to the workforce.

These efforts demonstrate clearly that we are committed to do as much as we possibly can to reduce poverty and create equality of opportunity for Canadians.

[Translation]

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow, at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.42 p.m.)





# CONTENTS

Wednesday, December 2, 1998

## STATEMENTS BY MEMBERS

<b>Leanne Baird</b>	
Mr. Valeri .....	10775
<b>2010 Winter Olympics</b>	
Mr. Forseth .....	10775
<b>Miss Jamie Hunter</b>	
Mr. Szabo .....	10775
<b>International Day for the Abolition of Slavery</b>	
Ms. Augustine .....	10776
<b>Canadian Farmers</b>	
Mr. Paradis .....	10776
<b>Employment Insurance Premiums</b>	
Mrs. Ablonczy .....	10776
<b>Canadian Farmers</b>	
Mr. Harvard .....	10776
<b>Women's Crisis Services of Cambridge</b>	
Mr. Perić .....	10776
<b>The Senate of Canada</b>	
Mr. Anders .....	10777
<b>Hockey Night in Ottawa</b>	
Mr. Clouthier .....	10777
<b>Employment Insurance</b>	
Mrs. Gagnon .....	10777
<b>Transport Canada</b>	
Ms. Vautour .....	10777
<b>Toronto Mayor</b>	
Mr. Bergeron .....	10778
<b>Hockey Night in Ottawa</b>	
Mrs. Karetak-Lindell .....	10778
<b>Veterans Affairs</b>	
Mrs. Wayne .....	10778
<b>Tourist Industry</b>	
Mr. Charbonneau .....	10778

## ORAL QUESTION PERIOD

<b>Employment Insurance</b>	
Mr. Manning .....	10779
Mr. Chrétien (Saint-Maurice) .....	10779
Mr. Manning .....	10779
Mr. Chrétien (Saint-Maurice) .....	10779
Mr. Manning .....	10779
Mr. Chrétien (Saint-Maurice) .....	10779
Miss Grey .....	10779
Mr. Martin (LaSalle—Émard) .....	10779
Miss Grey .....	10779
Mr. Martin (LaSalle—Émard) .....	10779
<b>Social Union</b>	
Mr. Duceppe .....	10780
Mr. Chrétien (Saint-Maurice) .....	10780

Mr. Duceppe .....	10780
Mr. Chrétien (Saint-Maurice) .....	10780
Mr. Brien .....	10780
Mr. Chrétien (Saint-Maurice) .....	10780
Mr. Brien .....	10780
Mr. Dion .....	10780
<b>Social Programs</b>	
Ms. McDonough .....	10780
Mr. Chrétien (Saint-Maurice) .....	10780
Ms. McDonough .....	10780
Mr. Chrétien (Saint-Maurice) .....	10780
<b>Highways</b>	
Mr. Casey .....	10781
Mr. Collenette .....	10781
Mr. Casey .....	10781
Mr. Collenette .....	10781
Mr. Collenette .....	10781
<b>Taxation</b>	
Mr. Solberg .....	10781
Mr. Martin (LaSalle—Émard) .....	10781
Mr. Solberg .....	10781
Mr. Martin (LaSalle—Émard) .....	10781
<b>Employment Insurance</b>	
Mr. Crête .....	10782
Mr. Pettigrew .....	10782
Mr. Crête .....	10782
Mr. Pettigrew .....	10782
<b>Social Union</b>	
Ms. Meredith .....	10782
Mr. Dion .....	10782
Ms. Meredith .....	10782
Mr. Dion .....	10782
<b>2010 Olympic Games</b>	
Mrs. Tremblay .....	10783
Ms. Copps .....	10783
Ms. Copps .....	10783
Mrs. Tremblay .....	10783
Mrs. Tremblay .....	10783
Ms. Copps .....	10783
<b>Agriculture</b>	
Mr. Hilstrom .....	10783
Mr. Chrétien (Saint-Maurice) .....	10783
Mr. Hilstrom .....	10783
Mr. Hilstrom .....	10783
Mr. Vanclief .....	10783
<b>2010 Olympic Games</b>	
Mr. Gauthier .....	10783
Ms. Copps .....	10784
<b>Agriculture</b>	
Mr. Jackson .....	10784
Mr. Vanclief .....	10784
<b>National Defence</b>	
Mr. Hanger .....	10784
Mr. Eggleton .....	10784

Mr. Hanger .....	10784
Mr. Eggleton .....	10784
<b>Employment Insurance</b>	
Ms. Vautour .....	10784
Mr. Pettigrew .....	10784
Mr. Martin (Winnipeg Centre) .....	10785
Mr. Pettigrew .....	10785
<b>Transport</b>	
Mr. Casey .....	10785
Mr. Collenette .....	10785
Mr. Casey .....	10785
Mr. Collenette .....	10785
<b>Land Mines</b>	
Mrs. Finestone .....	10785
Mr. Axworthy (Winnipeg South Centre) .....	10785
<b>Canada Post</b>	
Mr. Schmidt .....	10786
Mr. Gagliano .....	10786
<b>2010 Olympic Games</b>	
Mr. Gauthier .....	10786
Ms. Copps .....	10786
<b>Agriculture</b>	
Mr. Proctor .....	10786
Mr. Vanclief .....	10786
Mr. Borotsik .....	10786
Mr. Vanclief .....	10786
<b>Violence Against Women</b>	
Mr. McKay .....	10787
Ms. McLellan .....	10787
<b>Transport</b>	
Ms. Vautour .....	10787
Mr. Collenette .....	10787
<b>Agriculture</b>	
Mr. Borotsik .....	10787
Mr. Vanclief .....	10787
<b>Fisheries</b>	
Mr. Cummins .....	10787
Mr. Anderson .....	10787
<b>Points of Order</b>	
<b>Comments during Question Period</b>	
Mr. Solberg .....	10787
The Speaker .....	10788
<b>Bill S-13—Speaker’s ruling</b>	
The Speaker .....	10788
(Order discharged and bill withdrawn) .....	10791

## ROUTINE PROCEEDINGS

<b>Ways and Means</b>	
<b>Notice of Motion</b>	
Mr. Peterson .....	10791
<b>Government Response to Petitions</b>	
Mr. Adams .....	10791
<b>Committees of the House</b>	
<b>Transport</b>	
Mr. Bonin .....	10791

<b>Canadian Heritage</b>	
Ms. Bulte .....	10791
<b>War Veterans Allowance Act</b>	
Bill C-61. Introduction and first reading .....	10791
Mr. Mifflin .....	10791
(Motions deemed adopted, bill read the first time and printed) .....	10791
<b>Pension Ombudsman Act</b>	
Bill C-460. Introduction and first reading .....	10791
Mr. Nystrom .....	10791
(Motions deemed adopted, bill read the first time and printed) .....	10792
<b>Criminal Code</b>	
Bill C-461. Introduction and first reading .....	10792
Mr. Vellacott .....	10792
(Motions deemed adopted, bill read the first time and printed) .....	10792
<b>Farm Income Protection Act</b>	
Bill C-462. Introduction and first reading .....	10792
Mr. Benoit .....	10792
(Motions deemed adopted, bill read the first time and printed) .....	10792
<b>Petitions</b>	
<b>Human Rights</b>	
Mr. Szabo .....	10792
<b>Pay Equity</b>	
Mr. Brison .....	10792
<b>Marriage</b>	
Mr. Vellacott .....	10792
<b>Financial Services Sector</b>	
Mr. Vellacott .....	10792
<b>Abortion</b>	
Mr. Shepherd .....	10792
<b>Marriage</b>	
Mr. Benoit .....	10793
<b>Nuclear Weapons</b>	
Mr. Adams .....	10793
<b>Impaired Driving</b>	
Mr. Adams .....	10793
<b>Questions on the Order Paper</b>	
Mr. Adams .....	10793
<b>Motions for Papers</b>	
Mr. Adams .....	10793
Mr. Williams .....	10793
Mr. Mitchell .....	10793
Transferred for debate .....	10793

## GOVERNMENT ORDERS

<b>Canada Customs and Revenue Agency Act</b>	
Bill C-43. Report stage .....	10794
<b>Speaker’s Ruling</b>	
The Deputy Speaker .....	10794
Mr. Kilger .....	10794
Mr. Kenney .....	10794
Mr. Loubier .....	10794
<b>Motions in Amendment</b>	
Mr. Perron .....	10794
Motions 1, 4, 5, 12 to 24, 27, 30, 31, 34 to 36, 39 to 54, 57 to 63, 66 to 70, 73 to 99, 104, 105, 108 to 204 .....	10794
Mr. Kenney .....	10799
Mr. Kenney .....	10800



Mr. Nystrom .....	10800
Mr. Nystrom .....	10801
Mr. Easter .....	10801
Mr. Nystrom .....	10801
Mr. Brison .....	10802
Mrs. Debien .....	10804
Mr. Martin (Esquimalt—Juan de Fuca) .....	10805
Ms. Hardy .....	10807

**Business of the House**

Mr. Boudria .....	10807
Motion .....	10807
(Motion agreed to) .....	10807

**Canada Customs and Revenue Agency Act**

Bill C-43. Report stage .....	10808
Mr. Desrochers .....	10808
Mr. Williams .....	10809

**Bill C-43—Notice of time allocation**

Mr. Boudria .....	10810
-------------------	-------

**Report Stage**

Mrs. Guay .....	10811
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**PRIVATE MEMBERS' BUSINESS**

**Canada—United States Days of Peace and Friendship**

Motion .....	10812
--------------	-------

Mr. Maloney .....	10812
Mr. Nystrom .....	10815
Mr. Hoepfner .....	10816
Mr. Muise .....	10817
Mr. Easter .....	10818
Mr. Williams .....	10819
Mr. Lastewka .....	10820
Mr. Maloney .....	10820
Amendment .....	10820
(Amendment agreed to) .....	10820
Mr. Maloney .....	10820

**ADJOURNMENT PROCEEDINGS**

**The Environment**

Mr. Caccia .....	10821
Ms. Torsney .....	10822

**National Defence**

Mr. Earle .....	10822
Mr. Bertrand .....	10823

**Poverty**

Mr. Myers .....	10823
Ms. Brown .....	10824

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