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Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday April 30, 2001

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

CRIMINAL CODE

Mr. Art Hanger (Calgary Northeast, Canadian Alliance) moved that Bill C-278, an act to amend the Criminal Code (prohibited sexual acts), be read the second time and referred to a committee.

He said: Mr. Speaker, it is a pleasure to rise again today to speak to my private member's bill, Bill C-278, which would raise the age of sexual consent from 14 to 16.

I should make mention at this point that it is the third time this private member's bill has hit the floor of the House. It is the third time there was enough emotion and concern to bring it forward, and that is the viewpoint held by so many people outside the House. I might also point out that I think parliamentarians overall find a universal agreement on matters like this in the House.

The protection of our children is the key point that the bill targets. It brings into focus the concern expressed by the public who want a greater level of security for our children. The bill would not answer all the problems out there when it comes to sexual offenders and how they may act or react against our most vulnerable. There are other variables, such as the early release of pedophiles and sexual offenders, that contribute to the growing number of victims in our society.

I think we all have a differing view on the role of government in this area. However, overall, whether we are Conservative, Bloc, Liberal, socialist or libertarian, there is a general consensus to protect Canada's children.

I think the one word that really describes the reaction of the public when a child, one of the more vulnerable in our society, is attacked by a pedophile or a sexual offender, is outrage. I think we have seen this outrage expressed time and time again in every community across the country.

As a police officer, I remember when a whole community would almost have to hunker down because a sexual offender was released from prison. The sexual offender was so dangerous that the public had to be notified and his picture had to be posted, and yet he was being released.

The big concern regarding that particular individual was the fact that his target was young children. He would not touch 15 or 16 year olds as they were of no concern to him. He was after the younger children, the ones who were 14, 13, 12 and perhaps younger. That took great resources from the community, the police and social services. Partnerships available to deal with this kind of crime must be tied together to combat it effectively. We must put those at risk in a more secure area.

• (1110)

I have a couple of press releases before me that reflect what happens when a sexual offender threatens a community. I will read two very important examples because they do tell quite a story. These stories will have been heard and repeated time and time again in communities.

The first story deals with a 52 year old parolee who had been serving a life sentence as a dangerous sexual offender. He was released on parole. Hardly a few days had gone by when he grabbed a young girl, just above being a toddler, and walked down the street with her. Fortunately, her father was not far away and he was able to intercept and get his daughter back to safety.

The parolee's propensity was to go after the very young and the very vulnerable. He was fully paroled after serving 29 years of a life sentence for brutally raping a three year old girl. Everyone, including the police, were notified about this man's release. The parole board said that it had no choice. The community, in this particular case, was unaware of what was about to happen. Thank God there was some intervention on the part of the father as this individual was attempting to apply his desires upon this young girl. These things should not be happening. The community has a right to know about these kinds of situations.

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The second example deals with a repeat pedophile who was infected with HIV, syphilis and two strains of hepatitis. He was freed from prison and moved into a Toronto halfway house. He had four previous charges and was convicted of sex crimes against pubescent boys aged 9 to 14.

These are habitual types of crimes zeroing in on the most vulnerable: children aged 12 to 15. My bill would like to raise the level of protection up to 15.

Some people have proclaimed that they would like to see the age of consent lowered to 12. However, the majority of Canadians do not hold that viewpoint. The House has made an effort to do that. However, that does not reflect the viewpoint of people in my community and it certainly does not reflect the viewpoint of parents who are attempting to keep their children safe and secure and want what is best for them. They want to be able to protect them, and herein lies the involvement of our legislators in government, the people in the House.

• (1115)

It seems, as time passes from one generation to the next, the innocence of childhood gets shorter and shorter. The bill is a very small attempt to restore innocence to youth, to curtail and incarcerate sexual predators who pick on those under 16. For too long we have allowed the exploitation of society's most vulnerable, our children, by those who would extinguish their youth and replace it with mistrust, suspicion and lasting psychological and sometimes physical damage.

Apart from the psychological costs to the victim, the societal costs can be absolutely enormous. On numerous occasions I have had individuals come to me, both male and female, who were sexually assaulted as youngsters. They bear the shame and sometimes feel guilty about their own actions and the fact that they were caught in that situation. Out of fear, or whatever the case may be, it was never revealed. Something triggers it in their lives and they had to confess to someone else what had happened to them.

When we look at the psychological profiles of victims having to bear these dramatic things in their lives, even trying to hide them in some cases, it affects their relationships with others, sometimes their productivity in the community and certainly close relationships like those with family or between husband and wife in future years. They have major problems to overcome.

We will never be able to get rid of all attacks by those who want to exploit children, but we sure can curtail them. We have a responsibility as parliamentarians, as the government today, to bring about a more secure future for many.

We are talking about ending the vicious cycle of one person exploiting another, who exploits another, who exploits another. If it means raising the age of consent to include a larger group of

youngsters when they are still vulnerable, still shaping their thoughts and their futures, and putting them under a protective umbrella, that is what the House should do.

Over the past year the House grappled with fallout from the Sharpe case in British Columbia. We were reminded in no uncertain terms through this pedophile and his actions that there were some very dangerous, conniving and manipulative people out there. I believe it is essential to develop and direct the law of the land to protect our children.

It does not matter to whom we talk, consultations with police departments and prosecutors will reveal what must be done and should be done, if only the legislators really, truly and honestly want to compile that information from those two groups of authorities in our land.

• (1120)

Legislators at all levels of government must not shirk their responsibility to step in where society breaks down. In that respect I am very much aware of the rage out there when pedophiles and others attack our young children, as I would suggest most members would be. Far from just a casual number of offences are taking place in our country.

I know too that there are other related offences such as Internet pornography. A registry for controlling pedophiles and other forms of law that require partnerships with social services and the like are certainly required. People who fall into those categories should be consulted.

In conclusion, we are not the same society we were when the current legislation came into effect back in the late 1800s, but we as legislators are in the driver's seat. We must not let changes in society allow the moral high ground to slip away. It is our job to protect it. The bill is about protecting Canadian children. I know we all agree that it is a goal worth pursuing. I urge support for Bill C-278.

Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am pleased to have the opportunity this morning to speak to Bill C-278, an act to amend the criminal code respecting prohibited sexual acts, introduced by the hon. member for Calgary Northeast.

Bill C-278 proposes to amend in isolation several sections of the criminal code where the general minimum age of consent is part of the definition of sexual offences involving a child victim. The current age of consent to most forms of sexual activity is 14, but there is an important exception for consensual sexual activity between young people within 2 years of age and under 16.

Bill C-278 proposes to increase the general age of consent to sexual activity from 14 to 16. The age would also be raised to 16 in the existing exception. The proposed bill would also raise the age

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to 16 in connection with the powers of the courts to make prohibition orders against offenders who are convicted or who are discharged on conditions in a prohibition order of certain sexual offences against a person under 14.

Bill C-278 reflects valid concerns about whether the current protection provided to young people in the criminal code is sufficient. There appears to be general agreement that the current minimum age consent for sexual activity, which has been in the code for more than 100 years, should be reviewed. At the same time care must be taken that any changes provide comprehensive protection and do not accidentally create an inconsistency in the code or criminalize the consensual sexual activity of young people.

Permit me to raise three distinct points. First, as we know, in November 1999 the Department of Justice released a consultation document entitled "Child Victims and the Criminal Justice System". The document examines a wide range of possible changes to both the criminal code and the Canada Evidence Act to improve public safety for children. Although the major responsibility for child protection lies with the provinces, there is a key role for the criminal justice system in supporting provincial and territorial efforts in this area.

The consultation paper is a collection of suggestions for change put forward by provincial and territorial officials and others working with children. Three main areas are under consideration: the creation of further child specific offences, including the age of consent issue; sentencing to protect children from those who might reoffend; and additional means to facilitate children's testimony.

The release of the consultation paper invited comments from all Canadians. The public consultation phase is now complete and efforts are being made to complete the provincial and territorial consultation with their co-operation as quickly as possible.

It has been argued that the general present age of consent, which is 14, is too low to provide effective protection from sexual exploitation by adults. The relatively low age allows pimps, for example, to seduce young girls, with the intention of luring them into prostitution without fear of prosecution.

• (1125)

Social workers are concerned that many young people in care may be vulnerable to be targeted by pimps. Canada's age of consent is lower than that of many other countries that use 15 or 16 as the minimum age. However the bill put forward by the hon. member for Calgary Northeast is premised on the belief that the issue is a straightforward one and that all that is involved in addressing the complex issue of age of consent is simply to change the age. With respect that is not the case.

Protecting our children goes beyond a simple and arbitrary increase of the age of consent to sexual activity. It means addressing the broader issues of the safety and well-being of our children. Our objective is to develop and maintain effective, comprehensive

measures to support provincial and territorial measures to improve public safety for children and to protect children from serious injury and even death at the hands of adults.

The achievement of this objective rests in a collaborative effort by the provinces, the territories and the Government of Canada. While the provision of services to children who are in need of protection is the responsibility of the provinces and territories, the assurance that appropriate offences and penalties are available for serious harm done to children remains the responsibility of the Government of Canada. By targeting extreme forms of harm through the criminal code, the Government of Canada would provide strong support for provincial and territorial initiatives to protect children.

However Bill C-278 does not maintain a comprehensive approach. It leaves a reference to age 14 in several provisions, for example section 281 dealing with the abduction of a person under age 14, and even more critically perhaps in section 810.1 which allows a court to issue a prohibition order if there are reasonable grounds to suspect that an individual will commit a sexual offence against a child.

The provision in section 810.1 has proven to be an effective tool by some police forces and high risk offender teams in providing community monitoring and control of pedophiles. It is unfortunate that these two sections have been left out of the bill. It is also unfortunate that the only remaining child testimony provision that refers to age 14, section 486 which allows child witnesses to have available to them a support person while they are testifying in court, should also have been left out of the bill.

Second, the bill does not address the criminal code consequences of raising the general age at which sexual activity with young people would be criminalized. With respect, by not addressing this issue, Bill C-278 proposes an amendment that is inconsistent with the other relevant sections of the criminal code.

For example, even though the complainant's age would be raised to 16, there is no consequential change to the age of the accused in the exception that prevents criminalizing consensual sexual activity between young people close in age and under 16. The result is that a teenager over the age of 16 who has consensual sex with a person under 16 but who is close in age would be considered to be engaging in criminal conduct. At the same time a younger teenager would be able to consent to sexual activity with a person close in age. This outcome would appear to be not only discriminatory but also contrary to common sense.

The consultations undertaken by the Department of Justice have generally indicated that if the age of consent is raised the close in age exception for these older children must be broadened, perhaps to include within the exception consensual sexual activity between children who are three or even four years apart.

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That would allow a child who is just before his or her 16th birthday to engage in consensual sexual activity with a young person who is approaching his or her 18th or even 19th birthday. Otherwise that behaviour, which may be considered inadvisable but certainly not criminal by most Canadians, would be subject to prosecution under the criminal code. Bill C-278 does not address the issue but rather could create confusion and criminalize the behaviour of all children over 16 years of age even where the behaviour was consensual.

Third, the bill does not address the broader implications that arise from the amendment to the general age of consent. Since legislative changes do not take place in a vacuum, we must be aware that a change in the age of consent may have an impact on other legislation.

For example, such changes may impact on the age 14 for providing assistance to child witnesses, as I mentioned a minute ago, for competency to testify in the criminal code and the Canada Evidence Act, and even for marriage legislation in the few provinces that still allow children under 16 to marry.

The question is: Would an amendment to the age of consent to sexual activity require amendments to other age related provisions of the criminal code and other statutes? Furthermore, any arbitrary changes in the criminal code would be inconsistent with the government's commitment to consult with the provinces and territories before introducing amendments intended to support its efforts to protect children from abuse, neglect and exploitation.

During the consultations several jurisdictions voiced concerns about proceeding too quickly on this question and accidentally criminalizing the behaviour of young people.

● (1130)

The Minister of Justice cannot support Bill C-278 for three reasons.

In conclusion, the issue of age of consent is a real concern. Children deserve to live in a safe society and be protected from all forms of exploitation by adults. At the same time, to be effective, people in the community and at every level of government must work together because we all have an important role to play.

We believe all Canadians should be given an opportunity to express their views on the issue. We also believe changes to the age of consent must be practical and carefully considered to ensure they achieve their goal without unintended negative effects. To do so they should be dealt with in a comprehensive package within the broader context of other age related issues in the criminal code. That is why the Department of Justice issued its consultation paper. The results of that consultation process should be used to ensure that the best options are put forward and carefully considered so that children can be given the comprehensive protection they deserve.

MOTION NO. 285

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, I think you would find unanimous consent to move the following motion. I move:

That Motion No. 285 be reinstated at the end of the order of precedence for the consideration of private members' business.

The Deputy Speaker: Does the hon. member for Brampton Centre have consent to put forward his motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

CRIMINAL CODE

The House resumed consideration of the motion that Bill C-278, an act to amend the Criminal Code (prohibited sexual acts), be read the second time and referred to a committee.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am pleased to have the opportunity to take part in the debate on Bill C-278. I know it has been before the House in previous incarnations and is one that all members take very seriously.

I listened very carefully to the comments of the hon. Parliamentary Secretary to the Minister of Justice. He raises some very good points and very specific technical implications. There are always implications when one looks at a bill as comprehensive as the criminal code.

My overall reaction to his commentary is to ask what is stopping the government. It is a shame that private members bring forward good ideas and that the response of the government and the parliamentary secretary is to simply stand and tear the ideas apart limb from limb rather than embrace them and offer creative and constructive suggestions.

Much of the underlying theme of his commentary was to say that, yes, the government sees this as a problem that could be addressed. However the response is typically that they should study it more, do a survey and somehow engage more of the stakeholders to get their feedback.

That is consistent with the overriding concern of the Liberal Party to make sure it is okay in the polls. The Liberals want to

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make sure there is sufficient public support rather than take bold action on something that could have considerable impact on the lives of Canada's most vulnerable citizens.

I must begin by commending the hon. member for having the initiative to bring the matter forward, a matter he has been persistent in raising before. I believe it is because of his deep seated concern, having worked as a police officer, for children who are so vulnerable and who are often placed in a situation where someone in a position of trust preys on their vulnerability.

It goes without saying that it is sad that sexual predators are out there. They can be found in every province and every corner of the country. Infamous cases have occurred in places like Mount Cashel and in my home province of Nova Scotia in Shelburne at the school for boys. These were terrible instances where individuals were preyed upon by those whom they should have been able to rely on for protection. Sadly, the opposite occurred.

The life altering and life lasting implications and damage that result from a child being abused in this way is absolutely shocking and abhorrent to Canadians.

We have heard time and again of the horrible events that can occur in a child's life. What better place to address the issue than the Parliament of Canada? What higher calling, what higher cause could there be than to protect children from this fate?

• (1135)

Sexual predators, I submit very firmly, are not always interested in sex but in power, control and severe violence. That reinforces the worry parents have every time their children leave their homes. To properly deal with the situation we need a national sex offender registry, something other parties have called upon the government to enact.

Again, the government's response has been a half measure. It says it has something on CPIC that is similar but CPIC does not provide the early intervention or information that police and communities need to play a truly protective role.

The Liberal government, and the solicitor general in particular, must take responsibility to enact this type of legislation and bring forward a national sex offender registry. The Liberals say it is one of their top 10 priorities but time and again the issue seems to slip through our fingers when we have an opportunity to do something about it here on the floor of the House.

On the other hand, some provinces are taking the initiative. Ontario last Monday launched the first sex offender registry of its kind in Canada. Each sex offender in Ontario must register within 15 days of release from custody. The same applies to those serving sentences in the community. A file will contain the offender's address, phone number, physical description, aliases and list of

offences. Such information is critical to police if they are to afford protection to those whose children could be preyed upon.

Anyone sentenced to less than 10 years must report their whereabouts for 10 years. Offenders sentenced to longer than 10 years will remain on the registry for life. This is the type of bold, proactive and, in some instances, harsh legislation we need.

The Ontario government cares about public safety and is reacting to the concerns of communities in the province. Its law was passed in honour of Christopher Stephenson and is often referred to as Christopher's Law. Thirteen years ago young Christopher was abducted at knifepoint from a Brampton mall, sexually assaulted and murdered by repeat sex offender Joseph Fredericks.

It is absolutely gut-wrenching that something like that must happen before politicians and legislators take notice. However, such examples illustrate how important it is to take initiatives that can prevent lifelong suffering, murder, exploitation and terrible instances of sexual assault and intrusion into young people's lives.

Sadly, with the current state of affairs, offenders registered in Ontario can leave the province to avoid tracking because of the lack of a nationwide sex offender registry. Currently we have only piecemeal laws to deal with sex offences.

Former government legislation, old Bill C-7, names pardoned sex offenders and requires them to remain on the RCMP database. Such information would only be released to certain parties under special circumstances and with the approval of the solicitor general. However that is not enough. There is not enough money currently in the CPIC system. There is not enough know-how or infrastructure to allow CPIC to fully address the issue.

The private member's bill before the House is an opportunity to bring forward legislative change that the member, and I think many members of the House, embrace and see as an improvement.

The bill would require changing the current age of consent under the criminal code from 16 to 14. The parliamentary secretary makes a good point in that some implications might be unwanted and unforeseen by the hon. member moving the motion. There is an anomaly with respect to those close in age engaging in consensual sexual activities.

I cannot speak for the hon. member but I suggest he would be enthusiastic and pleased if the parliamentary secretary or someone on the government side amended the legislation to make it more in keeping with his intent: to protect children from exploitation by those who would recruit them for prostitution, lure them on the Internet or in person, or in any instance prey upon them sexual purposes.

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● (1140)

The hon. member for Calgary Northeast has brought forward legislation that the Progressive Conservative Party will be supporting. We have moved similar legislation in the past which tried to expand the envelope of protection for children. This bill quite clearly fits into that category.

The number of reported instances gives rise to the need for action on the part of all governments, be they federal, provincial or municipal. We must do more. We must be more pro-active and involved in ensuring children are protected. We must ensure that those who contravene current or future laws are dealt with in a serious and straightforward way. We must do everything in our power because that is currently not the case.

More could be done. The hon. member who moved the motion knows, having worked as a police officer, that the implications are so grave and life altering that public safety should be our sole motivation.

I am pleased the bill has been reinstated in parliament. I encourage all members of the House to support this and other such legislation. If we must amend it, as suggested by the parliamentary secretary, let us do so quickly. Let us make the necessary changes so that it fits cheek and jowl with the current legislation and there are no unwanted consequences. Let us ensure that there are consequences for those who break the law and prey upon children. Let us make this issue a firm commitment and legislative priority of the House.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I am pleased to speak today in support of the private member's bill introduced by my colleague, the hon. member for Calgary North-east.

The bill would amend sections of the criminal code that deal with prohibited sexual acts committed with children under the age of 14 and in the presence of children under the age of 14. The bill would extend the prohibition to acts committed with children under the age of 16 or in the presence of children under the age of 16.

This is the fourth time the hon. member has introduced this bill. His perseverance and dedication on behalf of children and families needs to be recognized and commended. It is a valuable bill and one that aims to protect the young and vulnerable in our society from sexual predators.

As a former police officer, the hon. member has no doubt witnessed first hand the devastating effects on 14 and 15 year old children who have been victims of the manipulation and coercion of adult sexual predators.

A person under the age of 16 is still considered a child in our society, deserving and requiring protection. Although the law states that a 14 year old has the legal authority to consent to sex with an adult, a person must be a full 18 years of age to participate in pornography. This is because the creation of permanent records of

teenagers' sexual activities has consequences which children of that age may not have sufficient maturity to understand.

The recent Supreme Court of Canada decision in Sharpe, aside from two exceptions, substantially upheld this law. However one could argue that the average 14 year old or 15 year old does not have the maturity, confidence or understanding to make a rational decision to become sexually involved with an adult. With regard to children 14 years of age and older, parents really have no legal recourse if they find that their child has been enticed into a sexual relationship with an adult.

● (1145)

On this note I believe that the reintroduction of this bill is very timely. It goes to answer some of the concerns raised by the secretary of state or the parliamentary assistant to the minister.

With Bill C-15 the government has recently introduced long needed legislation to protect children from Internet predators. Unfortunately, with the current age of sexual consent, this protection is only substantially provided to children under 14 years of age. Many Canadians, including concerned parents, are not aware of this present serious deficiency in the law. For example, a 30 year old man could pose as a 16 year old boy over the Internet, converse with a 14 year old girl and lure her to a private residence or hotel room. Provided that he obtains a so-called legal consent from the girl, he may legally have sexual contact with her.

Canada has one of the lowest age of consent laws in the developed world. Albania, Bolivia, Colombia, Iran, Kosovo, Romania and Serbia are among the nations that have set the age at 14. I do not think that is company we should be proud of being in with respect to this particular issue.

In contrast, the age of consent in Australia varies depending on the region, because of course the criminal law there is state based rather than based on the federal government. It varies between 16 and 17, as it does in the United Kingdom. New Zealand's age is also set at 16. The age of consent for most American states also ranges from ages 16 to 18. Only four states, Hawaii, Iowa, Missouri and South Carolina, have set the age at 14.

Simply looking at our counterparts in other developed nations should give us an indication that we may need to rethink our current age of sexual consent. For the member opposite to stand up and say we need to do more studies on this is simply avoiding the problem, trying to excuse years of inaction that the member for Calgary Northeast has identified and, to his credit, continues to raise in the House.

There are a number of groups and lobbyists and others who would like to see the legislation changed, including a very

prominent group in my hometown province, Child Find Manitoba. This group has first hand experience dealing with sexual crimes against children and we need to take its concerns seriously. I recently had occasion to meet with members of that group and they are clearly concerned about the current age of sexual consent.

Sexual predators need to be controlled by specific constraints that are set out in the law. Setting the age of sexual consent at 16 would give parents and law enforcement officers the legal protection and authority they need to give these children proper protection from predators. We need to protect these children from criminals who use the current law as a defence as they coerce children into giving their consent.

One need not go very far in looking at examples. Mr. Sharpe, whose case was considered by the Supreme Court of Canada, had the audacity to say on national TV or radio that because children's bodies might be sexually maturing at age 12 he saw this as a God-given justification for allowing predators like him to take advantage of children like that.

• (1150)

I am not going to raise the numerous and lengthy arguments about why that kind of reasoning is perverse. I think every member here recognizes the perversity of that reasoning and the perversity of that individual. However, it does illustrate that there are actually people in our free and democratic society who think in that manner.

The amendment will send a very strong and clear signal from the Government of Canada and from this parliament to the people who look to parliament to establish these guidelines and these rules.

Speaking as a former crown prosecutor and as a member of the Manitoba attorney general's department for many years, during which time I also did child welfare work, the excuse put forward by the Liberal member that this is a complex matter is simply not correct. If there was any concern on the part of government about this issue, this law could easily accommodate concerns raised. Any consequential amendments that would have to be put in place are minor. It is simply an excuse that should not be given any credence here.

The simple reason, the simple answer, is that the government does not care enough to make these changes to protect these children and to give our parents and our law enforcement authorities the necessary jurisdiction.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, this is a very serious issue. I want to commend the member for Calgary Northeast for bringing his private member's bill, Bill C-278, to the floor of the House of Commons. The bill would raise the age of sexual consent from 14 to 16 years.

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This problem is not new to anyone. It is a very serious problem in our society. I come from British Columbia. Saanich—Gulf Islands is my riding and we witnessed last year the case of John Robin Sharpe, who was trying to justify that it is okay to sexually abuse young children. He was trying to suggest that child pornography is okay. That case went to three levels of court: to the B.C. supreme court and the British Columbia Court of Appeal, which actually ruled that possession of child pornography for one's own personal use was okay in British Columbia, and to the Supreme Court of Canada, which thankfully was able to see that it was actually not okay.

There are sexual predators in our society. They are real. They are being released from prison. They are offending right away in many cases. This is just not okay.

The member from Manitoba who just spoke said that this amendment will send a strong and clear signal from the Government of Canada. Unfortunately it will not, because this private member's bill is not votable. The committee that decides on private members' bills decided that this one should not be made votable. Members of the House will not even have an opportunity to vote the wishes of their constituents on this private member's bill, private members' bills being categorized as free votes.

That is not acceptable either. This is not a partisan issue. This is not a Canadian Alliance, a Liberal or a Tory issue. This is an issue which a former police officer, the member for Calgary Northeast, is bringing to the floor of the House of Commons, and it is a very serious concern.

• (1155)

The Parliament of Canada had an opportunity, if it had wanted to make this votable, to send a very clear signal about the age of sexual consent. Children 14 years of age are hardly out of elementary school. They are the most vulnerable in our society today. We are sending the wrong message. In fact I understand there are some hon. members who suggest that the age of consent should be 12. Children that age are still in elementary school.

I personally know that the hon. member for Calgary Northeast is one of the most honourable of men. I have the highest respect for him. He is bringing forward a private member's bill which should be made votable and it has not been. We will not have the opportunity to send this clear signal. That is troubling. Why are we not getting this opportunity?

This is the type of thing that Canadians want us to focus on. Canadians are looking to us as leaders to put forward constructive solutions on justice issues and on so many other issues in health care and finance. I could go on and on. This is just one small snippet. There are many more. This is one area that the hon.

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member for Calgary Northeast feels is important enough that he has drafted a private member's bill to be brought before the House of Commons. I do not think it is acceptable that this bill is not votable.

This is not a partisan issue. We as parliamentarians have a duty to bring issues like this forward. I want to commend the hon. member for Calgary Northeast for bringing this to the House of Commons. There may be different viewpoints, but I am 100% solidly behind this private member's bill. I think it is excellent.

Mr. Art Hanger (Calgary Northeast, Canadian Alliance): Mr. Speaker, I would first certainly like to thank those members in the House who made very direct presentations in support of my bill. I know that they speak for many others. Just for the record, I would like to thank the hon. member for Pictou—Antigonish—Guysborough, the hon. member for Provencher and the hon. member for Saanich—Gulf Islands.

The whole issue when offences like this take place in the community—again I am going to say it—is summed up in one word: outrage.

I was looking through the statistical background of sexual offenders in federal correctional institutions at present. Unfortunately I could not get the most up to date information, but as of December 31, 1997 there were actually 4,591 sex offenders under federal jurisdiction. That does not include those under provincial jurisdiction. That is quite an extensive number of individuals. Twenty-one per cent of the total federal offender population is considered to be sex offenders. The average age of sex offenders under federal jurisdiction was 43 years old. The oldest sex offender was 89 years old.

It just happened that I walked through one of the federal institutions one day not too long ago. That day they admitted an 83 year old man for a sexual offence. This is an issue that does not diminish with the age of the offender. The offender constantly has this propensity to get involved in this kind of criminal activity, picking on our youngest and most vulnerable. The victims unfortunately can be of any age, some as young as babies in their crib. This I gathered from my experience in the police department in Calgary for 20 some years.

● (1200)

I can only encourage and urge all members in the House to push the government side, cabinet or whomever has the final say to bring about real change. It is unfortunate that a vote cannot be taken on my bill. I believe a vote on this particular topic would pass in the House but unfortunately this is not a votable item. However it will not die here. I believe members on both sides of the House will make sure that it will be on the table again.

The Deputy Speaker: The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item the order is dropped from the order paper.

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[English]

FARM CREDIT CORPORATION ACT

The House resumed from April 26 consideration of the motion that Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, today we are debating Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other acts. The first amendment is to change the Farm Credit Corporation of Canada to Farm Credit Canada, both acronyms being FCC.

In 1994 the Farm Credit Corporation had a \$3.5 billion loan portfolio. Information from its director given to us the other day in the Standing Committee on Agriculture and Agri-Food was that the portfolio is now in the neighbourhood of \$6.8 billion.

There is an obvious need in Canada for the Farm Credit Corporation. The Canadian Alliance Party generally supports it. However the debate today is about amendments to the act that would create this credit corporation in Canada. The vote is about the amendments and not whether Canada should have a Farm Credit Corporation.

The Farm Credit Corporation has a role to play. The question is how big a role should that be? Government lending institutions in competition with private and other government lending institutions, like the Business Development Corporation, is a big question. Is the Farm Credit Corporation the appropriate vehicle for carrying out government policy? Another big question which needs to be answered in this debate is whether it will remain focused on the primary producer? This is a big concern because the original purpose of the Farm Credit Corporation was to ensure that Canada had, as part of its insurance, a viable agriculture sector with the ability to produce food in this country for both domestic consumption and export.

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I would ask at this time, Mr. Speaker, for the consent of the House to share my time with the member for Cypress Hills—Grasslands.

The Deputy Speaker: Does the House give its consent?

Some hon. members: Agreed.

Mr. Howard Hilstrom: Mr. Speaker, under the bill the leading role of the Farm Credit Corporation would be expanded to allow the corporation to lend to businesses that were not necessarily directly involved in primary agriculture production and did not necessarily have farmers as their majority shareholders. This is the first of three major changes proposed in the amendments being put forward.

The leading role of the Farm Credit Corporation would be expanded to allow the corporation to provide equity financing. This would be accomplished by allowing farm credit to hold non-fixed assets, for example cattle, lend money on that basis and hold the cattle as collateral.

In my time in the Royal Canadian Mounted Police I had quite a bit to do with the federal Bankruptcy Act. There are a whole additional set of problems that come along with holding collateral that is not real estate or real property. This is the area that the Farm Credit Corporation is moving in. It may provide some opportunities but it also provides greater risk.

• (1205)

Bill C-25 would also formalize the Farm Credit Corporation's leasing ability, which could include farm land. One of the things in the bill is that there are no real limits or restrictions on FCC activities. It would allow the FCC to get into a lot of areas that maybe it traditionally was not in and would greatly expand its operations.

The bill would expand the focus of the Farm Credit Corporation beyond its original purpose to provide financial services only to family farms and businesses directly related to primary production. I do not believe it is valid to extend Farm Credit Corporation's involvement beyond farming operations.

In the context of the primary producer, will the farmer benefit? Will the farmer have to compete for the available credit? Will he or she end up in a cross-subsidization situation, where other agriculture businesses would be receiving the FCC funding at the non-primary producer level?

By extending the Farm Credit Corporation's lending abilities beyond primary production, the bill would bring the FCC more directly into competition with private lending institutions and would overlap with government institutions such as the Business Development Bank. We saw the influence that the Prime Minister had with the Business Development Bank in a negative way. We have to be concerned that the Farm Credit Corporation does not go down that same road.

Regarding competition with the banks, the Canadian Imperial Bank of Commerce, for instance, is very active in Selkirk—Interlake. We do not want to see competition from a government lending institution that would have the effect of reducing the ability of private institutions such as our locally owned and run credit unions to continue to be a part of the communities, carry out the funding and lending necessary and actually help stabilize our communities.

The Farm Credit Corporation is run out of Regina. Not every small community has a Farm Credit Corporation in town. That is why I caution about the Farm Credit Corporation getting into competition with banks and credit unions. It would be one area where expansion would create unfair competition or competition that would only be there because of government. This is a good reason to oppose the bill.

Bill C-25 would also formalize Farm Credit Corporation's ability to own or lease land. The FCC stated that this was not the intent of the amendment. It claimed the leasing provisions would be for equipment. However this is not clear in the legislation. It is not appropriate for the federal government to be an owner of Canadian farm land on a long term basis.

Allowing the FCC to permanently hold and lease land could result in the Canadian government's holding influencing the market value of farm land. Allowing the FCC to hold and lease land permanently may also provide the corporation with an incentive not to pursue every possible means to allow farmers experiencing financial difficulties to stay on the land.

I made the point and will come back to it over the next few minutes that the Farm Credit Corporation, like every other crown corporation, has as a portion of its mandate the implementation and carrying out of policy that comes directly out of the creator of the crown corporation, in this case the federal government.

• (1210)

Therefore, the Farm Credit Corporation is an instrument of the federal government. The policies and the dictates of the federal government change with the wind sometimes and sometimes for good reasons. However those changing dictates would have the Farm Credit Corporation carrying out government policy. I am not sure that it is always the best vehicle for government policy to be carried out through a lending institution like the Farm Credit Corporation.

Even under the current legislation, the Farm Credit Corporation has become a significant land holder. In the year 2000 the Farm Credit Corporation owned over 360,000 acres, 95% of which was held in Saskatchewan, the province that has been hardest hit by the farm income crisis

While it is impossible for it to avoid holding land for short periods of time, the act should and could explicitly state that the

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Farm Credit Corporation should divest of any holdings as quickly as possible. The question of having a time frame in there would also be worthwhile looking at. The price of land is determined by market value and that is established over the course of years. Therefore, a time frame could be included, not necessarily one year but five years, for the government to release its holdings of massive amounts of land for whatever reason would be reasonable.

Bill C-25, also extends the Farm Credit Corporation's lending ability into the area of equity financing. This would be done by allowing it to hold non-fixed assets, as an example cattle, as collateral for these loans. This change would allow the FCC to provide farm financing to primary producers who were not eligible under the current legislation. In many cases this would provide financing that would not be available from private lenders. This is a positive change to the legislation, providing the funding is limited to primary producers.

There are good parts to this bill but there is also some serious concern about the massive expanded role.

The Canadian Alliance policy on this issue states as follow:

We will foster a healthy economic environment for the benefit of consumers by pursuing free and open trade at home and abroad, including the elimination of inter-provincial trade barriers. We will withdraw government from areas of the economy where the private sector could deliver the same services more efficiently and will end the unfair practice of providing subsidies to industries, businesses and special interest groups.

We are not advocating that the Farm Credit Corporation be eliminated or disbanded. We are putting in a caution to ensure that it does not provide unfair competition by getting into an area that is being well-serviced by the private sector.

Bill C-25 takes the primary focus of the Farm Credit Corporation away from providing credit to primary producers. The Canadian Alliance believes that this shift is wrong. Members who appeared before the Standing Committee on Agriculture and Agri-Food said this was not the case and that it would still focus on farmers as primary producers. However we all know that as policies change and the government dictates to the corporation what it is going to be doing, that focus could change. In fact it may no longer be the case that the primary producer is the main beneficiary of the Farm Credit Corporation.

When we speak of credit, I would like to deal for a minute on the present situation in agriculture in western Canada. It is more than credit that is needed there in regard to the overall agricultural farm policy and what can be done for the benefit of farmers. What is required is that the federal government get out of the way of farmers attempting to accomplish their economic objectives.

The minister responsible for the Canadian Wheat Board from Regina has the opportunity to take action with his cabinet and government to move the Canadian Wheat Board along on a

voluntary basis to become a marketer for wheat and barley for those farmers who want to have their grain marketed through there. However for those farmers who do not, there should be a choice to market their grain otherwise.

• (1215)

The sole purpose of the Canadian Wheat Board Act is the orderly marketing of wheat and barley according to the various sections contained in the act. It is only incidental if it gets a good price and passes that price back to farmers. That is not its primary objective.

As in the Farm Credit Corporation, what is wrong with free enterprise like the rest of the grains, oilseeds and specialty crops are involved in? What is wrong with free enterprise in the marketing of the personal crops that a farmer grows on his or her farm? This is a major issue. Rather than looking at giving more loans to farmers as the government is saying under the Farm Credit Corporation and cash advance programs, it should be looking at what it could do to lower taxes and change marketing so that farmers can actually increase their incomes themselves.

There is not one other grain, oilseed or specialty crop that is fighting to get underneath the monopoly of the Canadian Wheat Board Act. If that does not tell the minister something then I do not know what does. It is one area that would lower the necessity for credit if farmers were able to increase the income that they could get from wheat and barley that are currently constrained under the Canadian Wheat Board.

At the present time the Canadian Wheat Board regulates all of Canada outside the designated area as to exports and export permits. The costs of these export permits and the administration of them are paid by farmers in the designated area. Money comes out of the pool account for a service that farmers are not getting in Manitoba, Saskatchewan and Alberta, but the service is being provided to farmers in other parts of the country. I am asking the auditor general to look into that. That issue will be coming up in the next few weeks and months in the House.

Even if the cost for the regulation outside the designated area was only one dollar, the real question is: Why should farmers in Manitoba, Saskatchewan and Alberta have to pay even one lousy dollar for a regulation that they receive no benefit from?

Another issue that will be raised over the upcoming weeks, and I am putting the wheat board minister on notice, is why a farmer has to buy back his own grain to export it or, in the case of organic flour producers, to mill it right in Canada? Obviously if Mr. or Mrs. Farmer could get a permit to export the grain or mill their own wheat there is nothing intrinsically wrong or evil in milling flour or exporting wheat.

The only conclusion that I could come to is that the minister responsible for the Canadian Wheat Board wants to keep farmers

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under the dictatorial powers of the Canadian Wheat Board, which it gets through the federal Government of Canada, by forcing the buyback provisions on to farmers. That way the minister is able to make sure that it is uneconomical for the farmer to have to sell his grain to the Canadian Wheat Board, buy it back and then export it.

We could talk about all the credit we want but there are many things like changes to the Canadian Wheat Board, including things such as getting rid of the four cent federal excise tax on fuel, that would help farmers directly today. The Farm Credit Corporation Act is supposed to be about helping farmers.

In addition, it is very important that all of us in the House of Commons speak out clearly and loudly to say that there are many other things that could be done to help our primary producers. We have to get on with it.

I was interested to hear the minister of agriculture's remarks. We get some of the real intent of why he put these amendments forward. I will mention just a couple of them.

• (1220)

He said in his speech that the corporation would assist a greater number of agriculture enterprises in creating jobs and economic growth in rural Canada. This points out that it is a clear instrument of government policy. The government is looking at somehow using the Farm Credit Corporation to move agriculture beyond the crisis to which the throne speech referred. I do not know whether additional bureaucracy and instructions from the minister would move agriculture beyond crisis. We should free our farmers up so that they would move beyond crisis if the government in some cases just plain gets out of their way.

The minister also said that there was a definite need for services that help farm families make the transition from one generation to the next, just as beginning farmers need help in getting a solid start. According to the Farm Credit Corporation, it said in committee that it had no plans to be involved in any transition project. The Farm Credit Corporation is supposed to be a self-funding institution. As a result, the question of whether or not the taxpayer would be exposed to a much greater risk is one that would have to be dealt with.

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, I commend the member for Selkirk—Interlake on his presentation and for sharing his time with me. We are here today to debate Bill C-25, an act to amend the Farm Credit Corporation Act.

The purpose of the Farm Credit Corporation, since 1959 when the Farm Credit Act was passed, has been to provide farmers and those involved directly with production access to loan money. A short history of the FCC shows that major changes have happened over the years, but we can see that it has also maintained its original mandate of providing loans to primary producers over the

40 plus years it has been in existence. It was established in 1959 to provide credit to farmers and specifically to primary producers. At that time the loan rate that money was lent to farmers was set at a legislated rate of 5%.

The 1960s saw substantial changes to the FCC from the initiation of an appeal board in 1965 to the introduction in 1968 of a market formula rate that allowed the FCC for the first time to cover the cost of its borrowing. During the 1970s the FCC expanded and in 1978 it posted its first ever surplus. The 1980s, however, were a much different story. This was a difficult time for much of the agricultural farm sector. The FCC found itself caught in the agriculture squeeze and the federal government was forced to put \$600 million into the FCC to keep it solvent.

In 1993 the Farm Credit Corporation Act was passed allowing the FCC more flexibility to fund farmer owned, farmer related agricultural proposals. It was not just farm land that money was being lent on, but farm related businesses could also get loans. However those farm related businesses had to be controlled by primary producers.

In recent years the FCC has been self-funded and it continues to grow, but throughout its 40 plus year history its mandate has always been to fund primary producers in their agriculture related endeavours. We are today again debating the future of the FCC in Bill C-25.

The bill makes several changes to the Farm Credit Corporation. It makes significant changes in some areas and not so significant changes in others. One of the changes involves changing the name of the corporation from the Farm Credit Corporation to Farm Credit Canada. This is not a name change that is necessary in western Canada where everyone is familiar with the Farm Credit Corporation, but it is being done to give it a stronger name recognition in the province of Quebec. I hope that the expense can be justified when it comes to changing the name.

More substantive changes are being made to the bill than just the name change. I would like to talk about three or four of them today. The first one deals with equity financing. This change is seen as a positive change if it is properly done. If the FCC is to be involved in agriculture lending then it needs to move carefully in this direction.

• (1225)

If members were to take a look at some of the developments in agriculture, particularly in western Canada with hog barns being built and feedlots being proposed and built, they would see a situation where people do not have a lot of collateral to put up for these projects. For the lenders to be involved in that they need to be able to take out an equity position in it.

The bill would allow the FCC to do those kinds of things and then to develop its loan portfolio from there. These are projects that

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have a higher than average risk factor to them. It gives people an opportunity to get some financing. It also gives lenders an opportunity to cover their own interest.

The second change the bill proposes is to formalize the lease financing arrangement in which the FCC has already taken part. Lease financing allows producers some good possibilities as well. For different reasons, people sometimes do not want to buy their equipment. Lease financing allows them to lease it. Leasing for some is also a tax decision. Leasing gives the producer the choice of service that he wants to take part in. It is a good opportunity for producers and for the FCC. The FCC's lease financing in the past has been shared with other institutions, for example, the CU lease program. This would give lenders the opportunity to protect themselves.

One of the main concerns I have about lease financing is in the area of land and how land is handled by the FCC. It was because of the situation through the 1980s that the FCC found itself holding in excess of one million acres of land at one point and it had to do something with it. Some of the land was leased back to farmers. Over the years the acreage that it was holding has been dropping off, which has been a good thing, but the bill does not address the issue of whether the FCC would be into land leasing in a big way or not. From the evidence, it seems that the FCC is not interested in that. If that is the case, it should be addressed in the bill.

The legislation, in order to be supported, needs to clarify that area. Farmers do not need more competition, particularly from a government funded corporation.

The main change I see in the bill, and the one that is most important, is in the loan eligibility criteria. Up until this point loans that were given out by the FCC had to be given to people who were primary producers or the majority of people involved in the project had to have been primary producers.

Bill C-25 proposes to change that. It would allow lending to ag-related businesses that are not producer controlled or producer owned. The argument for this change is that it would help develop value added businesses. The benefits of this argument are outweighed by some potential problems. I would like to talk about two or three of those problems.

First, and most important, the legislation represents a basic change in FCC policy and philosophy. For 40 years the FCC has had one mandate, which is to provide primary producers with access to credit. This would change from farmer oriented to agribusiness oriented and the focus would shift significantly because of the legislation.

Second, I have a concern over a potential conflict of interest in the legislation. We have seen in the past that other semi-independent government institutions have given us examples of conflict

that we do not want to see in the FCC. The most prominent of these and the most obvious has been the Business Development Bank. We have watched and we have been assured that it is business as usual for even the Prime Minister to call these institutions to influence loan decisions.

To this point the FCC has been free of those problems and accusations, as far as I know, and it should stay that way. The legislation brings in a potential conflict of interest problem that the FCC and producers do not need.

The third concern is the possibility of large agribusiness corporations or co-operatives coming to the FCC for financing. We have seen businesses of different sizes getting in trouble. For the first time the bill would allow the FCC to make large loans to large scale businesses. The problem with that is if that does happen it would remove the possibility of financing for smaller operators and for farmers.

• (1230)

I would like to wrap up my comments today with some conclusions. First, the equity financing provision in the bill is a potentially positive addition. It would be an improvement if it were properly and carefully managed. We will be pushing for amendments, however, in a couple of the other areas that I have mentioned, particularly in the area of restricting lease financing to equipment.

Although the FCC did have over a million acres in its portfolio, it has reduced that. Two years ago it had 360,000 acres and last year it dropped off to 120,000 acres. From what we see here, it is trying to get rid of the land. We need an amendment that would ensure the FCC does not find itself in the same situation that it did 10 years ago.

Most important, we need an amendment that would continue to require that active producers are the majority participants in order to be eligible for FCC loans. This runs contrary to what the legislation suggests but, in the interest of primary producers, needs to be maintained.

For 40 years the FCC has been concerned, first and foremost, with primary producers and their agricultural operations. It is essential that remains the focus of the FCC business. The bill leads FCC away from that. The FCC should restrict itself to its historical mandate and work to do a good job in that area rather than trying to spread itself all over the agricultural landscape. Bill C-25 needs some amendments to accomplish that goal.

[Translation]

Mrs. Suzanne Tremblay (Rimouski-Neigette-et-la Mitis, BQ): Mr. Speaker, I am pleased to take part today in the debate on Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to other acts. Amending an act always has an impact on other acts.

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If I understood the essence of the bill correctly, the Farm Credit Corporation is going through an identity crisis. It is normal that, at this time and in the current context, the Farm Credit Corporation finds itself lacking in identity. Is it related to a province, to a country or another country? Thus it was decided to settle the identity problem by changing the name.

I am anxious to meet with the officials, at the stage of the clause by clause examination of the bill, and see whether they can justify why, by changing the name of the corporation and giving it a Canadian identity, they are debasing the French language in the process.

The corporation used to be called “Société du crédit agricole” in French. Now its name will be changed to “Financement agricole Canada”, three words with no link between them and no modifiers. I wonder what warranted such a change. It could easily have been called “Société du crédit agricole du Canada”. Adding “du Canada” would have been enough. Why introduce the concept of “Financement”? That does not tell us how it is organized. This tells us that someone is involved in “financement”. Someone, something, some agency somewhere is providing financing to the agricultural sector.

In my opinion, the effort to find something elegant in French has not been excessive, to put it mildly. I will have some questions on this lack of respect for the French language for I feel linguistics have been rather short-circuited here. It strikes me as unacceptable that they want to change the name while not respecting the essential elements of the language.

On the other hand, the minister has raised three points in his speech, while the summary gives six reasons for changing this bill.

• (1235)

In his speech the minister referred to his desire to extend the corporation’s capabilities to provide services.

In itself that is good news because our farmers have told us on a number of occasions that theirs is a sector in crisis. Farmers need to see financial steps taken to allow them to keep going, either to get through bad times, or to develop, create more employment and so on.

So extending the scope of services is, in itself, a good thing. The desire to do so however must not allow the new Farm Credit Corporation to go beyond the primary sector, for example, and to focus increasingly on financing the processing sector to the detriment of the production side.

I did not see anything in the bill in the way of a safety valve—or a guarantee or security—that would enable us to be absolutely certain that farm credit in Canada will not suddenly become obsessed by profit, like all funding agencies, and want to neglect the primary sector, the agricultural producers, in order to make more profit by supporting second level development, for example the processing sector.

The second objective is to help family farms achieve their long term goals. This is good news because we see more and more a tendency where family farms are disappearing.

Last weekend I took part in a symposium in Sainte-Croix-de-Lotbinière where farmers had chosen as a meeting theme “Re-thinking Agriculture”. They are concerned, and rightly so, about industrial farm development at the expense of family farming, which is reasonably big and allows a family with a few children to live from farming and to leave a legacy to its children.

When we see the increasingly huge developments in different sectors and, as a farmer put it, when they have to leave \$2 million of rigging to their children before leaving them their assets, there are few young people who will be able to become farmers if we do not pay attention to this issue.

This is all the more important because, if we neglect family farm production—the small farm,—our rural communities will be depopulated. A farmer told me that in his village in Kamouraska there is only one child. There are no other children. They have all gone because there is no longer a school. Instead of taking the bus to get to the neighbouring village, people move directly to that village.

In some villages there are four, five or six abandoned farms that were, not too long ago, during the settlement, cleared away and returned to farming, and that are now lying fallow and quite often returned to the forest because there are no other means of supporting the young people who would like to move there.

I hope that the Farm Credit Corporation will always have as a goal the provision of long term support to an increasing number of family farms.

Again, there is an issue which will have to be dealt with and which is a real social problem. It has to do with the third goal of the bill, which is to help family farms make the transition from one generation to the next. This issue will really have to be dealt with.

• (1240)

We will have to find incentives and other measures to facilitate passing on farms from one generation to the next.

When a farmer is unable to pass on his farm to his son because most of it will go to income tax, there is a major problem because people will try to sell their properties instead of trying to find solutions to the situation. We will have to deal with this problem and help families to pass on their properties to the next generation.

After reviewing the goals of the bill we see that, according to the information we were given, there were several series of consulta-

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tions before the bill was introduced. It seems that those responsible for the Farm Credit Corporation have consulted several agricultural organizations and that a majority of them were favourable to the proposals contained in the bill.

The government of Quebec looks favourably upon the amendments contained in the bill, but it believes that the new corporation should continue to play a limited role in Quebec's agricultural industry.

I think the Quebec government would like the new agency to play fair and avoid providing, in Quebec, loans at below market rates. It would not like Farm Credit Canada to take hold of the Quebec market by offering discount rates, as is already being done to a point.

I heard complaints by some credit unions and information to the effect that in certain areas even the National Bank is a victim of the current Farm Credit Canada, which is providing loans at below market rates.

Obviously this new agency will have to abide by the market rules and abstain from providing lower rates to attract potential clients. It is extremely important that the agency be very cautious with this.

The UPA, or Union des producteurs agricoles du Québec, was indeed consulted in 1999. It agreed with the principles of the bill being discussed then and it should still agree with this bill, provided it has not been changed.

But the UPA has one serious reservation. It is against any direct loan by the new agency to companies that are exclusively in the processing industry.

As I said in my preamble, Farm Credit Canada should not shift its focus from the primary sector to the processing sector.

It is also concerned that that could result in a shift in Farm Credit Canada's mandate where it would end up supporting the processing sector to the detriment of the primary sector, which could jeopardize the great objectives the minister of agriculture was talking about last week and I also mentioned earlier, namely helping young farm families to settle in and to inherit their parents' properties.

If Farm Credit Canada changes and ends up giving preferred treatment to processing, we could have problems.

• (1245)

What led the government to opt for the changes it is introducing today? I can think of three, including the need to give farmers greater choice in financial and commercial services. Per se, that is good news. When a farmer goes to a bank, a *caisse populaire* or to Farm Credit Canada, he will probably be able to negotiate better conditions if there is competition. He will sometimes be able to find a better account or better loan conditions by comparing. It is

very important that the Corporation not make it a policy to offer the lowest rates at all times.

It cannot usher a farmer into its office and say "How much did the bank want? How much did the *caisse* want? I will give a lower rate to start with". It should not work like that otherwise it would be really unpleasant.

Another principle underlying the amendments is the need for greater structural flexibility. Farm producers have often told us that greater flexibility is needed. The rules are often complicated and complex. The bureaucracy is heavy and things no longer get done.

If Farm Credit Canada—I have a hard time remembering that name, because it means nothing in French and is impossible to remember—has greater flexibility, it will be farmers who benefit.

The government also wants to create partnerships, which will serve farmers over the long term. This too is very interesting to imagine. Although it is not possible at the moment, we can see that in the economic development of our regions, it would be extremely important to be able to create partnerships because the resources we need are not always available among our young people or farmers themselves. It is important to be able to create partnerships if we are to develop the economies of our regions.

This government should be concerned about examining the state of the regions at the moment. Resource regions are losing their populations. The day the resource remains, but the people have left, we will pay a whole lot more to recover the resources in these regions than we do at the moment.

It is vital we keep our resource regions alive, that is, with an economy to support the existence of the local market, the gas station, the confectionery store, the grocery store, the school, the church, the *caisse populaire*, and so on. If we do not keep this in our regions, we will wake up to the fact that it will be too late. Special programs will be required to recover the land we gave up. This is very important.

What are the main changes? First there is a name change and the name is not entirely a success. I hope we will get some explanation and at least have a full sentence in the bill. If I get an answer like "The lawyers suggested it", I will remember that lawyers specialize in the law, not in language, as I have always known. It is because they have such a hard time drafting legislation that we have so many trials. If they were as rigorous with the language, if they took words for what they mean, there would be fewer trials to interpret them.

When I am told that lawyers provide linguistic help I think there is a problem in terms of understanding people's respective responsibilities. A lawyer is competent in the legal field, but language is not necessarily his forte.

The main changes will allow the corporation to provide business services to producers, directly or through a partnership. These services include business and estate planning and also land management.

● (1250)

With our aging population it will be extremely important—and I support the idea—to ensure that this corporation can help our communities in the estate planning area since it is critical to ensure that the land is passed on, under acceptable conditions, to members of the younger generation who are interested in carrying on.

These services are already provided in certain areas, but the bill seeks to make them accessible in every rural area in the country and this is a positive point.

The bill will also allow the corporation to provide lease financing to farm producers. The current act does not prevent the corporation from providing such financing, but the bill will clarify and define its scope.

As can be seen in the automobile industry, an extremely important factor has been to allow people to drive more comfortable and better cars since many are taking advantage of the option to replace their vehicles at regular intervals.

For a young person who wishes to go into farming or take over the family farm but wants to acquire more modern equipment, I think that leasing is probably a more interesting approach for him to consider, or at least to think that it might be available instead of thinking that he has to tie up \$200,000, \$300,000 or \$400,000 in equipment, before even starting to plant.

This would also give producers and farm corporations access to equity financing. The corporation will thus be able to share directly in the business capital or use these investments to attract other investors.

This too is excellent news for our producers, for our farming co-operatives, and for the projects that our farmers are developing in certain sectors short of resources. This is surely a very good prospect for them.

The purpose of the corporation will be to provide financial services to businesses related to farming. Here again—I wish to be clear about this, and we will be discussing this at committee stage—it will be necessary to ensure that this represents perhaps a percentage of the financial products devoted to this and to ensure that the primary sector will not suffer as a result.

Finally, the corporation will be able to create subsidiaries to form partnerships which will provide new services independently of the existing corporation. This too is good news but, again, care must be taken to avoid having the legislator's intention circumvented by the kind of flexibility the government wishes to introduce.

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I am pleased to tell the House that the Bloc Québécois will be supporting this bill and that we will do everything we can to see that it is passed as quickly as possible so that farmers can benefit from the services which this new legislation will offer.

[English]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, it gives me great pleasure to rise to speak to the upcoming changes for the FCC. I am speaking on behalf of our agricultural critic, the hon. member for Palliser, who unfortunately could not be with us today.

Also a special hello and thanks to the dozens of farmers in my riding of Musquodoboit Valley. They are some of the best producers in the entire country. I am very proud to stand in the House to represent them and quite proudly say to them that I and my party support the thrust of this bill, although there are always a couple of cautions that need to be addressed.

Overall, we thank the government for these much needed changes. Similar to our colleague from the Bloc, we hope they pass fairly quickly. Above all we hope the constant consultation and dialogue with the main producers and with those people directly affected by the legislation continues. That dialogue is extremely important for the future.

● (1255)

Who could forget the crisis in the agricultural industry over the last few years? Many of us were at farm rallies on the Hill and at rallies held throughout the country, especially in the prairie provinces. Statistics show that over the last two years 22,000 families in the western provinces alone have left the farm. If that does not constitute a crisis in the industry, I am not sure what does.

Being a fairly new MP, going into my fourth year in this place, I always felt that it should be up to the Government of Canada, irrespective of one's political leanings, to look after our agricultural industry. If we do not do this to the best of our ability then unfortunately we will seriously neglect what I consider the most important industry in Canada.

When members had breakfast this morning and when they have dinner tonight, I hope they appreciate the people who are willing to get up at all hours of the day to sow the seeds so our families can be nourished. I think I speak for all members of parliament when I say we are extremely proud of the Canadian agriculture industry. We are very proud of the thousands of farmers and their families who toil in the fields and factories so we can provide nourishment to our families on an ongoing basis. Above all they do it fairly cheaply.

Food costs in Canada as compared to other countries are relatively inexpensive. People who suffer through tight financial times always worry about the cost of putting food on the table. When we look at the overall picture of what it costs to put food on

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our table compared to other items which we purchase such as shelter, clothing, home heating oil et cetera, food is relatively inexpensive. Therein lies one of the problems we are facing today.

The price that producers get for their product is very low. This is one of the crises we have. Wheat is made into bread and the bread is sold in the stores but the price of that generally goes to the middle man; the marketers, store owners and so on. If a loaf of bread cost \$1, I believe the primary producer may get about 6 cents. That has to change so our primary producers who feed us and export to other countries get better value for the work they do.

The FCC is a wonderful institution for farmers when they need to diversify or when they need to purchase new equipment in order to ascertain future funding so they can carry on their business.

A young man from Saskatchewan with his family and many other farmers appeared before our caucus a few months ago to describe the scene on the family farm. I asked this young man, who was about 12 years old, if he was going into farming like his father and grandfather. He said no. I asked if there was anybody else in his classroom who was thinking about taking up agriculture as a livelihood. The young man again said no. That begs this question: Who are going to be the farmers of tomorrow? We know who the farmers are today, and many of them are going through a crisis because they are not sure if they will be able to make out the year.

Nobody likes to go from crisis to crisis year in and year out. Farmers know very well that historically there have been great years and poor years. They have always got through those years. However a tremendous number of farmers from coast to coast, not just in the prairies but in Ontario, Quebec and Atlantic Canada, are going through a very difficult time. Anything the federal government can do to assist them should be done very quickly.

It appalls me at times when I hear the federal government say that it has a new aid package based on provincial funding and that it will give \$6 out of every dollar for aid but the provinces have to come up with the other \$4. Nova Scotia is going through a pretty severe debt and deficit situation right now. It simply does not have additional funding to give to its farmers.

• (1300)

Nova Scotia rightfully says that if the federal government is swimming in billions of dollars of taxpayer money then at least it should assist those provinces and others with more funding for farmers, at least to get them through this crisis stage so they can set up long term arrangements for the future.

I know the federal agriculture minister from Ontario is a decent fellow, but he made a comment regarding P.E.I. potato farmers that I am sure he will live to regret for the rest of his days. He said that

maybe those potato producers should grow something else because of the recent battle with the United States.

That is easy for someone to say, but P.E.I. grows some of the best potatoes on the entire planet. They have diversified in potato farming. The infrastructure, the machinery, the plants and the workers were set up for that. Then the federal agriculture minister turns around and says that the battle with the United States is pretty tough so maybe they should grow something else.

If the federal minister honestly believes that, which I am sure he probably does not, then P.E.I. potato producers should say "Okay, Mr. Minister, if we are to diversify, what should we diversify into? Is the federal government going to provide the funding for us to diversify?" If that is indeed the case, the minister should back it up with dollars and then maybe some of those producers will grow something else. If the minister is suggesting that they need to grow something else after they already grow the number one potato product in the country—at least that is my biased opinion, coming as I do from Atlantic Canada—then he should at least back it up with some dollars.

Overall the changes in the FCC are positive, as long as the FCC continues to focus on the primary producer. That is essential. The Canadian Federation of Agriculture has indicated to us that it has no overall objections to the legislation. Credit Union Central of Canada, representing credit unions across the country, formed a committee to study this legislation. During the consultation process it fully supported the proposal as long as credit unions could participate in some of the services, equity financing and partnerships. This of course would include the caisses populaires of Quebec.

This aspect of it is extremely important. Bill C-8, the financial restructuring act, is now going through the House. It has gone through this place and is on its way to the Senate, ready for royal assent. It will create great change in the financial sector in the country. When all those changes happen it will be extremely important to ensure that agencies such as credit unions and caisses populaires, which play vitally important roles in our country, especially in rural Canada where most of our farms and primary producers are based, have an important say and a role in the future of how FCC does its business. If they do, they will continue to have our support.

The National Farmers Union is concerned that the FCC may soften its focus on family farms and primary production. The government and the FCC have made a commitment that farming and the primary producer would continue to be the main focus of the corporation. That is essential.

In order to maintain the so far lukewarm support of the National Farmers Union, which represents a tremendous number of farmers

across the country, it is imperative that the government and whatever party is in government years down the road continue that important dialogue with groups such as the National Farmers Union to ensure that primary producers rural communities and those family farms are indeed integral to any decisions made.

The best way to do that is with open and transparent consultation. The federal government has been blamed many times—I think of the Sea King operation for example—for hiding behind its words, for other concerns it tries to hide from, and for not being completely open and transparent. I beg the government to ensure that it does not do this with our agricultural concerns. That would be a very sad thing.

The corporation's main focus would continue to be small and medium sized operations that contribute to local communities. We have to take the government and the directors of the FCC at their word. If indeed that is correct, they will have our support and the support of many family farms throughout the country.

However, again I would like to remind the government and those in opposition right across the country that it is imperative to maintain that and not lose sight of the main focus in years to come.

• (1305)

In fact, the FCC has only a handful of accounts with businesses that have revenues over \$5 million. The majority of its day to day business is indeed with small and medium sized family farms. That is extremely important.

Another concern in regard to a lot of family farms these days is lease financing. Under the new legislation the FCC would offer lease financing directly to or in partnership with agricultural operators. There is a growing need for lease financing in the agricultural industry for operators who want to manage cash flows with increased flexibility. The 1993 act does not prevent FCC from offering lease financing. However the new amendments clarify the scope of the corporation's service in that area. More important, with a more flexible financial structure the FCC will be able to create subsidiaries to partner with other organizations in offering more comprehensive financial packages.

With Bill C-8 and the concentration of our financial institutions, it is very important, at least in my mind, that farmers and primary producers have the option and flexibility to look for the best rates when it comes to their lending needs. The corporation would have access to additional financial management tools to secure its portfolio and offer expanded services to agricultural operations. A more flexible financial structure contributes to the viability of the FCC and its ability to serve agriculture in the long term. That is definitely what is needed.

The country deserves and demands an agricultural policy from A to Z that really meets the needs of the family farm and medium sized producers and ascertains and tells Canadians once and for all

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that in this country we will be able now and in the future to feed ourselves. An awful lot of people are concerned that we as a country may be losing our agricultural sovereignty. We simply cannot allow that.

I could not help but notice that one of the greatest fighters for the family farm, a gentleman from Ontario, is in the House today. I thank him for his personal efforts in bringing the issue of the family farm to the House of Commons and to his own government. He should be complimented for his work in creating awareness of the crisis on the family farm.

There are other concerns throughout the country. We would like to ensure that the family farm issue is not just not a debate in the House and is then forgotten. We would like the family farm issue to continue in the House and we would like to ensure that when changes need to occur we can meet those changes along the way.

It gives me great pleasure every September and October when I come to Ottawa to bring with me about 100 pounds of Annapolis Valley apples of various descriptions. I hand them out.

Mr. Rick Borotsik: Bring lobsters.

Mr. Peter Stoffer: My colleague from Brandon—Souris would like me to bring lobsters. I can do that tomorrow if he wishes. We could have lunch together.

I like bringing the Annapolis apples to Ottawa because I pick them right from the trees and hand them out to the first 100 people I see. Those apples are from farmers and producers and their families who are very proud of what they do.

All who go to the beautiful Annapolis Valley will see for themselves the pride of the communities in regard to growing a tremendous product. Anyone seeing the farms in Prince Edward Island will see the pride of farmers in producing those great potatoes. A great songwriter in Canada, Stompin' Tom Connors, wrote a great song called *Bud the Spud*. I highly recommend listening to that song in lighter moments. It is absolutely fabulous.

We have already debated what farming does for us in terms of being able to feed ourselves and in maintaining an agricultural policy. However, a majority of Canadians now live in urban centres and some of them have forgotten what it is like to be on a family farm. I highly recommend that all members of parliament and their families take time out of their busy lives to visit a family farm and thank farmers for the work they do and for maintaining the high standards of quality of the food we consume on a daily basis. Without farmers the country would be at a severe loss.

On behalf of farmers in my riding of Sackville—Musquodoboit Valley—Eastern Shore, it gives me great pleasure to rise today in

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support of this bill. We agree with the government that it should be moved ahead fairly quickly so that the farmers and primary producers of the country can get on with their busy lives.

• (1310)

Mr. Dennis Mills (Toronto—Danforth, Lib.): Mr. Speaker, I would like to take a couple of minutes to first of all address the remarks of my colleague from the New Democratic Party, who touched on the fact that urban members do not seem to really understand the stresses and strains in agriculture, but I know all members of parliament understand that the hourglass is running.

My remarks are for the hon. member and, I hope, for officials in the department of agriculture. On February 20, all of us in the Chamber gathered together to say that we wanted to do more, that we wanted to support our Minister of Agriculture and Agri-Food at the cabinet table and make sure there were sufficient funds for this spring for seeding on April 1.

I was home on the weekend and I have to confess that I am absolutely embarrassed. That \$500 million in extra money that all members of parliament, all parties under the leadership of our minister of agriculture, managed to get through the system has not been sent out. Farmers are out there. Anybody who takes a drive in the country these days can see everybody is out there planting.

We talk about urban people not really being as sensitive as they should be to the challenges and stresses of the Canadian family farm, but, Mr. Speaker, I would like through you to say to officials in all the ministries of agriculture across Canada and in the department of agriculture and the treasury board, wherever they process that money, to please get it out because it was the unanimous position of the House of Commons that it was to be out by the end of March.

Mr. Peter Stoffer: Mr. Speaker, I thank the hon. member for his comment. He is right about the \$500 million being allocated on February 20. We on this side of the House and others have agreed that was about \$400 million short. However the fact is that the delay of that money, which did not get sent out when it should have, is absolutely inexcusable.

I will take just a moment to mention the member for Malpeque, P.E.I., who has been very critical of the department of agriculture for really being out of touch with what is happening on the family farm. I believe his criticism is rightfully placed because the department is simply out of touch with family farms in this country.

I can assure the hon. member from the Liberal Party that I believe all he really has to do is walk over to the Minister of Finance and the Prime Minister, tap them on the shoulder during

question period and tell them to get on with the job of looking after our family farms. We would be very supportive of that.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I listened to the comments from the previous speaker. We have gone off in a different direction with respect to the bill before us right now, the bill dealing with the Farm Credit Corporation. However I will touch on that other direction just for a moment.

As members are well aware, I am the Progressive Conservative Party critic for agriculture. I have obviously had a lot of dealings not only with members on this side but with members on the government side as well as producers. In my constituency, agriculture is the backbone of our economy and therefore I deal with this issue on a daily basis.

As for the dollars that were earmarked for the agricultural economy, dollars that were to go back to producers, the \$500 million, different provinces are providing those dollars in different fashions. In Manitoba we call it CMAP 2, the second program. With provincial and federal contributions, it will come to about \$92 million. That has been capped at about \$11,000 for each producer. To the member for Toronto—Danforth, \$11,000 might sound like an awful lot. However, currently it is costing the average producer somewhere in the neighbourhood of \$120,000 to \$150,000 to put a crop in the ground. Input costs such as those for fertilizer, gas and pesticides are included. Therefore the \$11,000 is not a substantial amount of money.

• (1315)

The member for Sackville—Musquodoboit Valley—Eastern Shore was right when he indicated that there was an additional requirement for \$400 million. That would have brought it up to what we consider to be a reasonable limit of \$900 million at that time.

I do not want to get into a debate, but every member on that side of the House stood and voted against an additional \$400 million. It was not a non-confidence motion. It was just not meant to be. The amount of dollars that were necessary at the time were not forthcoming.

For producers who will receive their portion of the \$500 million, it is not sufficient to keep most of them on the land, on the farms this year. A long term well thought out safety net policy is necessary and must come forward, a policy that would allow farmers some glimmer of hope they can produce crops that pay a fair price for a commodity and that they can continue farming not only in their lifetimes but hopefully into the lifetimes of their children and their grandchildren.

We are here not only to talk about agriculture but a component of agriculture, the Farm Credit Corporation. As we have seen in the

debate, agriculture has changed over the last number of years. It has changed effectively from last year. The Farm Credit Corporation has to maintain its ability to compete in that world of change in agriculture.

The Farm Credit Corporation was created on October 5, 1959 by the Diefenbaker Conservative government when the Farm Credit Act was proclaimed into Canadian law to provide a consistent source of lending services that farmers could rely on through all economic cycles. At that time the corporation was mandated to provide one product at a fixed rate, that is first mortgage loans to farmers to a maximum \$20,000.

I mention that because we have come a long way from 1959 to today, and the Farm Credit Corporation has to move with that change within the agricultural industry.

During the first 34 years the Farm Credit Corporation and the Farm Credit Act went through many evolutions to keep step with the agriculture industry. In 1968 farming corporations became eligible for FCC loans. Loan limits increased to \$150,000 in 1975. In 1982 amendments to the act led to the introduction of more loan products and the FCC made its debut on the capital markets.

In 1993 the Farm Credit Act was replaced with the Farm Credit Corporation Act, which expanded the mandate of the FCC to better respond to the needs of the agricultural sector. The FCC could now offer products such as financing to purchase or improve farmland and buildings, buying personal property for farming purposes and consolidating debts. It enabled the corporation to support value added production by providing financing for diversified enterprises on or off the farm.

The act has helped bring the FCC in sync with the changing marketplace. The Farm Credit Corporation loan portfolio has grown from \$3.4 billion in 1993 when the act was introduced to \$6 billion today. At present the crown corporation serves 44,000 customers with 900 employees in 100 offices across Canada.

The Farm Credit Corporation is a good corporate citizen. It is there for a purpose. Back in 1959 the purpose was identified, the need was identified and the Farm Credit Corporation was born. It is a good crown corporation that provides a very valuable service to many farm customers across the country.

It is a bank. Let us make no mistake about that. I can go out and find people anywhere who do not like dealing with banks of any sort.

• (1320)

Sometimes people who borrow money do not like paying it back and therefore the bank is at fault. The FCC is a good bank. It does its business properly. It puts money into the agricultural sector. It

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gets the money back from producers and puts it back into the sector again. It is self-sufficient and self-supporting.

Last year the FCC put record amounts of dollars back into the farm economy. A record amount of \$1.7 billion was lent to agriculture producers. We recognize that there are some difficulties in the farm economy right now. Why is it that banks are lending a record amount of \$1.7 billion? Is most of it rewriting old notes and old loans? The answer I was given was no.

About \$200 million of it was rewriting old notes, but \$1.5 billion was new money going back to people to expand their farm operations, to put in different types of operations, agriculture operating practices and value added processing units. It is good money and good business.

The bank must expand its abilities to be able to compete in a world where agriculture needs new and innovative measures and programs. It has done that since 1959 when it started with a maximum \$20,000 mortgage loan at one rate. It has gone the whole gambit now. The act would allow the Farm Credit Corporation to put forward new products to producers that would help them continue their operations.

The Progressive Conservative government improved the way FCC was managed. We brought in the FCC equity building plan in 1990 to allow farmers to extend their leases and buy back land once they were on firmer financial ground.

The Progressive Conservatives moved the head office of FCC to Regina so that it could be closer to those who it serviced the most, namely the majority of customers in Saskatchewan, Manitoba and Alberta.

We passed a bill to expand the role of FCC allowing it to make loans to farmers who wanted to diversify their operations. The bank was able to and allowed to put more dollars into the pockets of farmers who wanted to diversify their operations and become better at what they did.

There are a number of components in Bill C-25 that I would like to speak to and in some cases I wish to question. In every legislation one wants to hear from the people whom it will affect. We also want to hear the ups and downs or the pros and cons of amendments to the bill.

I would like to mention another point. The president of the FCC appeared before the agriculture committee last week. I stood in the House about a week ago on a piece of private member's business and suggested having crown corporations including the Canadian Wheat Board open to access to information guidelines.

Members of the government argued against me quite vehemently. They suggested it was my backdoor way of trying to get at the Canadian Wheat Board, which in fact it was not. It was simply a

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matter of trying to have transparency and accountability in a crown corporation.

The FCC is a crown corporation. I asked the president if the FCC was eligible under the Access to Information Act and he said that it was. I can file an access to information request with respect to the FCC and I would then have access to that information.

I asked the president if it was a real deterrent in a very competitive business like banking. He explained to us that it was not the case, that he did have the ability under the act to withhold some very sensitive information that would be a detriment to the competitiveness of the business, but he said in general terms that having to deal under the Access to Information Act was not an impediment to its operation. I say to the government side that here is one crown corporation, which is in a very competitive business with banks, credit unions and other financial lending institutions, that can work under those circumstances and still have access to information available in its crown corporation.

The bill is a step in the right direction. The PC Party will be supporting reference of the bill to committee after second reading. We look forward to asking specific questions of stakeholders who will come before the committee to give their impressions of the legislation.

• (1325)

The first thing the bill would do is change the name from Farm Credit Corporation, the name which I grew up with and know very well, to Farm Credit Canada. There is not much differentiation between Farm Credit Canada and the Farm Credit Corporation.

We all recognize FCC as a federal institution. I am told that the only reason this is to happen is so that more credit can be given to the federal government. When customers go to farm credit Canada as a crown corporation, they will recognize it as a Canadian federal institution as opposed to a provincial institution.

To me there is much in a name. Perhaps there are reasons that can be explained to me as to why this is absolutely necessary. I would also like to know what the costs are in changing the name from Farm Credit Corporation to Farm Credit Canada. Changes in the letterhead, operating tools, all the documents and required legal changes in a name change may well have a huge cost associated with them. Perhaps it would be better to use those dollars to give producers a lesser rate, or perhaps even more support systems to producers, than simply to change the name. We would have to debate that.

The mandate of the FCC would be expanded from financial services to farming operations and businesses related to farming, to business services and products to such enterprises. That in itself is broadening the mandate of the FCC, of which our party approves.

Farming is changing quite dramatically. In my constituency alone the majority of the economy is either directly or indirectly related to agriculture. We have often said that we cannot simply sell the raw material at the farm gate and expect an income generated that would allow people to stay on the farm. We have to value add. We have to add to the product. We have to make sure that those businesses are set up to take a raw material and make it into something more than just simply a bushel of wheat or a bushel of barley going some place else.

That means a number of opportunities. In my area in particular we have a state of the art hog processing plant which means that more raw material must be produced. That raw material requires a lot of investment in hog farms, cattle operations and chicken farms. The FCC must have the ability to be able to finance those types of operations to allow for diversification in the agricultural community.

Beyond that, looking into the production services and processing services of other businesses can now go forward. We have around my area an isoboard plant that produces strawboard. FCC should, does and would have the ability to fund those operations so that straw taken from agricultural production could go into the production of another commodity that has value.

The FCC should also have the ability to do equity deals, another opportunity in expansion of the services that it would be able to provide.

The FCC would have the authority to provide loans to businesses related to farming in both cases where the business is majority owned by farmers and where it is not. Currently it has to be owned by farmers. Now it can go outside those guidelines, outside the box, and allow dollars to go to loans given to corporations which do not have any direct farmer impact. That is good as it expands the services available from the FCC.

The FCC would be given authority to incorporate, amalgamate and dissolve subsidiaries. It would be able to provide lease financing for assets to be used in a farming operation or a business related to farming. This again is a change in the FCC mandate where there could be lease financing for assets. This would allow operations to free up cashflows to go into the operation or expansion of their businesses.

The FCC would be given the authority to acquire and dispose of equity interests in farming operations or in businesses related to farming. The president of the FCC would be designated as its CEO. A provision would be made for the appointment of an acting president and an acting chairperson where necessary. This is just good business.

• (1330)

As I mentioned earlier, the FCC is a well run and self-sufficient corporation. It has \$6 billion outstanding in loans, but it must get with the program of today's 21st century operations of business.

There are potential questions and criticisms. I mentioned the name change and the cost. The bill has the potential to unnecessarily compete directly with credit unions and banks. The purpose of the FCC is to provide loans to farmers and not to equipment dealers and wheat pools.

I say that we must question this, not necessarily disagree with it. It must expand its opportunities to compete. Competition in the banking industry. Banks and credit unions can compete effectively with the FCC. I do not believe the rules have unfair advantages for the FCC and I am sure banking institutions see it the same way.

Although the bill expands the lending powers of the FCC, farmers do not need more debt. That is one of my concerns. Extending more credit to farmers is perhaps not the best thing for farmers who already have substantial debt. Unfortunately banking institutions too often are more the problem than the solution. Where there is equity in the land moneys will be given to farmers, and that is not necessarily the best thing. However I have faith in the FCC to know what is best for it, for its customers and for the industry.

We have not heard a lot from other members, stakeholders or industry groups, but that is what the committee is all about. Perhaps when witnesses appear we will have a chance to examine the bill more thoroughly and get their input into what is good or bad about the legislation.

On behalf of the Progressive Conservative Party we will be supporting this piece of legislation. I agree in all sincerity with the mandate of the Farm Credit Corporation. It does an exceptional job, considering that it is a bank and that people have as much respect for bankers as they do for politicians. However as a banking facility it does, in my opinion, provide the services that are needed in the agricultural community.

I look forward to coming back to the House after committee and perhaps putting forth amendments. I certainly look forward to coming back at third reading and suggesting that some of the stakeholders proposed good changes to what I consider a good piece of legislation.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, I will direct a question to the hon. member from the Conservative Party. It concerns the flooding that occurred in the southwest of his constituency and in the southeast of my constituency. About 100,000 acres in my constituency are under water at the present time.

I will go back to those years as they relate to the Farm Credit Corporation because the people in that corner of my constituency and in the corner of the hon. member's constituency have never financially recovered from the flood. I wonder if the new regulations of the Farm Credit Corporation will venture into that broke

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and devastated area and see fit to help those people get back into the farming economy. With pictures like the one I have right now, we can see those people are finished.

In order to get crop insurance farmers had to put a crop in. They also had to take it off, so they took off barley that weighed about 38 pounds and oats that weighed under 30 pounds and they still have it in their bins. They cannot sell it or give it away, and yet when they applied for the AIDA program they had to list it as a saleable commodity.

Does the member think the new bill we are debating will help people in Gainsborough, Saskatchewan, or Melita, Manitoba?

• (1335)

Mr. Rick Borotsik: Mr. Speaker, I know where the member for Souris—Moose Mountain's sympathies lie. I sympathized with producers in my area and his area in 1999 when a lot of our constituents were unable to put in a crop. The worst thing that can happen for a producer is to see land sitting there and not allow it to grow a crop.

I could stand here and argue the insensitivity of the government in not providing proper support to the area as it did for the ice storm, the Red River Valley flood and other situations. However that is not the question. The question is whether the bill will allow the FCC to put the proper tools and money back into those areas.

The FCC always had the tools to put money into those areas but on an individual, one on one basis. The hon. member is a farmer. He recognizes that different operations are handled differently. Each operation has different commodities, different debt loads and different cash flows, and each must be dealt with individually.

The FCC, as any other bank, looks at the likelihood of repayment as the final requirement in deciding whether to put more dollars into those areas. I believe the FCC would consider investing in those areas, certainly more so than some of the large national banks that are pulling out of them. I am sure the member would agree that banks are not as forthcoming with agriculture, whether in our areas or other areas. Only the FCC would consider investing in those areas.

Credit unions may consider it as well. I give credit unions a lot of support for going into smaller areas and putting money back into the agricultural community, particularly in our areas.

We are finding it tough. There is no question. Some people in the area affected by the flood will not put in crops this year. It is as simple as that. Will the land be farmed? In most cases, yes. It will be rented out and farmed by someone else, but perhaps not by the right people. It should be farmed by the people who owned it originally but they have decided to get out of farming. That is sad. It is something we try to prevent, but unfortunately the government does not listen.

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Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, my question is for the hon. member for Brandon—Souris. As he knows, the FCC has now expanded outside agriculture and into aquaculture. Should aquaculture be under the authority of the Department of Fisheries and Oceans or the Department of Agriculture and Agri-Food?

Many commercial fishermen and the Canadian Council of Professional Fish Harvesters have expressed concern about government lending to aquaculture sites when environmental concerns about aquaculture have not yet been fully debated or researched. Does he or his party have concerns about funding to industries such as aquaculture?

Mr. Rick Borotsik: Mr. Speaker, it is one of the few areas in which I do not have a lot of experience or understanding. However I too was not a recipient of the apple. There were 100 apples given out and I never got one. Maybe it has something to do with the fact that I do not know much about aquaculture.

I do know, however, that aquaculture is funded by the FCC. It should be funded by some sort of venture capital program. Aquaculture should have the opportunity to develop as an industry. In order to do so it must have investment programs available to it, particularly venture capital investments. Whether that is done through the FCC or some other program is not important. However the FCC does have experience with that and I would like to see it continue putting dollars back into the industry.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, it is a pleasure to address an issue of great importance to my constituents. I will be raising questions that the government must answer before we can continue the debate. I look forward to hearing the answers which will, hopefully, be forthcoming.

For those watching on television, I will outline what we are debating today. Bill C-25 is an act to amend the Farm Credit Corporation Act and make consequential amendments to other acts that affect this area.

• (1340)

The purpose of the bill, as outlined by the government, is to modify the role of the Farm Credit Corporation. The bill proposes changes to three key areas.

The lending role of the FCC would be expanded to allow it to lend to businesses which are not directly involved in primary agricultural production and in which farmers are not necessarily the majority shareholders.

The lending role of the FCC would also be expanded to allow it to provide equity financing. This could be accomplished by

allowing the FCC to hold non-fixed assets, for example cattle or other things, as collateral. Bill C-25 would formalize the FCC's leasing ability which could include farm land.

This is of primary importance to the people of Saskatchewan. I looked at some of the figures put out by the Farm Credit Corporation. Saskatchewan alone has \$1.3 billion in loans. That is second only to Ontario, which has \$2.1 billion. The other provinces fall in line. Alberta and Quebec are next with a little under \$1 billion in assets in the portfolio.

Because that is of such critical importance to the people of Saskatchewan, and with the farm crisis we are currently experiencing, it is important that the government handle the issue very carefully. We need to ensure that primary producers, farmers of Saskatchewan, are properly protected and that we do not move away from properly serving them through the Farm Credit Corporation.

The bill before us would expand the focus of the Farm Credit Corporation past its original mandate of providing financial services only to family farms and businesses directly related to primary production. We need to ask whether the Farm Credit Corporation's involvement should go beyond direct farming operations and, if so, how primary producers would be protected.

My colleague from B.C. who is sitting beside me would ask the same question in relation to things that go on in B.C. People in the Maritimes would also like to know how they would be protected. They would like to know if the focus of the FCC would continue to be on farmers and their needs.

If we extended the FCC's lending abilities beyond primary production the bill would bring the Farm Credit Corporation into direct competition with private lending institutions and make it overlap with other government institutions such as the Business Development Bank.

In the little town I come from there is a credit union that was established many years ago to serve the clientele in that area. It is a co-operative of sorts. I need to know if the FCC will directly compete with organizations which were established to serve local people and which have done an excellent job of doing so. Sometimes a good thing can undermine one that is even better. We need to ensure that does not happen.

There is tremendous openness for interpretation in some of the bill's clauses. I will read a section from the bill:

The purpose of the Corporation is to enhance rural Canada by providing specialized and personalized business and financial services and products to farming operations, including family farms, and to those businesses in rural Canada, including small and medium-sized businesses, that are businesses related to farming. The primary focus of the activities of the Corporation shall be on farming operations, including family farms.

Government Orders

• (1345)

It sounds wonderful. It sounds good. It is an intention that we could never disagree with, but years down the road how will it be interpreted? What will a business related to farming include? What will it consist of?

Unless we have an assurance that somehow primary producers, farmers, will be protected, we would have difficulty supporting this idea. The idea is great, but we need to know what will happen and how it will be interpreted in the future.

We also note Bill C-25 that we are discussing will formalize the FCC's ability to own and lease land. The FCC has stated that this is not the intent of the amendment. It claims that the leasing provisions are for equipment. However, again the legislation does not make this clear. It can give the government the mandate to make changes behind the scenes, to slip in changes that would affect agriculture very adversely. It is not like other legislation that is often brought before the House. It is enabling legislation.

Through the administration of the bill many changes can be made that were not anticipated when the bill was debated in the House of Commons and often received the support of many members. We need to know if this will give the FCC the ability to begin to own land, possibly for long periods of time, without any limit as to how long it can hang on to the land.

Will this inflate the price of land and cause hardship for many farmers who right now have a difficult time competing with those who are not directly involved in agriculture? We need to know if that will be the case. We do not see any limitations within the bill that address some of these concerns. Will the FCC be allowed to permanently hold and lease land that could result in the market value of farmland increasing and hurting primary producers?

Those may not sound like major concerns at this point but years down the road, once the legislation comes into full effect, it could hurt the people involved across Canada. Allowing the FCC to permanently hold and lease land may provide that corporation with the incentive not to pursue every other possible means to allow farmers who are experiencing financial difficulty to stay on the land. In short, the bill could provide the FCC with the incentive to prematurely foreclose on Canadian farmland.

Will the FCC continue to look at its mandate to help farmers or will it become more involved in ensuring that the corporation is financially successful? That could have a very negative effect. We need to have the assurance and the proper amendments need to be made so that farmers have the guarantee that it will not move away from its mandate.

I read the clause in the bill which can be interpreted in many other ways. We would agree that businesses in rural Canada,

including small and medium size businesses and businesses related to farming, should get the help they need, but how far away from farming does a business have to be before one begins to say it is not really related to farming?

Will the Saskatchewan Wheat Pool be eligible for loans under the legislation? I would like to know. I do not know. We are asking some tough questions that need answers.

Under the current legislation, the FCC will become a significant landowner. In 2000 the FCC owned over 360,000 acres. Guess where most of that farmland was owned? Some 95% of it was in the province of Saskatchewan, the province that is experiencing the most difficulty right now in the farm crisis. Not to belittle the problems that farmers are having in Manitoba, Alberta and across the country, but this is having a major impact because of the dependence on grain and oilseed crops in the province.

• (1350)

While it is impossible for the FCC to avoid holding land for short periods of time, the act should somehow explicitly state that the FCC would divest itself of any holdings as quickly as possible.

Bill C-25 also extends the FCC's lending ability into the area of equity financing. This would be done by allowing the FCC to hold non-fixed assets such as cattle as collateral for loans. This change would allow the FCC to provide farm financing to primary producers who are not eligible under current legislation. In many cases this would provide financing that would not be available from private lenders. This is a very positive change to the legislation. The funding that would often be limited to primary producers would no longer be available.

In the Canadian Alliance policy we state very clearly that we will foster a healthy economic environment for the benefit of consumers by pursuing free and open trade at home and abroad, including the elimination of interprovincial trade barriers.

We will withdraw government from areas of the economy where the private sector could deliver the same services more efficiently. We will end the unfair practice of providing subsidies to industries, businesses and special interest groups.

We do not want the government to compete with areas in the private sector that are providing a good service and possibly undermine that service. That is what we are saying in our policy and we stand by that.

We will withdraw from areas in the economy where the private sector could deliver the same services more efficiently. I already pointed out that they might be competing with another institution, namely the Business Development Bank.

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Will Bill C-25 take away the primary focus of the FCC from providing credit to primary producers? If that were to happen, we as Canadian Alliance members of parliament believe that this would be a shift in the wrong direction. This would be a move away from where we should be moving.

The FCC should not be providing funding for non-farming operations if it hurts farmers and primary producers. Lending institutions are already in that area, for example the Business Development Bank of Canada.

We in the Alliance Party do not want the Farm Credit Corporation under Bill C-25 to go into direct competition with private sector lenders. That would be wrong and that would get the government involved in areas that it should not be involved in. That is a basic policy area of the Canadian Alliance.

The bill formalizes a lot of the FCC's leasing ability. We have to be very careful. Short term ownership of land is unavoidable in some cases, but the FCC should not go into the business of owning farmland in the long term. It could inflate the price of land and hurt the whole agricultural sector. This might make it more difficult for farmers and for primary producers to get credit where they normally would be able to access that credit.

I have a couple of other questions, but the key question still needs to be asked and has to be answered by the government. Does the bill ensure that farmers will be properly served? Will farmers have to compete for capital now that they normally did not have to compete for before?

I need to mention something else. Will Canadian taxpayers be on the hook for loans that would not normally have been made but would be made and in turn be a higher risk loan? Would taxpayers be on the hook for any bad decisions made?

• (1355)

I mentioned about this being enabling legislation, enabling the government to do things behind the scenes that it would not openly do. I am noted for following the Firearms Act issue. One thing I have found through that piece of enabling legislation is that the government has brought forward many things it originally said was not its intention, such as private police and enforcement agencies. The kinds of things we were assured would not happen are in fact happening.

What does that have to do with this legislation? Will this bill be an open book for the government to bring in government policy through the back door that may hurt farmers but may not be directly visible at this time? We need to have that kind of protection. Are the changes here in the best interest of farmers?

Will adequate provisions be made in Bill C-25 that would prevent the FCC from bailing out large, non-farmer owned busi-

nesses at a future date? I do not see that protection right now. Large corporations could possibly access capital for a bailout that would hurt farmers directly. A large agribusiness, possibly even a multi-national agribusiness, could access the money unless there are proper provisions put in place that this would not happen.

If we read the legislation it sounds good, but it could be interpreted years down the road in a very different manner than we are expected to interpret it at this point. Would a limit be set on the size of loans offered to businesses that are not majority owned by farmers? We need to have that protection put in the bill.

Would a farm equipment dealer be able to access the resources of the Farm Credit Corporation? Could these businesses access capital through other lending institutions? We do not know what checks and balances will be provided to ensure that certain companies will not be able to access the capital, which would then remove that capital base or pool of capital from primary producers.

All these things need to be addressed. I should like to hear some of these questions answered by the government. I see that my time is up. I have asked what I think are the key questions farmers in my riding are asking. I would like the government to answer those questions today.

STATEMENTS BY MEMBERS

[English]

THE ENVIRONMENT

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, today the *Toronto Star* reported that the provincial minister of the environment has vowed to save the Oak Ridges moraine as part of her challenge to make the environment a priority once again with the Ontario government. She is quoted as saying "For the first time it seems the premier and my cabinet colleagues are committed" to the environment.

It is nice to know the provincial government has finally listened to what the people around the greater Toronto area have been saying since the 1980s. It is nice to know that the provincial minister now has a great appreciation of protecting the environment and that the moraine is an environmentally sensitive area.

Let me remind the House of an announcement made by the Minister of Transport in my riding on March 23 this year. In

addition to the award winning park designed for the Downsview lands, and in addition to the renewal of the Toronto waterfront, the federal government will protect in perpetuity 7,562 acres of land around the Rouge Park and the Oak Ridges moraine.

This was the right thing to do. Now let us see how the province will contribute to saving the Oak Ridges moraine.

* * *

WORKPLACE SAFETY

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, if we go back in Canadian history we find that we had some very dangerous workplaces. A lot of people lost their lives through work practices. Conditions now are much better and we continue to improve yearly, but lives are still lost through workplace accidents. Even one life lost is one too many.

Conditions in other countries in some cases now are exactly what Canada was like in its earliest years. It is very dangerous for workers in those countries.

• (1400)

When joining with them as trading partners, that is something Canada should take the lead on to ensure that there is workplace safety not only in this country but in countries around the world, particularly those we trade with.

We will continue to make an effort for the future of all workers in this country and others because it is critical that people be able to practise their occupation and know that they are coming home safely to their families. Families of workers who have lost someone in their family as a result of workplace accidents—

The Speaker: The hon. member for Davenport.

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, President Bush took the world by surprise when he announced his decision not to ratify the Kyoto protocol on climate change.

What is in Canada's best interest now? First is not to waver but to continue with our commitment to the Kyoto agreement and adopt a strong plan for greenhouse gas emission reduction.

Second is to learn from past experience, and particularly from acid rain in the 1980s, in the knowledge that the U.S.A. often decides to join global initiatives at a later date.

Third is to play a constructive and convincing role in Washington to join global efforts, setting an example with other developed countries for the developing countries such as China and India to follow at a later date.

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Canada can show leadership in energy efficiency and demonstrate its sense of responsibility to the global community. Climate change represents a golden opportunity. Will the Government of Canada seize this opportunity? Hopefully, yes.

* * *

INDIGENOUS GAMES

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, I would like to inform the House that Canada will host the North American Indigenous Games from July 25 to August 4, 2002.

These games are the cornerstone of a growing movement of aboriginal sport and culture and were born out of the reality that aboriginal youth athletes have not been provided the same opportunities to participate in domestic or international competitions as their non-aboriginal counterparts.

Identifying and removing the barriers to participation for aboriginal people in sport in Canada is one of the four equity and access ministerial priorities for the Department of Canadian Heritage. The North American Indigenous Games are one of the primary vehicles identified by the aboriginal community as a means of achieving this policy.

I invite members to join me in congratulating the host society, the city of Winnipeg, the province of Manitoba and the Government of Canada, on their efforts in preparing to welcome over 7,000 young aboriginal athletes in 2002.

* * *

JAPAN PRIZE

Mr. Stephen Owen (Vancouver Quadra, Lib.): Mr. Speaker, I am very pleased to inform the House today of a most prestigious award in recognition of the work of University of British Columbia Professor Emeritus Dr. Timothy Parsons. Dr. Parsons is the first Canadian to receive the prestigious Japan Prize, which is equivalent to a Nobel Prize.

Awarded the Japan Prize in Tokyo last Friday, Dr. Parsons was recognized for his extremely valuable work in fisheries oceanography through his work in renewable resource management and conservation.

Through this award, Dr. Parsons is recognized by scientists around the world. The level of this award exemplifies his important career in science and the advancements of sustainable marine life.

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GRANTS AND CONTRIBUTIONS

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, the Liberal government continues to use its agencies for self-promotion rather than the public good.

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For example, a briefing note that was written for the industry minister by an official at western economic diversification indicates that a proposal for funding a new NRC research facility in Edmonton is driven by the government's need for "visibility and credit".

Obviously the Liberals' way of doing business is more about making themselves look good than it is about serving Canadians. Fortunately most Canadian taxpayers know that and they resent Liberal efforts to buy their favour with their own money.

The Canadian Alliance has always favoured the replacement of the regional development agencies with policies that are actually designed to address persistent regional economic inequities.

These new government documents lend credence to that policy by showing that western economic diversification and its sister agencies are all about benefiting the Liberal government and not about benefiting the people of Canada.

* * *

HEPATITIS C

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, I would like to recognize the diligent efforts of the hon. member of parliament for Sackville—Musquodoboit Valley—Eastern Shore in promoting Hepatitis C Awareness Month.

• (1405)

Although Bill C-243 was dropped from the order paper, I am nevertheless pleased to inform the House that the Minister of Health has designated May as Hepatitis Awareness Month.

[Translation]

Increased public awareness is essential if Canadians are to be better informed about hepatitis. Hepatitis Awareness Month is a good means of achieving this.

[English]

The profile of hepatitis C will be raised at the upcoming Canadian conference on this disease which will take place in Montreal this week. Health Canada is a major sponsor of this conference.

[Translation]

By designating May as Hepatitis C Awareness Month, our government is providing clear proof of its commitment to fight this disease through prevention and information.

* * *

HÉRITAGE SAINT-BERNARD

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, last Friday a community organization in my riding, Héritage Saint-Bernard, won the Mérite municipal award given by the Ministère des Affaires municipales et de la Métropole du Québec.

Héritage Saint-Bernard was founded to ensure the protection and development of fauna habitats along the shores of the St. Lawrence in the Châteauguay region, as well as to make these unique spaces accessible and raise public awareness of the importance and fragility of the biodiversity of ecological environments in the metropolitan region.

Last year, Héritage Saint-Bernard won the Phénix award, and in 1999 the Black Duck waterfowl management award, North American sector.

Our most sincere congratulations to this organization which has the interests of our future generations at heart and is working to leave them the heritage of a unique spot of which we can all be proud.

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*[English]***CANCER AWARENESS MONTH**

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, the month of April is Cancer Awareness Month.

Statistics show that in 1999 an estimated 129,300 cases of cancer and 63,400 deaths from cancer occurred in Canada. The leading cause of cancer death for both men and women continues to be lung cancer.

Unfortunately, many Canadians are unaware of preventive measures such as not smoking and a healthy diet to protect against cancer.

Therefore I request the Government of Canada to continue its support of cancer research and prevention initiatives.

* * *

HOCKEY

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, today I want to congratulate the Weyburn Red Wings hockey team who won the Anavet Cup Saturday night with a score of 3-2 in double overtime against the Manitoba OCN Blizzards. The Red Wings won the series in a hard fought six games. I applaud both teams for their great effort.

The Weyburn Red Wings have won the Anavet Cup five times, three times in the last five seasons. Now they advance to the national championships, which this year will be held in Flin Flon, Manitoba.

The Canadian championship series will be a round robin affair with teams from Weyburn, Saskatchewan, Flin Flon, Manitoba, Camrose, Alberta, Saint-Jérôme, Quebec and Thornhill, Ontario.

I want to inform the House that this member will be pulling for the Weyburn Red Wings to win the national championship.

* * *

ROBICA FORMAN TANK LIMITED

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, I rise in the House today to congratulate Robica Forman Tank Limited of St. Marys, Ontario.

Robica Forman has landed one of the biggest contracts in its history, a \$10 million contract to supply the Canadian military with 88 fuel delivery tanker trucks in the next two years.

Robica Forman will construct the six wheel drive 7000 litre refueler tankers that will be used at military bases in Ontario, Quebec and Alberta.

Robica, a family owned business, has been operating since 1952. It specializes in petroleum and propane tank trucks, fire trucks and water tankers. There are 50 employees working for the company.

Robica's plants in St. Marys and Stratford will both benefit from this deal. In order to handle the additional work, Robica will expand its plant in St. Marys and hire an additional 12 to 15 new staff. I want to congratulate Bob Nothof and the staff at Robica.

* * *

THE GULLY

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, off the coast of Nova Scotia near Sable Island lies the largest submarine canyon on the eastern coast of North America, commonly known as the Gully. It is larger than the Grand Canyon in the United States.

• (1410)

The Gully is home to 15 species of whales and dolphins, including the vulnerable northern bottlenose whale, ancient sea coral and many varieties of fish.

For bringing the Gully to the attention of parliament and all Canadians, I wish to extend my thanks to Sarah Dover of the World Wildlife Fund, Dr. Rick Smith of the International Fund for Animal Welfare, Elisabeth May of the Sierra Club, Derek Jones of Newellton, Nova Scotia and Mark Butler of the Ecology Action Centre of Nova Scotia. They stress the need for protection of the Gully from deep sea fishing and oil and gas exploration.

We in the New Democratic Party from coast to coast encourage the government to immediately designate the Gully as a marine protected area and protect it for future generations.

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[Translation]

SOCIAL HOUSING

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, most of the people facing real housing problems are women renters. Whether they live alone, head a single parent family or are young or old, they are often faced with housing that is too expensive and does not meet their needs.

The housing crisis is a daily drama for women, and Statistics Canada's latest figures show us just how much. To be a woman and a renter is a losing combination.

One of the major Canadian demands of the World March of Women is a 1% increase in public spending on housing.

The Bloc Québécois calls on the federal government to stop ignoring the problem and to go after the problem of poverty by investing the amounts requested in housing. It must correct the injustices committed in 1994.

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[English]

AMATEUR SPORTS

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, this weekend the first ever national summit on sport took place in Ottawa.

The meeting marked the end of a year long consultation process on amateur sports and the beginning of an ambitious plan to enhance and strengthen sports in Canada.

The hon. Secretary of State for Amateur Sport announced concrete action. He announced \$10 million in new funding for Sports Canada. He announced the creation of three new advisory committees to examine the sports administration and development system, the role of advanced technology in developing our athletes and how corporate Canada can become involved in funding amateur sport. As well, he set a one year deadline for developing a national policy on sport.

I congratulate the hon. secretary of state and I look forward to the advances amateur sports will make following the recommendations made during the summit.

* * *

HIV-AIDS

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, the death toll on the African continent is rising every day, and I am not referring to floods and earthquakes.

The HIV-AIDS pandemic has already killed 21 million in Africa, mostly the young. It has now infected almost 26 million in sub-Saharan Africa, almost equivalent to the population of Cana-

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da. One thousand people per day die in Zimbabwe alone. In less than three months that would equate to every man, woman and child in my riding of Cumberland—Colchester.

In Botswana 36% of adults are infected. In another central African city 43% of all adults are infected. Of the global number of people infected by AIDS, 70% are on the African continent.

However, the numbers only tell half the story. The sick and dying have little care and money for medication and assistance.

The PC Party today urges the Minister of Foreign Affairs to put this issue on the front burner so that Canada can work with others to address this human catastrophe starting right now.

* * *

THE ENVIRONMENT

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, Canadians value the wonderful diversity of plants and animals found across the many different regions of our country.

On April 19 the Government of Canada continued its efforts to protect biodiversity by signing the Cartagena protocol to the United Nations convention on biological diversity. The protocol, also known as the biosafety protocol, will protect natural biodiversity by regulating the trade of living, genetically modified plants, animals and micro-organisms.

Canada was one of the first countries to ratify the convention on biological diversity and has also been an active and committed participant in the negotiations on the protocol for biosafety. The protocol represents another solid step in moving toward the protection of our country's biodiversity.

As well, I hope and believe that the new species at risk legislation will go further to enhance what we already have in the country. I urge movement on this particular bill in a fashion that will do justice to the interests of—

The Speaker: The hon. member for Selkirk—Interlake.

* * *

• (1415)

AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, Arnold Schmidt is a prairie farmer who has diversified into organic wheat production.

Mr. Schmidt has gone further than just growing organic grain for a niche market. He has developed sales for organic flour milled

from his own grain. This is exactly the type of initiative that will bring agriculture out of the current income crisis caused by the disastrously low world prices for traditional crops.

Unfortunately, Mr. Schmidt cannot get an export permit for his organic flour from the Canadian Wheat Board. This is in spite of the fact that the Canadian Wheat Board provides no marketing services to him. This is wrong.

The government claims that it has introduced Bill C-25 in order to promote value added processing. What it refuses to understand is that the best way to promote diversification and value added processing is to get out of the way of entrepreneurs like Mr. Schmidt.

The Canadian Wheat Board minister is personally responsible for not helping organic farmers.

ORAL QUESTION PERIOD

[Translation]

PRIVACY

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, abuse of power is a dangerous thing.

Ontario's privacy commissioner condemned this government's habit of opening and reading private citizens' mail.

Will the Prime Minister assure the public that his government will immediately stop the despicable practice of opening people's mail?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the customs legislation clearly provides that Customs Canada officials can intercept, upon their entry into Canada, and—with the upcoming legislation—also upon their departure from the country, goods shipped through mail services.

This authority is based on section 99 of the act and on the existence of reasonable grounds. Incidentally, when he looked into the matter, the privacy commissioner acknowledged that these powers were exercised within the law and in good faith by customs officials.

[English]

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, that response made even our young Canadians cry out.

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It is not just the commissioner here in Ontario. The federal privacy commissioner has commented about this particular habit. This is an ongoing hostility toward the rights of Canadians.

Will the Prime Minister give clear direction and tell these people to stop reading the mail of private citizens in our country?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, first, if the member would read subsection 99(1) of the act it is quite obvious.

We are not reading the mail at all. We are looking at, on a sample basis, goods coming into Canada by way of the postal stream. The privacy commissioner has said that we are acting within the law and in good faith.

Maybe in the next question I should quote from the privacy commissioner as well.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): That is what we are asking, Mr. Speaker. It is very rare to see high level public servants, one from a province and one from the federal government, agreeing on a concern. The concern is the federal government's hostility to the rights of individuals. It continues to open our mail. Never mind looking at the legislation, it should look at what the privacy commissioners have said.

Will the minister put into practice new safeguards and new limits on this dangerous increase in the abuse of power?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, we all know that politics is perception and the leader knows it as well in telling the population that we are having a look at mail, which is not true.

We are stopping illegal goods from coming into Canada through the postal stream. The privacy commissioner has said that we are acting in good faith.

We need to bear in mind that customs officers have a dual mandate, one of course being the question of economic development, and the other, which is important and which I stand by, being the protection of our Canadian society. We will continue to work hard for that.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, on the one hand the government is opening the public's mail and on the other hand it is not allowing us to look at its mail.

The information commissioner said that complaints relating to this have doubled in the last year. The public is unable to look at the government documents. Since the government is looking at private documents why will it not release government documents? Why so much secrecy?

• (1420)

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I repeat, we do not look at mail. We look at goods. As well, we work within the limits of the law and it has to be based on reasonable grounds.

Let me state something interesting. I would like to quote the member for Prince George—Peace River. He said back in 1994:

It is reported that the justice department has ordered Canada Customs to allow counterfeit documents found entering Canada through the mail, including phony Canadian passports, to be sent on to their destination. This is an outrageous use of the charter.

Will the minister explain to this House today what must be done to authorize Canada Customs to seize phony documents. . . ?

[Translation]

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, the Prime Minister is going to the supreme court to prevent people from having access to his schedule.

Why does the Prime Minister feel that it is illegal to know his schedule? What is he trying to hide now?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is a debate on the Access to Information Act. At this point, the issue is to define to what degree documents from the cabinet and from ministers' offices are of a private nature.

There is of course a debate going on. An act was passed and we want it to be implemented. I am sure that the last thing that the Leader of the Opposition would like is to see in the newspapers what is going on in his office. If journalists were able to check what has been going on over the past three days, we would have a whale of a time in the House.

* * *

INTERNATIONAL ASSISTANCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Canadian assistance to developing countries is way down. According to OECD statistics, Canada has dropped from 6th to 17th position on the list of 22 contributing countries over the past five years.

In 2000 there was even an historic shortfall with only 0.25% of gross national product allocated for international assistance.

Is the Prime Minister ready to stand behind the generous statements he made at the Quebec summit and make an immediate commitment to set aside 0.7% of GNP for assistance to developing countries, as recommended by the United Nations?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have had a very difficult period financially in Canada and, unfortunately, the proportion of Canadian assistance to developing countries has dropped.

Oral Questions

But in recent years we have increased our contributions and we intend to continue to do so. In 2001-02, we intend to increase our spending in this area by 7% to 10%.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the figures show the opposite. Under a Liberal administration assistance to developing countries has gone down while the economy has grown.

Since 1993 the GNP has increased by \$334 billion while international assistance has dropped by \$500 million.

Will the Prime Minister admit that it is all the more important to meet the UN development assistance standards when the economy is doing well in the interests of international solidarity?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have just explained that this has been the government's policy over the past two years. We are going to continue to increase our assistance to developing countries.

I had asked that we do this when we were at the Japan summit last July. In the 2001-02 estimates we are going to increase our spending in this area by 7% over previous years.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, one of the concrete ways of assisting developing countries and at the same time developing new international trade markets is to support the suggestion made by President Fox to create a development fund for the poor economies of the Americas.

Does the Canadian government plan to support the initiative proposed by President Fox and to contribute to the creation of this fund?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, last week at the summit of the Americas the minister responsible for aid to developing countries announced a special assistance program for the countries of the Americas.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, what President Fox wants is to see participating countries put 1% of their defence budget into the fund to assist development of the poor economies of the Americas

Is the Government of Canada in agreement with such a contribution to such a fund?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the figure given by President Fox does not, at this time, strike me as one that will gain the acceptance of the countries making contributions.

As I have just said, however, Canada has decided to increase its contribution to developing countries and we have made a special effort for the countries of the Americas.

* * *

[English]

TRADE

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

On April 5 last year the Minister for International Trade said in committee that the government is not seeking an investor state provision in the WTO or anywhere else. I further clarified that by asking him about the FTAA.

Why did the Prime Minister allow the Minister for International Trade to make that policy announcement in committee at that time, and then later on make the statements that the Prime Minister has made to the effect that there is nothing wrong with the very thing that the minister says they no longer seek?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, our view has not changed. I will repeat it once again in the House because I think it is very important. We believe that NAFTA has served Canada's interests very well and that chapter 11 works reasonably well.

Our view is that we want to clarify certain aspects of chapter 11 within the present mechanism of NAFTA, mechanisms that do exist, in order to make sure that we respect the true intentions of the drafters of NAFTA.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question was not about NAFTA, it was about future agreements.

Perhaps the Minister for International Trade could tell us how he reconciles his statement to me on April 5 last year that the government would not be seeking this kind of mechanism in any new agreement. How does he reconcile that with the fact that the government now appears to be seeking just such a mechanism in the FTAA and is defending the very idea that he rejected on that day?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the member opposite is referring to one aspect of chapter 11. It is the investor state provisions. We as a government are trying to clarify that agreement right now within the existing mechanisms of chapter 11 of NAFTA.

Obviously when a government negotiates any new agreement or adopts any new formula it takes into light previous experiences.

Oral Questions

[Translation]

PRIME MINISTER

Right Hon. Joe Clark (Calgary-Centre, PC): Mr. Speaker, the Prime Minister's Office has appealed to the supreme court in an effort to keep the content of its agendas secret.

The Federal Court of Appeal has said that the commissioner should have access to the documents. The Prime Minister wants to have this decision overturned. The law is clear: this is not a matter of internal debate but rather a question of keeping the Prime Minister's secrets.

What tracks is the Prime Minister trying to cover? Those that relate to APEC? Those that relate to Shawinigate? What is he trying to hide?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are simply applying the law as it stands.

The commissioner and the government's lawyers are debating how the law should be interpreted. We are making much more information available to the information commissioner than did the Conservative government the member belongs to.

[English]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, this is the third time in history the information commissioner has been taken to the supreme court, all the time by that government for trying to hide its affairs.

There are several ways to muzzle the watchdogs of parliament. One way is to deny information to the information commissioner. The other is to deny adequate funding to the auditor general and to other agencies.

The auditor general's office needs at least \$8 million more to provide its indepth audits of government departments. The government says no. Why is the Prime Minister trying to starve the auditor general and keep her from doing the work that parliament explicitly charged her and her office to do? What is he trying to hide?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in 1991 and I do not think we were the government at that time, it was the Conservative government that cut the budget of the auditor general at that time. In the last four or five years we have increased the budget of the auditor general.

* * *

● (1430)

IMMIGRATION

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, according to Canada's intelligence watchdog the im-

migration department forged a key document related to a refugee claim by a Kurdish man whom Ottawa suspects of having terrorist links.

Instead of assuring Canadian people that the allegation was being taken seriously, the minister's official just tried to joke about it and hoped it would go away. Has the minister called in the RCMP to investigate this very serious allegation?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, first, I would like to clarify for the member opposite and the House that the document in question was an invitation to attend a meeting.

Second, I would like to say to the member that I have met several times with the individual, Mr. Rae, who is alleged to have made these comments. He has never expressed a concern to me personally. Those in the House and other places who know Mr. Rae know that if he had a concern he would have mentioned it to me.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, I think Canadian people still need an answer. I think the minister should take her job a little more seriously. Instead of waiting for people to come and find out if they have complaints, she should take the time to investigate these things.

Even the immigration spokesman admits the document in question is a computer generated copy. In the interest of clearing the air will the minister call in the RCMP to investigate this serious matter?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I would like to inform the member opposite that the department in this age of computers stores documents in computers. The document in question is a computer stored document and Mr. Rae has not made a complaint. Nor has anyone else, I would mention. No complaint has been received.

If he or anyone else had a complaint or a concern they would have picked up the phone and called and I would have looked into it, but no complaint was received. I would say again to the member that documents are stored in computers all the time.

* * *

[Translation]

AUBERGE GRAND-MÈRE

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the government has given us three different answers up to now in response to questions on the lease between the Auberge Grand-Mère and the golf club.

The Prime Minister first told us that the lease had been terminated. The Deputy Prime Minister then told us that the purchaser of the auberge had assumed the lease. Then he told us there never had been a lease.

Oral Questions

My question is very simple. Was the lease terminated, was it taken over or did it never exist? When is the government telling the truth in this matter?

[*English*]

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it is quite simple. They were not paying attention last week when the Deputy Prime Minister stood and explained very slowly, and I will do that now, that there were no legal or economic ties between the auberge and the golf course following the sale to Mr. Duhaime in the spring of 1993. It is very simple. There were no ties.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, perhaps the hon. secretary of state should have listened to the question in order to answer it properly.

That said, on Friday the Deputy Prime Minister invited us to table the evidence we had on the lease whose existence he had just denied. A few minutes later he denied consent to table the lease.

What game is the government playing with its contradictory and unacceptable behaviour in this matter?

[*English*]

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, the games that are being played are by the opposition. It is quite simple. Let me quote what the ethics counsellor said about the numbered company:

—sold its interest in the Auberge Grand-Mère to Mr. Yvon Duhaime. This company. . . was paid in full by the summer of 1993.

Therefore. . . there were no continuing financial links between Mr. Duhaime and the Prime Minister since mid-1993.

I ask the member to listen carefully. He continued:

Furthermore, there were no continuing financial links between the auberge and the golf course.

I ask the member to listen.

* * *

TAXATION

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, Canadians are facing ever increasing gas prices. Today it was reported that we could see gas prices as high as \$1 per litre.

Ten cents on every litre goes to federal excise tax. Will the federal Minister of Finance cut this tax and help Canadians?

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, Canadians know that the increase in the pump price of gasoline is attributable to the substantial rise in

the world price of crude oil. The price of crude has more than doubled since 1998.

In fact if we look at the GST, the GST in terms of the increased price at the pumps comprises only 1.5 cents per litre.

• (1435)

Canadians asked us to cut taxes. Last October we introduced the largest tax cut in Canadian history with \$100 billion in income tax cuts that is going through the economy now. It is about 2% of GDP. Let us give it a chance to work.

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, the Liberal government raised taxes without consulting the provinces but last week the federal Minister of Finance said he could not decrease taxes without the provinces.

The Liberal government continues to pass the buck, and we have heard it today, in order to avoid cutting taxes. Is the Minister of Finance prepared to do the right thing and cut federal gas taxes?

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, last fall the government introduced the home energy rebate to help Canadians with the costs of energy that were increasing.

The opposition party asked us to cut the excise tax. We want to do anything we can for Canadians, but we want to make sure it benefits Canadians and not oil producers.

A cent and a half in the excise tax at the pump could change in an afternoon by a similar amount. We have no assurance that decrease would go to Canadians, which is where we want the benefit to go.

* * *

[*Translation*]

CIGARETTE SMUGGLING

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, we have learned that smuggling has apparently resumed on aboriginal reserves following the recent hikes in tobacco taxes. This is a repeat of the 1994 situation.

My question is for the solicitor general. Will the government guarantee us that it will show leadership this time so that we do not have to go through the hell we went through in 1994 with cigarette smuggling?

[*English*]

Mr. Lynn Myers (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, we know there is a direct correlation between smuggling and the kind of activity being talked about. We also know we have to put in place and are putting in place the kind of monitoring that is necessary.

Oral Questions

The Minister of Finance met with his counterparts and is doing precisely that. We will be monitoring it very closely in the best interests of all Canadians.

[Translation]

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, during the summit of the Americas co-operation between the RCMP, the SQ, and municipal and aboriginal police forces resulted in full monitoring of reserve territory and prevented the entry into the country of undesirable elements.

Will the solicitor general guarantee us the same co-operation between the RCMP and police forces in Quebec as well as the same effectiveness in the fight against cigarette smuggling?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, first, I am pleased to see that opposition members recognize the excellent work done by all police forces as well as by customs officers during the summit of the Americas. I wish to congratulate all these professionals.

Obviously the Minister of Finance has taken recent action in connection with tobacco smuggling. There will be a careful follow-up by all police forces, as well as by customs, in order to ensure that we can eliminate smuggling.

I wish to point out that the spirit of co-operation that characterized the summit of the Americas still reigns with respect to the fight against smuggling.

* * *

[English]

LUMBER INDUSTRY

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, on Thursday the Prime Minister said in Atlantic Canada that we would negotiate on softwood lumber exports. This was news to everyone except the Prime Minister. Then on Friday the minister took credit for educating U.S. lumber consumer groups. This was also news.

Two long years before the minister adopted free trade in lumber, U.S. lumber consumer groups were lobbying for free trade. Why does the government not have a consistent Canadian position?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we have a very consistent Canadian position. We will fight the allegations that the U.S. producers have put to the commerce department.

We will demonstrate that we might do things differently in Canada but that our different way of doing things does not equate to subsidies. It does not equate in Atlantic Canada, British Columbia,

Quebec, Alberta or Ontario. We will fight and demonstrate that very clearly in Washington.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, one month ago the federal government implemented the monitoring of U.S. bound lumber when the five year softwood lumber agreement expired. The U.S. lumber lobby threatened that a wall of wood from Canada would happen in April.

• (1440)

Market watchers now say that April shipments are depressed. It is too important for the national interest to keep these export figures in the dark. When will the minister make these numbers public?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we have monitored these numbers very closely through the month of April. They do not seem to register important changes, but at this stage they are preliminary numbers and we will not at this moment discuss them in public.

As the House knows, it is very important that our industry keeps its usual trade with the United States. We have been very clear that it would be detrimental to our industry's position if we had gone very high in importation.

* * *

THE ENVIRONMENT

Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.): Mr. Speaker, in December of last year the Minister of the Environment announced the ozone annex to the Canada-United States air quality agreement. As well in February he announced \$120 million in new funding to help meet the commitments in the annex.

Could the Parliamentary Secretary to the Minister of the Environment update the House today on the status of this initiative?

Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, last week the Minister of the Environment released the Government of Canada's interim plan for action on particulate matter and ozone, two key elements in smog. The plan includes the next steps for cleaner vehicles, engines and fuels, as well as improvement and expansion in both the monitoring and reporting systems.

The interim plan meets the commitment our government made to Canadians to share our plans with them. The minister will continue to explore new solutions to secure a clean and healthy environment for Canadians.

* * *

NATIONAL DEFENCE

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, since the government took power

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back in 1993 the morale of the men and women associated with the military has sunk to an all time low. With rusting equipment, minimal pay increases and now increased housing allowances which are taking away those pay increases, no wonder morale is so low in our military.

With regard to the Sea King helicopters, it now appears that there will be further delays in their replacement. My question for the Minister of National Defence is quite simple. When will those Sea Kings be replaced? What date?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, it is amazing that NDP members are now advocating increased spending for the military, but I welcome their conversion.

In terms of the maritime helicopter project, it is our priority procurement project. We set the statement of requirement, which is to get the best helicopter that meets the needs of our Canadian forces and at the best possible price for Canadians.

We are into the procurement process now. Meanwhile, while that is ongoing, we are upgrading our existing Sea Kings. We are putting some \$50 million into them because we want to make absolutely sure that they are safe for our personnel to fly.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, therein lies the question. The government cancelled the project in 1993. Now the procurement process is so politically interfered with by the government that nobody knows. The minister cannot even answer when those Sea Kings will be replaced.

The minister stood in the House time and time again and said that the new helicopters would be replaced and flying in the year 2005. Public works has said one thing and now the minister is saying something completely different.

For the men and women who fly the Sea Kings, who maintain the Sea Kings and who do a great job for Canada, I ask him once again: When will those helicopters be replaced?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, this is another departure for NDP members. They are now supporting the Mulroney government, saying we should not have cancelled the helicopter deal.

Cancelling that helicopter deal is in fact saving taxpayers over \$1 billion because we will now get a helicopter that will better meet our needs.

We have not changed any of the timeframes. I do not know why he raises that matter. We are working as quickly as we possibly can to make sure the forces get the helicopter they need to do their job.

CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, homelessness is a growing problem in Canada. The mission statement of Canada Mortgage and Housing Corporation is committed to housing quality, affordability and choice for Canadians. It has helped finance One Post Road, Toronto's most exclusive condominium residence, where individual units range from \$1.3 million to \$2.6 million.

• (1445)

My question is for the minister of public works. Why is Canada Mortgage and Housing Corporation ensuring financing to build Canada's equivalent to Buckingham Palace when so many Canadians are still in need of affordable housing?

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, let me assure the member that the government is committed to investing in housing and to addressing the important problems that the member has raised.

We indicated in the Speech from the Throne that we were moving forward with plans to stimulate the creation of more affordable rental housing. A plan will be announced shortly.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, whatever the government promises its actions take care of the rich.

How many homeless could be looked after with \$2.5 million, the price of one of those government subsidized units? When will the government seriously address the housing requirements of Canadians who are in need of it?

Mr. Paul Szabo (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, as the member knows, the Minister of Public Works and Government Services met with his provincial counterparts last fall. They agreed on this priority for all Canadians.

In the meantime, officials of public works and government services and Canada mortgage and housing continue to work with provincial counterparts to ensure that we have a deliverable solution.

* * *

NATIONAL DEFENCE

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, how could our Canadian forces be considered combat ready when they are not even peacetime ready?

Some 12 of 41 Sea Kings have crashed. Seven crew members have been killed. There have been equipment failures. There are 30 hours of maintenance for every hour of air time. Downed crew

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were forced to use a personal cellphone to call for help. This is not only demoralizing our forces but it is an international embarrassment.

Will it take a further loss of life to move the government to finally deliver the equipment that our forces desperately need?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the preamble to the question is not entirely right. The member is exaggerating substantially many of the situations.

I clearly indicated we intend to provide the kind of equipment our Canadian forces need and to do it as quickly as we can. We will make sure that we keep our Sea Kings safe to fly.

I note that what is considered to be the most up to date armed forces in the world, those in the United States, also fly Sea Kings of the same vintage as we do.

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, during the election campaign of 1993 the Prime Minister stated zero helicopters for the Canadian Armed Forces. That was eight years ago. The need to replace the helicopters was obvious then.

Now they are known as the ancient Sea Kings, the geriatric Sea Kings, the venerable Sea Kings, but they have also been called flying coffins. When could the Canadian Armed Forces expect to receive delivery of its first helicopters? I ask the minister to give us a date.

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I think United States forces would be interested to know that it is flying these kinds of bad machines too. I am sure it would say the same thing as we do.

We will not allow them to fly unless they are safe to fly. We are providing for the upgrades that they need so that they are safe to fly. There is a very rigorous inspection done. Safety standards are maintained to the ultimate level to make sure that our people are safe to fly in them.

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[Translation]

GENETICALLY MODIFIED ORGANISMS

Mrs. Suzanne Tremblay (Rimouski-Neigette-et-la Mitis, BQ): Mr. Speaker, a UN group responsible for adopting world standards on food items is meeting this week in Ottawa to discuss the labelling of food that contains GMOs.

Since the Rio meeting in February, the United States has reconsidered their position which was pro-labelling at the time, and delegates in Ottawa are concerned that Canada will follow suit.

Could the minister inform the House of his government's intentions?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as I have said to the House a number of times, the Canadian General Standards Board, the Canadian Council of Grocery Distributors, the provinces and Canadian consumers, over 60 groups, have been meeting and will be coming forward in the not too distant future with a recommendation to the Canadian government as far as the labelling of foods affected by genetic modification.

• (1450)

[Translation]

Mrs. Suzanne Tremblay (Rimouski-Neigette-et-la Mitis, BQ): Mr. Speaker, we want the minister to provide guarantees to this House that food containing GMOs will really be labelled accordingly because it would not be the first time that the government would make a flip-flop to follow the lead of the United States.

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as the government does all the time, we are consulting with everyone in the industry, all levels of government and consumers in order to have a system of labelling that is meaningful, credible and enforceable.

In order to be effective we must be able to ensure all those things. We look forward to the recommendations of that group as we have to the recommendations and comments of the royal society that has already reported and the work being done by the Canadian Biotechnology Advisory Committee.

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ELECTIONS

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, today's Ottawa *Citizen* informs us that the Prime Minister's decision to call an early election last year right in the middle of a scheduled team Canada trip to China cost Canadian taxpayers \$4.1 million in cancellation fees.

In addition to needlessly wasting taxpayer money, a clear message was sent both to China and to Canada's business community that a campaign to keep the Liberals in power on a campaign about nothing was more important than exports to China.

Both of Canada's NAFTA partners have fixed election dates and avoid these types of problems. Why will the Liberals not implement the same policy here?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was challenged. The Leader of the Opposition dared me to call

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an election. I listened to him but it was a disaster for them. They cannot complain. If he had shut up, he might be in a better position today.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, on Saturday, B.C. Liberal leader Gordon Campbell promised that if he were elected premier in B.C.'s election, the next election in B.C. would be on May 17, 2005. Knowing when the election will be allows enhanced accountability and avoids wasting millions of dollars like the government chose to do.

Why is the idea of fixed election dates so difficult for the Prime Minister to understand when his B.C. Liberal colleagues get it perfectly well?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are operating under British tradition. British tradition calls for an election within five years. It is the call of the prime minister.

The Prime Minister was in his seat and was challenged by the Leader of the Opposition. I love a fight and could not resist.

* * *

PERSONS WITH DISABILITIES

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, one of the real challenges of people with disabilities is that the programs affecting them cross all departments and virtually all three levels of government.

Could the Minister of Human Resources Development tell us what the Government of Canada is doing to help the four million Canadians with disabilities access the support and services they need?

Ms. Raymonde Folco (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I am proud to tell the hon. member that the Minister of Human Resources Development launched a new national website initiative last week.

Disability WebLinks marks the first time that persons with disabilities across Canada have a dedicated Internet site that will provide quick access to information on government related disability programs and services.

This successful federal-provincial-territorial initiative is important for ensuring that government and other information providers meet the needs of people with disabilities.

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NATURAL RESOURCES

Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, my question is for the Minister of Natural Resources. Recently Atomic Energy of Canada was forced

to lay off workers at its Chalk River site. These are people with young families. Prospects for local employment are not great.

When could we expect to hear the announcement that the Canadian neutron facility will be funded at Chalk River?

• (1455)

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I point out that while members of the opposition in the last parliament were critical of all sorts of government spending, it was a member of the government, Mr. Hec Clouthier, who fought day in and day out to advance the cause of the CNF in Chalk River. He continues to do so today.

This is a big science decision. It involves many hundreds of millions of dollars. The government is giving it very careful consideration and will announce its decision at the earliest possible moment.

Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, since 1993 the Liberal government has cut hundreds of millions of dollars from Canada's centre of scientific excellence, the Chalk River Nuclear Laboratory. The CAT scan and the MRI technologies were developed at this world class facility.

When will the government make good on its election promise and cut a cheque for the Canadian neutron facility to be built at Chalk River?

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I invite the hon. member to read the budget proposals of the Alliance Party or the Reform Party before she arrived here.

She will discover that those proposals would have gutted the Department of Natural Resources, gutted AECL and destroyed any possibility of that kind of research for the future.

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[Translation]

FOOD INSPECTION

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, last week we learned that starlink corn had been found in pasta distributed on the Canadian food market. In addition, last Friday Dow AgroSciences Canada Inc. issued a recall notice on a batch of starlink-contaminated seed corn sold on the Quebec and Ontario markets.

Contrary to what he said on March 16 about the reliability of his inspection system, will the minister finally admit once and for all that his food inspection system is not perfect? Could he also tell us what he intends to do to improve the situation?

Oral Questions

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, Canadians can be very proud of our food inspection system. It is one of the best, if not the best, in the world.

We are constantly looking however at improving that. We work with the industry. We work with Health Canada and all others involved in the food inspection system to ensure that it is as safe as it can possibly be.

* * *

[Translation]

REGIONAL DEVELOPMENT

Mr. Georges Farrah (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, Lib.): Mr. Speaker, one of the challenges Canada will be facing in the 21st century will be to ensure the economic development of all its regions. Our young people are the future of our regions.

What action does the minister responsible for the Economic Development Agency of Canada plan to take to stem the exodus of our young people from the regions?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, this is indeed a very important question concerning regional development, particularly development of the resource regions, which are of enormous concern to us. The issue of retaining our young people in the regions is also of concern to us in order for them to be there to develop businesses.

Since 1997 moreover we have had a specific program, a youth fund, in conjunction with the community development societies. Today we have 1,516 entrepreneurs running a total of 1,244 businesses in the regions.

Over 4,500 jobs have thus been created or maintained. Since November 1997 in excess of \$15 million has been invested in this fund to maintain and develop all of our regions.

* * *

[English]

FOREIGN AFFAIRS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, Zimbabwe has the fastest collapsing economy in the world and human rights abuses are rampant, all because Robert Mugabe is trying to stay in power.

My question for the Minister of Foreign Affairs is simple. Will he bring this issue up with the security council? Will he mobilize an

international response to put pressure on the Zimbabwe government to stop these human rights abuses and let democracy rule?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, as the hon. member knows, Canada is no longer on the security council. However the issue with respect to Zimbabwe did arise at the most recent meeting of the Commonwealth ministers action group. It was proposed at that time by CMAG that a delegation of ministers go to Zimbabwe in order to meet with the government and discuss the situation there.

The hon. member will know that the government of Zimbabwe rejected the request for the CMAG delegation to attend there. I am sure this will be a matter of concern to the Commonwealth heads of government when they meet later this year in Australia.

* * *

● (1500)

[Translation]

YOUNG OFFENDERS

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, last week representatives of the western and Maritime provinces appeared before the Standing Committee on Justice to testify with respect to Bill C-7.

All those wanting changes, according to the minister, have said the bill is complex, too costly, increases delays, fails to meet the provinces' expectations and more.

Since her own allies condemn her bill—with support from Quebec—will the minister listen to reason, withdraw Bill C-7 and, if her department ever has money it does not know what to do with, it should give it to the provinces so they can apply the Young Offenders Act as Quebec has done for 30 years?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as the hon. member knows, the short answer to his question is no. We have no intention of withdrawing Bill C-7 because in fact it commands the support of a great many Canadians who want to see new youth justice legislation and youth justice legislation premised upon important principles, such as prevention, accountability and rehabilitation.

* * *

NATIONAL DEFENCE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Minister of National Defence.

The minister is right when he says that the NDP joined with the Liberals in 1993 in opposing the EH-101 helicopter contract. What we did not know was that seven years later we would still be talking about what helicopters the Canadian Armed Forces will be getting.

Routine Proceedings

Is the minister not just a tad embarrassed that seven years after opposing that contract the Canadian Armed Forces is still waiting for the Liberals to make up their minds on what kind of helicopters it will get?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we have said we are proceeding with this procurement process as our number one priority in terms of purchase.

We have already purchased new helicopters for search and rescue. Delivery will begin this year. We have purchased numerous other pieces of equipment: new LAV III and coyote vehicles for the army and new submarines for the navy. We have numerous amounts of new equipment.

We are working just as quickly as we can because we want to make sure that the Canadian forces have the tools and equipment they need to do their job and do it safely.

* * *

[Translation]

PRESENCE IN THE GALLERY

The Speaker: Order, please. I wish to draw the attention of members to the presence in our gallery of His Excellency Mr. Rafic Al-Hariri, the Prime Minister of the Republic of Lebanon.

Some hon. members: Hear, hear.

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POINTS OF ORDER

TABLING OF DOCUMENTS

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, since the Parliamentary Secretary to the Minister of Industry has once again denied the existence of a business link between the Grand-Mère golf club and the Auberge Grand-Mère, with the unanimous consent of the House I wish to table, at the specific request of the Deputy Prime Minister, the lease that existed between the Auberge Grand-Mère and the Grand-Mère golf club.

The Speaker: Does the hon. member for Verchères—Les-Patriotes have the unanimous consent of the House to table this document?

Some hon. members: Agreed.

Some hon. members: No.

ROUTINE PROCEEDINGS

• (1505)

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

**FEDERAL LAW-CIVIL LAW HARMONIZATION ACT,
NO. 1**

Hon. Don Boudria (for the Minister of Justice) moved that Bill S-4, a first act to harmonize federal law with the civil law of the province of Quebec and to amend certain acts in order to ensure that each language version takes into account the common law and the civil law, be read the first time.

(Motion agreed to and bill read the first time)

* * *

PETITIONS

POISON CONTROL

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, the petition I wish to present has 25 pages of signatures from Canadian across Saskatchewan. I note there are some from Big Beaver and some from Big River, which take in the far south and the far north.

The petition contains the signatures of farmers and ranchers who are pleading with the government to come through with a poison that can be used to kill Richardson ground squirrels or gophers. These squirrels have cost farmers and ranchers millions of dollars.

The government has ignored previous petitions. Let us hope it will finally listen to the requests of these farmers and ranchers.

CHEMICAL PESTICIDES

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, I have the pleasure to present to the House a petition signed by many of my constituents and people from neighbouring constituencies who call upon parliament to enact an immediate moratorium on the cosmetic use of chemical pesticides.

THE ENVIRONMENT

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I have two petitions to present today.

The first petition is from the citizens in and around St. Albert and Edmonton who call upon Canada to ratify all the environmental protocol addenda to the international Antarctic treaty.

FALUN GONG

Mr. John Williams (St. Albert, Canadian Alliance): The second petition, Mr. Speaker, is again from people in and around my riding who call on the government to urge the People's Republic of China to release all arrested Falun Gong and Falun Dafa practitioners and to lift the ban on Falun Gong people.

VIA RAIL

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from citizens in the Peterborough area who would like to see VIA Rail service resume between Toronto and Peterborough. They point to the environmental advantages of this.

The petitioners say that VIA Rail would be a sustainable method of transportation that would reduce greenhouse gas emissions. They also say that it would reduce the cost to society of accidents and delays on Ontario's highways. They say that such a service would strengthen the economy of Peterborough as a commuter centre, a tourist centre and an educational destination.

They call upon parliament to recommence VIA Rail service between Peterborough and Toronto.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from citizens of the Peterborough area in support of research toward a bioartificial kidney, which they see as ultimately replacing kidney transplants and dialysis as a means of treating end stage kidney disease.

They call upon parliament to work toward and support bioartificial kidney research.

The last petition also relates to kidney research. The petitioners point out that kidney disease is an enormous and growing problem. They call upon parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system to be named the institute of kidney and urinary tract diseases.

CANADA POST

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the petition I wish to present calls upon parliament to repeal subsection 13(5) of the Canada Post Corporation Act. The repeal, if it occurred, would enable rural mail couriers to organize and bargain collectively with the government.

• (1510)

IMMIGRATION

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, Mr. Richard Frankowski was deported after

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living in Canada for more than 36 years. His friends and supporters feel that there has been an injustice.

They call upon the Government of Canada to live up to the universal declaration of human rights and the international pact of civil and political rights and allow Mr. Frankowski to return to Canada.

HEALTH

Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, today I wish to enter into the records of the House of Commons a petition from my constituents concerning the recent outbreak of foot and mouth disease in the United Kingdom.

The petitioners are asking that Canada restrict travel to the United Kingdom except for business or diplomatic purposes.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CHARITIES REGISTRATION (SECURITY INFORMATION) ACT

(Bill C-16. On the Order: Government Orders)

March 15, 2001—The Solicitor General of Canada—Second reading and reference to the Standing Committee on Justice and Human Rights of Bill C-16, an act respecting the registration of charities and security information and to amend the Income Tax Act.

Hon. Don Boudria (for the Solicitor General of Canada): Mr. Speaker, I move:

That Bill C-16, an act respecting the registration of charities and security information and to amend the Income Tax Act, be referred forthwith to the Standing Committee on Justice and Human Rights.

Mr. Lynn Myers (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to speak today to Bill C-16 which is an act designed to allow the government to use and protect classified security, criminal intelligence and information in denying or revoking the charitable status of an organization with terrorist affiliations.

Bill C-16 balances the government's need to protect classified information against the basic requirement to ensure fairness and

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transparency in assessing the status of registered charities or applicants for charitable status.

The objective is to prevent the abuse of the charity registration system now and in the future by those few organizations that would provide support to terrorism.

I would like to share with members a quick overview of the pressing challenges we as a government face, and indeed all Canadians, that makes this bill so essential in contributing to Canada's effort to combat terrorism and just as important, to preserve the integrity of Canada's registered charities system, one of the country's greatest social strengths.

I would also like to briefly discuss the process by which Bill C-16 was developed, how it will work, its importance and benefit to Canadian society and public safety and how it integrates with broader efforts devoted to international security.

Bill C-16 responds directly to the 1999 report of the special Senate committee on security and intelligence which observed that groups with terrorist affiliations conduct fundraising activities in Canada often using benevolent or philanthropic organizations as fronts.

One of the report's key recommendations called for the Income Tax Act to be amended to allow Revenue Canada, as it was called then, to deny charitable registration to any group on the basis of a certificate from the Canadian Security Intelligence Service stating that the group constitutes a threat to the security of Canada.

We have also been listening to Canadians. We know that they look to the federal government in many ways, and in this way as well, to take a leadership role in remaining vigilant and ready to act to prevent terrorist activities from taking place in Canada.

We also know that Canadians want us to take any action that is appropriate and necessary to protect basic and core Canadian values. The legislation would help us address concerns expressed over the past few years by various ethnic groups, by the voluntary sector and by the Canadian public in general. The integrity and essential contributions of charitable organizations must be protected and maintained.

Canadians need to be assured that if they are approached to support a charitable organization, they can be confident that it is a bona fide organization.

• (1515)

The legislation allows the government to respond to threats to the public safety and national security of Canada and to other states stemming from front groups using charitable status to cloak in the blanket of legitimacy their activities in support of terrorism. We all know that terrorism is a global problem that ignores borders. That is why Canada is and must be committed to working globally to

fight it. For this reason, Canada works in a wide range of international fora to encourage both the collective condemnation of terrorism and effective, practical action against it.

Over the last number of years a series of G-8 communiqués and declarations and United Nations conventions and resolutions have addressed the issue of terrorism and more specifically the financing of terrorism. These international statements and agreements depend on action by Canada and other partner countries to give them life.

Starting in 1995 with the Ottawa ministerial declaration on countering terrorism, G-8 countries agreed to: share intelligence and technical knowledge; share information on terrorist organizations and terrorist incidents; share expertise on the protection of public buildings; and improve procedures for tracing and tracking suspected terrorists. At the same time they agreed to pursue measures aimed at depriving terrorists of their sources of funding.

In February of last year Canada was one of the first countries, and we should be proud of this, to sign the international convention for the suppression of the financing of terrorism. Canada has been a vigorous advocate in this area.

Terrorism is not new to the modern world. What is new is the magnitude of the terrorist activities undertaken by groups to further their goals through indiscriminate violence and destruction. The tools of terrorism cost money. Many terrorist organizations have devised unscrupulous methods of finding the money they need. This bill will put a stop to one of those methods, that being the use of charitable tax receipts to help support the use of violence in pursuit of a political objective.

Canadians want a charity system that can be trusted and is not open to abuse. They want a system and legislation that strikes a balance between the need for transparency and the need to deal firmly and effectively with those who would seek to abuse the system.

The bill therefore carries a dual mandate, closing the back door through which organizations supporting terrorist groups are subsidized by Canadian taxpayers, while at the same time ensuring that the standards of procedural fairness enshrined in the Canadian Charter of Rights and Freedoms are met.

There is currently a judicial process in place to review applications for charitable status or to revoke charitable status for those organizations that do not meet the requirements of the Income Tax Act. The classified information is not used in the current process since disclosure of such information would damage national security. A special legislative regime is needed to allow this information to be used, and that is precisely what the bill provides.

The process outlined in this bill is based on the immigration act and has withstood scrutiny by the courts. A certificate based on

security and criminal intelligence information is issued by the Minister of National Revenue and the Solicitor General of Canada. Both ministers review the information separately and independently. The certificate is then reviewed by a judge of the Federal Court of Canada who in turn determines if the certificate issued by the ministers is reasonable or should be quashed. Sensitive intelligence information is reviewed by the judge and a summary of that information is provided to the applicant for charitable status or the registered charity, as the case may be.

The organization is entitled to legal counsel and to a hearing at which evidence may be presented. It is only after the certificate has been confirmed by a judge that the Canada Customs and Revenue Agency would deny or revoke charitable status.

The certificate is valid for a period of three years. However it can be cancelled within that three year period if the organization presents new information which supports a conclusion that its resources are no longer being used to support terrorism.

The Speech From the Throne confirmed the government's intentions and commitment to further provide the necessary tools to fight terrorism. The bill is one of the tools the Government of Canada requires to wage the battle effectively. Canada is a country built on diversity. Our strength is based on diversity. In order for Canada to continue to grow and flourish it is important that our diverse nature be recognized and accepted.

• (1520)

The bill reinforces a clear message of the government that the use of violence to perpetuate conflicts is inconsistent with the values of a tolerant multicultural society which is Canada.

Some will say the bill does not go far enough. They will say we need to do more to combat terrorist fundraising in Canada. Let me say on behalf of the government that clearly there we agree. That is why Canada was one of the first countries to sign the UN convention last year. Our commitment is clear. We will fulfill our international obligations and will do so in accordance with Canadian values.

The bill is an important and necessary step. That is why we are here to debate it today. This small but necessary step in our fight against terrorism and the support of terrorism through fundraising is very important.

I hope we can look forward to the support of all parties on this very important piece of legislation. After all it is what Canada is all about.

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, the member opposite virtually wrote a part of my speech. He pre-empted some of the comments I was going to make.

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When talking about funding terrorist organizations, it is very interesting that the Liberal government says that the bill is a small but necessary step. As for terrorism in any country, it should not be dealt with by a small and necessary step.

The bill is supposed to provide a mechanism for denying registration as charities under the Income Tax Act to organizations that raise funds for terrorists.

One would think that with the large bureaucracy and with all the members of parliament in the House of Commons, the government would come up with a more efficient way to fight terrorism than merely dealing with a comprehensive approach, through a federal court judge, of denying registration as a charity.

What will the people in Canada think of that kind of step where the government says that, yes, we have a severe problem with terrorists being funded from funds raised in Canada and what we will do is deny registration as a charity if it goes through a whole bunch of processes?

Surely Canadians are expecting more than this from a government. What more could the government do? I did not hear anything about the Immigration Act. There was casual mention of it. What about application of the Immigration Act to many people who are involved in terrorism in this country? If an organization is suspected of dealing with terrorist activities, then surely the people within that organization are suspect. What proposal is being made for deportation of non-citizens, if that is the case, within the Immigration Act?

What proposal is made under the criminal code for those citizens within Canada who are involved in terrorism? What proposal is being made through the criminal code for wire tapping? Right now it takes about 1,500 pages to fill out the application and approval for a wire tap when approximately eight years ago it took about five pages.

• (1525)

What I am saying is that this is a feeble attempt, at the very best, to deal with terrorism in our country.

The member opposite said that if a group constituted a threat to the security of Canada, then the government would take a lot of action. It would file through a federal court judge to make sure that an association, with which an individual or individuals were involved, could have its certificate removed as a registered charity. It is hard to believe that a government could come up with this kind of approach.

There are things that can be done about terrorism such as simplifying the procedures for obtaining wiretaps and providing more resources for the RCMP, CSIS and for organizations involved in the prevention and apprehension of those involved in terrorism

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and organized crime. We should define what a terrorist group constitutes, just as we were supposed to define what an organized crime gang in law was and failed to do so.

It is hard to get enthusiastic with the registration of a charity and the refusal or removal of that when we are dealing with such a large issue as organized crime or terrorism. Where I come from it is hard to believe that the triads, who possibly are involved in terrorism, would be overly concerned about losing their registration as a charitable organization. Quite frankly they deal in tax free dollars. It is called revenue from drug sales, prostitution, embezzlement, money laundering, all illegal activities. I hardly think they would be concerned with their charitable organization certification being removed.

I have been involved in looking at the issues in criminal justice for my entire time in the House of Commons. I asked time and time again for policies and legislation to be tabled in the House which were meaningful, which would do something constructive, which would help reduce the importation and the traffic of drugs and which would stop the problems with sexual exploitation of children and others.

What I get back in return are solutions like this. It is hard to believe that people watching television today and listening to this discussion will have a lot of confidence in the Government of Canada when it says that it will fix this terrible problem of terrorism, that it may remove charitable organization certification and that it may not allow them to get tax free status for the money they send to other countries.

Can they honestly believe that members of parliament are actually debating this bill? Would they not prefer to hear that in cases of organized crime and terrorism we will deal with it in a different manner? They just have to listen to the speeches today and ask themselves if this will deal with the problems related to terrorism in Canada?

• (1530)

Would the proposal adequately stop or hinder terrorism or in any way put somebody in jail for being involved in terrorism? No, it would not. It says people would not get tax free dollars by way of a tax receipt, a tax receipt for which they did not pay tax for in the first place.

I not only question the bill but I question the sincerity of the government. I question the ability of the government to comprehend the serious nature of the problem that we are dealing with. If people watching television today think I am wrong, they should listen to the speeches from the other side. This is the effective action that the government will take on terrorism.

I ask everybody watching to write letters to the House of Commons, to the solicitor general, to me as the solicitor general critic and to state whether or not they believe that the way to fight

terrorism is, in the words of the Liberals, to fight what constitutes a threat to the security of Canada. Or, is it what I described? Is it denying the registration of charities under the Income Tax Act?

I rest my case. This is not only ineffective but it shows a lack of comprehension of what the real problems are with organized crime and terrorism in Canada.

[*Translation*]

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the bill respecting the registration of charities and security information and to amend the Income Tax Act seeks to counter activities in support of terrorism as provided under the convention on the financing of terrorism which was approved by the United Nations.

Through its bill, the government wants to counter terrorism by preventing supporters of terrorism from engaging in fundraising or the transfer of money and materiel abroad.

The bill seeks to deny support to terrorist activities and to protect the integrity of the charity registration process through the fair and transparent use, to the extent that it is possible, of confidential information that could jeopardize national and human security.

Concretely, this bill seeks to prevent organizations that are related to terrorist groups from obtaining the status of charities. This should help reduce the funding of terrorist activities. The legislation would, among other things, facilitate the use of confidential information to determine the eligibility for registration as a charity or to revoke the registration of a registered charity.

It is interesting to note that the minister does not define what he means by "terrorism" even though the purpose of the bill is precisely to counter the funding of organizations that engage in such activities. Such an omission can of course lead to a broad or liberal interpretation of the term. This means that in a highly politicized context there is always a potential risk of abuse.

In that perspective, we have no guarantee that the criteria used for interpretation purposes will allow us to distinguish between the funding of legitimate activities, such as political protest, and that of violent activities. The word "terrorism" must be thoroughly defined.

As for the judicial review of the certificate, while the procedure is relatively simple, it does raise some concerns. First, the Canadian Security Intelligence Service will inform the solicitor general and the Minister of National Revenue that it has come to the conclusion that an organization is fundraising to finance terrorist activities.

On the basis of that notice the ministers can then start procedures to prevent that organization from getting the status of charity or to revoke its registration.

• (1535)

Given that this process is set in motion by an administrative notice to the political arm, which then issues a certificate, we feel that this approach is flawed by the absence of any possibility of judicial control.

As a result, the impossibility of filing an appeal places any organization faced with such a procedure at the mercy of errors or political and judicial administrative abuses which might arise from excessive alarmism. Knowing that CSIS practices are not above reproach, we are concerned.

In addition, there is the absence of control mentioned earlier. What reasons could the organization give for purposes of control or appeal, when it is not entitled to know the information giving rise to the certificate?

But there is no objection to giving it information which does not pose a threat to national security. In other words, it will be given information which is not really relevant because the denial or revocation of charitable status will be based on information which could pose a threat to national security.

Finally, the only procedural guarantee the organization is allowed is the *audi alteram partem* rule. But one might wonder just how useful that is since the organization will not have access to the facts and the reasons for the certificate being issued.

The section on evidence raises equally important concerns. First, under a procedure provided for in the bill a judge will be able to allow evidence regardless of its admissibility.

By disregarding specific rules of evidence the government is ignoring the contradictory nature of our judicial system. The bill would institute an inquisitorial procedure which is unacceptable in a free and democratic society.

As we have only ten or so minutes each, I will skip over a few of my remarks and go to the heart of the issue.

We wonder how anyone could possibly think an accused would have the impression that justice had been done. For that to be the case, there would at least have to be the appearance of justice. The whole thing is hard to verify, when the evidence is revealed in camera, in the absence of the principal parties. It can be said therefore that in the case before us the procedure stands out because of its almost total lack of transparency.

The organization mentioned in a certificate will be able to apply for a review by showing that a material change has occurred in circumstances since the determination. This is an interesting possibility since the organization is permitted to mend its ways.

However, if we consider the problems raised previously it seems to me uncertain that an organization can prove this. In order to prove reform, a party must know the allegations against it.

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Once the ministers have given their decision, the organization will have all the time in the world to apply to the federal court to review the decision. Once again this possibility appears to accord certain procedural guarantees.

Unfortunately, this is not entirely the case. In fact, the ministers do not seem to have to give reasons for the decision that is to be reviewed. In addition, the federal court will review the decision only if it was given under subclause 10(5)(b) of the bill, that is, if the circumstances have changed but the certificate continues to have effect.

This implies therefore that when the ministers conclude that the situation has not changed materially, the federal court does not have real review power. In such a case it can only quash the decision on the grounds that the circumstances have materially changed and return the file to the ministers for another determination. In this way, there is no real control because the file goes back to those who made the original determination.

The aim of this bill is most worthy, but the means to achieving it are dubious. At the moment, as it is written it snags on too many principles of justice to be passed in its present form. The committee will have to improve it significantly, otherwise, it would set a dangerous precedent in terms of the violation of procedural guarantees.

• (1540)

Some will say that charities may be a disguise for terrorist organizations. Even if they are right, I do not believe the right thing is being targeted. It is somewhat absurd to think that the supporters of terrorist organizations want to take advantage of tax credits.

One may even wonder to what extent this bill is not a roundabout way of enabling the minister to control taxation. It must be kept in mind that terrorism is not financed exclusively through charitable organizations. Although the government is attempting to show that it is taking concrete actions against terrorism, with this bill it is opting for facility rather than really attacking the source of the problem.

In actual fact, all it is doing is making sure that tax receipts cannot be issued for financing terrorist activities.

I agree is a very real phenomenon and we must help fight it. On the other hand, do we need to recreate psychoses such as there were in the era of fear of the communist threat, or worse still, go back to the era of the Inquisition and its search for heretics? I think not.

I believe it would be far more effective for the criminal code to properly address the financing of criminal activities for this would focus directly on those involved in such acts.

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In short, to conclude, Bill C-16 could be summarized as follows: suspicion, discretionary power, enigmatic proof, and lack of control.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, thank you for the opportunity to speak briefly to the referral of Bill C-16 to committee. It is a procedure that is not used all that often.

Bill C-16 is a bill which is well suited to this kind of examination in committee before second reading so that no parties in the House, and particularly the government, find themselves committed to any particular position on the bill. It leaves the way open for members on the committee to explore all the various concerns that a great many people have expressed about the bill.

Having listened to the Parliamentary Secretary to the Solicitor General, it seemed to me that he made a speech that was more appropriate for a traditional second reading debate in which he vigorously defended the bill and the government's position on the bill. That is not what should be happening now. The bill is going to committee before second reading presumably because the government has some sense that there are things which need to be looked at before any final commitment on the part of the government is made to the passage of the bill.

There would be an opportunity for people to come forward, as they have been doing through correspondence to various members of parliament, particularly those associated with this file, and express their concerns on the record before the committee.

Another bill which may be suited to this kind of process would be a bill that the government could bring forward having to do with workplace safety and changes to the criminal code with respect to the charging of companies or individuals of companies responsible for the death of workers on the job through corporate negligence.

I am referring to a bill that existed in the last parliament that was sometimes called the Westray bill. Our party was pushing that bill in the last parliament, particularly our leader, the hon. member for Halifax. We were urging the government to act on that particular issue.

● (1545)

It would seem to me if the Minister of Justice, as she has said to me, wants to hear from more Canadians, if she is not prepared to act on the Westray file at this moment, that bringing forward a piece of legislation and referring it to committee before second reading so that more people could be heard on that particular subject would be a good idea.

I make no apologies for using the opportunity when we are employing that process with respect to Bill C-16 to say that there

are other issues which are equally important and which I think the government should act on by using this particular process. One of them could certainly be acting on the Westray file, that is to say, changing the criminal code in such a way that the kind of activity that led to that particular tragedy would be the kind of activity that could be gone after much more efficiently than it can be gone after now.

With respect to Bill C-16, there is no need to speak at great length about the bill. We want to see it go to committee. I would say that the government should be open, as I think I already know it is, as to whether or not it finally should go to the justice and human rights committee because the justice and human rights committee is a very busy committee. We have Bill C-7, the youth criminal justice act, Bill C-15, the omnibus amendments to the criminal code and the organized crime bill, and there will be more. I would hope the government would consider whether or not at some point, perhaps in discussion with House leaders, if we could agree to send this bill for this kind of an examination to some other committee, a committee that can do it sooner. It is not because we do not want to do it in the justice committee, but perhaps we could agree to send it to some other committee whose calendar of work would permit it to do this earlier.

Surely all Canadians would agree that if this is a problem that needs to be addressed then it should be addressed sooner rather than later. I put it on the record that we should look at perhaps where we might refer this bill for this kind of study. We could always change it by unanimous consent.

A number of groups, have already expressed concern about the bill, but I will say briefly that we in the NDP support the principle of the bill, which is that taxpayers should not be funding, surreptitiously or innocently by virtue of deception any particular organization or terrorism activity either here or in any other country.

If my understanding of the bill is correct, I think what the government has in mind here is terrorism abroad. When I listened to the Alliance spokesperson complain that the bill does not fight terrorism in the many ways that he thinks it should, he may be right that there are other things the government could be doing to fight terrorism, but the bill is directed toward amendments that need to be made to the charities act.

In fairness to the government, we could say that it should be doing this, that and the other thing, and that all may be true, but the bill itself, it seems to me, zeros in on a particular problem and that is, how can we prevent the Canadian taxpayer from subsidizing terrorism through the charities act? How can we do that in a way that does not interfere with the legitimate activities of a great many charities which may in fact be configured in relationship, not necessarily to another country or to a cause in another country, but configured culturally or ethnically in a way that leaves them open

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to that suspicion or may in fact, depending on what is actually the case, leave them open to being used in that particular way?

Many of the groups that would fall into that category have a legitimate concern, I think, that they not be dragged through a process in which, even if at the end of that process they are found to be innocent, they would nevertheless have expended a great deal of time, energy and perhaps reputation in defending themselves against that charge. How can we balance that concern with the very real concern that some organizations may actually be or may be tempted to be or may in the past have been or may in the future act in such a way that the moneys which Canadians give to them, which are tax deductible, are used in some way or another for terrorism?

• (1550)

I will end by saying that one of the things we need to keep in mind while trying to find this balance is that we also need to do a lot more critical thinking about what constitutes terrorism, particularly when we are talking about terrorism abroad, which is mostly the kind of terrorism we are talking about. It is sometimes a very political matter what is defined as terrorism, which is obviously unacceptable, and what is defined as resistance or legitimate rebellion or whatever.

One is reminded of a time in the House when one left oneself open to very severe criticism if one spoke in any sort of supportive way of the African National Congress and the anti-apartheid movement. Yet there were acts of violence associated with the anti-apartheid movement and the African National Congress within South Africa. Would that have meant in the context of this bill that anti-apartheid groups in Canada who were raising money for the cause of anti-apartheid in South Africa could have been dragged through the process that this bill lays out?

I ask that question because it is a legitimate concern. The task of the committee will be to address that concern while at the same time respecting the principle of the bill that Canadian taxpayers should not be funding terrorism.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I as well am pleased to have an opportunity to put a few remarks on the record with respect to Bill C-16, which is a very important piece of legislation dealing with charitable organizations and regulations that relate to fundraising activities in Canada. I could not agree more with my hon. colleague from Winnipeg—Transcona that the process in which we are pursuing this matter is a very important part of the debate.

The Westray issue in particular is something of great interest to me, as this tragedy occurred in Plymouth, Nova Scotia in the constituency of Pictou—Antigonish—Guysborough. There was an

unusual coming together of members of parliament on that issue of workplace safety and the broader implications that exist for those who can be injured in the workplace. We saw this past weekend recognition in a day of memorial, a day of remembering those who died in the workplace. We should be renewing our efforts in that regard as well.

To speak specifically to this issue, this is a piece of legislation that puts in place a judicial process by which the government would be able to deny charitable status to any group found to be supporting terrorist activity. Much of this, I suggest, will have to be fleshed out in terms of the organizational definition and the definition of terrorist activities, yet it is certainly a step in the right direction. It is a positive initiative which the Progressive Conservative Party will support in this initial stage.

This legislation is long overdue. The Conservative Party has been very consistent in calling upon the government to act in this direction to curtail terrorist activity in Canada. We qualify this support, realizing once again that the government tried to initially deal with this problem through avoidance. Since that did not work it has been literally shamed into bringing forward this legislation, which sadly does not go quite far enough. It is a typical legislative half measure. The support of our party therefore will hinge on our ability to bring forward amendments and to delve into greater detail at the committee level.

It is important that we send a message of deterrence and a message that rings throughout the country that this type of terrorist activity funding and enhancing of terrorist causes will not be perpetrated in Canada and will not be tolerated by government or by law enforcement communities. Other western countries have enacted similar legislation so Canada is following the leader in a sense. It is certainly important that ethnic Canadians are not coerced unknowingly into becoming charitable fronts for terrorist fundraising activities.

Canadians are a magnanimous people by nature. I know that in your part of the world in Kingston, Mr. Speaker, that could not be more true. Canadians generally want to give. They want to reach out and help. My colleague from Cumberland—Colchester raised the issue today of the need to do more to help other countries and to do more for the African AIDS epidemic where so many millions of people are suffering from this horrible disease.

• (1555)

Meanwhile we need to have some safeguards to ensure that these causes are genuine and that these fundraising activities are those in which the most amount of aid and assistance will actually be obtained by those groups. We need to ensure that in our effort to combat terrorism, legislation does not unfairly target legitimate, peaceful, law abiding fundraising groups, especially those fun-

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draising groups of different ethnic backgrounds that engage in very valuable fundraising activities or initiatives for the betterment of their communities.

I am hopeful that we will be able to produce legislation that will improve public safety for the country and meet this balance that is required while not trampling on the rights of those who are in some instances very vulnerable citizens in this country and are making very legitimate efforts to try to assist those from their originating countries in their plight.

Bill C-16 sets up a process by which organizations supporting terrorist activities could be denied or lose their charitable status. If the solicitor general and the minister of revenue, after reviewing security and criminal intelligence reports, have reasonable grounds to believe that an organization makes or will make resources available to terrorism, they both would be required to sign a certificate. The organization would then be given notice of this certificate and the matter would be referred automatically to the federal court for a judicial review. The applicant would have the opportunity to apply to the federal court to have its identity protected and a judicial process would then occur.

The federal court could and would provide the applicant with an opportunity to introduce evidence, call witnesses and cross-examine in a public forum. This is a very important process in getting to the root of the allegation if the group is suspected of being involved in terrorist activity and fundraising.

This process would allow for the review and the classification in camera, and the judge would then provide the organization with a summary of the classified information produced. The summary would contain sufficient information to allow the organization to respond but would also exclude information that the judge has determined would be injurious to national security and the safety of persons. There is a fairly in-depth and comprehensive process there to protect the rights of those involved. Confidentiality is often very critical in the integrity of the process, but to be very blunt, it is often a matter of life and death. These terrorist groups are very ruthless in their activities, and the repercussions and the revenge factor are certainly real.

If confirmed, the certificate would then be valid for three years and the judge's decision would be final and not available for or subject to appeal. However there is a provision for review if there is a change in the material circumstances of the organization.

All of this is to say that Bill C-16 provides a very good starting point. However some of this process is going to have to be worked through and more detail put in place.

Terrorists often look outside their borders. That is clear. Canada, because of the financial and material resources that exist here, is very much a target of terrorist organizations. Over the past number

of years the approach to terrorism, I would strongly suggest, has been inadequate and has allowed, to a large extent, terrorist fundraising activities to thrive and to flourish in Canada. The regrettable result is that terrorist organizations have been able to exert their influence over and even infiltrate some very legitimate operating Canadian organizations that already have charitable status.

Recently we have seen concern raised over the charitable organization known as the Federation of Associations of Canadian Tamils, FACT, which has been identified by federal lawyers as a front for the known terrorist organization, the Liberation Tigers of Tamil Eelam. Justice department lawyers have said that the Tamil Tigers engaged in torture, mistreatment of prisoners, summary executions, ethnic cleansing of Muslims and kidnapping and forcible conscription of children, all absolutely abhorrent activities. I am sure that some who may have contributed to this organization would be appalled to think that their money went to that organization for those purposes.

We have seen similar fundraising activities that play upon the emotions and the passions of Irish Canadians. For many years in this country we have seen Irish Republican Army activists who have tried to raise money for what turned out to be explosives or weaponry that was used to perpetrate their cause. That cause is thankfully now through due to the peace process and to negotiations in Northern Ireland and is moving in a very positive direction.

• (1600)

It needs to be stated that Canadian Tamils have made valuable contributions to the country. The fact that the particular organization is one of several political and benevolent front organizations that support a terrorist organization has resulted in a great deal of controversy in the House of Commons. It demonstrated the reach of such terrorist organizations into what seemed to be a well intentioned charitable group. It is also a reminder to Canadians of the care that must be taken and the background checks that must be made before any well intentioned person decides to aid in an effort of a charitable group.

Donations to a charity qualify for tax credits which reduce federal taxes by 17% for the first \$200 of eligible donations and 29% of the balance to a limit of 75% of income. Such donations also reduce provincial taxes.

The legislation is positive in its direction. The difficulty is that police often have trouble making the connection between a charitable organization and the terrorist front that is being used for that purpose. Fundraising fronts usually take care to commit no crime in this country and police can currently only lay charges of conspiracy if a direct connection can be established.

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There is much work to be done in this area. The United Nations General Assembly adopted the international convention for the suppression of the financing of terrorism, but Bill C-16 falls somewhat short of Canada's obligations under that convention. Other countries such as the United States and Great Britain make it completely illegal to provide material support or resources for any group that the government has found to be a terrorist organization.

Canada can learn from the example of other countries. We have an opportunity to improve the legislation and we hope that we would have the opportunity to do that in the justice committee. There may be some need to refer the bill to another committee, but wherever it goes we would be looking to improve it.

[Translation]

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I am very pleased to address Bill C-16, which I am introducing jointly with my colleague the solicitor general.

Charities play a critical role in the achievement of goals, both here and abroad, that Canadians deem important. Charities provide humanitarian assistance in times of crisis. They promote the building of civil society in developing countries. They provide help to the needy and they work to respond to social concerns and problems.

[English]

To recognize this and to encourage Canadians to support charitable activities, the Income Tax Act grants significant tax privileges to charities. Charities are accountable for how they use donations. They hold the public trust and they depend on public confidence.

The bill provides the legal means to deal with any suspected abuse of charitable status by terrorist supporters who try to use charities to disguise their activities.

[Translation]

This bill will also guarantee that tax privileges granted to registered charities are provided only to organizations that engage in charitable activities under the Income Tax Act. Above all, it will guarantee to Canadians that their donations to registered charities in Canada will be used for legitimate purposes.

As members know, the tax incentive related to gifts to charities is administered under the charities registration process. These legislative provisions and the registration process administered by the Canada Customs and Revenue Agency are evidence of the clear intention of parliament to support, through the tax system, activities conducted for charitable purposes under Canadian legislation.

• (1605)

[English]

In Canada, as in other common law jurisdictions, the courts have been very clear that the pursuit of political objectives falls outside the legal bounds of charity. Any organization that operates in whole or in part to support political aims and objectives would not be eligible to receive charitable status for income tax purposes.

The use of violence or the threat of violence to achieve a political aim, regardless of the cause concerned, cannot be reconciled with the legal concept of charity. The bill before us today addresses very serious international concerns about terrorist activities.

[Translation]

Canada as a nation and Canadians individually do not and cannot tolerate terrorist activities. In order to maintain public trust in the treatment of charitable organizations, the government must ensure that the tax privileges available to such organizations do not benefit any organizations using violence to attain their goals.

Certain organizations which condone acts of terrorism are also involved in humanitarian assistance and community development programs. They may therefore attempt to make a distinction between that part of the organization which engages in terrorism and that part which provides humanitarian services.

This bill makes it impossible to sanitize a terrorist organization merely by keeping humanitarian activities separate from terrorist activities on the organization chart. It is naive to think that the purpose of these groups' assistance activities can be kept separate from their use of violence to attain their political goals, unless the intention is to deceive.

This bill makes it clear that Canada will not tolerate the abuse of our democratic system and institutions to promote and fund terrorism. We will not allow terrorists to obtain charity status by concealing their terrorist operations behind charitable activities.

Canada is not the only country to take steps to prevent terrorist organizations from passing themselves off as legitimate charities. In July 1996 all of the G-8 countries made a commitment "to take steps to prevent or counteract, through appropriate domestic measures, the financing of terrorists and terrorist organizations, whether such financing is direct or indirect through organizations which also have or claim to have charitable, social or cultural goals".

[English]

The legislation is part of Canada's response to this international concern. It is not the total solution. It addresses only the issue of tax incentives that are being provided to organizations whose activities are not consistent with the concept of charity.

*Government Orders**[Translation]*

Such provisions do however, indicate a step in the right direction. As confirmed by the report presented in 1999 by the special Senate committee on security and intelligence, taxation measures applicable to charitable organizations are exposed to the possibility of abuse.

The committee pointed out that a variety of groups with terrorist affiliations are carrying out fundraising activities in Canada and that benevolent or philanthropic organizations often serve as fronts for fundraising.

The report specifically points out that such groups use the status of registered charity under the Income Tax Act to enhance their credibility. It also suggests that Canadian taxpayers may be unwittingly supporting violent political actions by these groups through donations they believed were going to provide humanitarian aid.

• (1610)

[English]

This is unacceptable. Canadians have every right to expect that registered charities are charitable as the term is understood by the law. We have a clear onus to ensure the integrity of the system and to take whatever steps are necessary to see that the legislative framework for the system guards against abuse.

[Translation]

This is what the bill does. It protects the registration of charities by providing recourse to secret information, to security information, relevant to the determination of a charity's right to receive donations providing tax relief. To this end, it in fact creates a parallel appeal process.

The automatic judicial review process will be used only when the solicitor general and the national revenue minister take steps to revoke or refuse a registration on the grounds that donations are being used to support acts of terrorism.

The proposed process will make it possible to consider all information relevant to national security in determining the status of the charity, while protecting from inappropriate disclosure delicate information on national security. The rules currently in effect requiring full public disclosure will continue to apply in all other appeals.

This bill demonstrates the government's commitment to building Canadians' trust in the voluntary sector and in the integrity of our tax administration. This is a step that should be welcomed by all concerned about our charity registration system.

To close, we cannot and will not neglect our responsibility to all Canadians to ensure tax measures relating to charitable organizations are respected and may be controlled.

This is the very foundation of public trust in tax measures applying to charities. This trust is fragile and must be protected. The bill realizes this objective.

[English]

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I am pleased to participate in the debate on behalf of the constituents of Surrey Central to send Bill C-16 to committee before second reading.

The legislation is the Liberal government's feeble attempt to prevent terrorist groups from obtaining charitable tax status. The solicitor general has tabled a grandiose scheme to try to prevent undesirables from setting up shop in Canada to raise money to overthrow a foreign government or for oppressive violent activities.

Money is often raised by force, with the threat of personal injury or death. We know that approximately 26 groups have charitable tax free status in our country thanks to the weak Liberal government that lacks vision and backbone. It is trying to pass some kind of multi-step program to slowly revoke the bogus charitable status of terrorist groups operating in Canada.

I will briefly describe the multi-step process set out in the bill that would lead to the denial of charitable status. First, the RCMP and CSIS would inform the Solicitor General of Canada and the Minister of National Revenue of an organization's suspected provision of resources to a terrorist group. If the ministers conclude that the organization makes or would make resources available for terrorism, these ministers would then sign a certificate to that effect.

Once the certificate is signed, the organization would be notified and the certificate would be referred to a federal court judge. The judge would review the intelligence reports in private and would provide a summary to the organization. If the judge upholds the certificate the organization would lose its charitable status for three years, subject to a review if there has been a change in material circumstances to the organization. Finally there would be no appeal of the judge's decision. That is the good news.

• (1615)

The impact of the bill is unlikely to be major. The process is sufficiently complicated that the first designation will probably not be made until years have lapsed. Provisions for in camera hearings are necessary to protect intelligence sources and methods. There are no such provisions in the bill.

Canada is obligated, pursuant to a United Nations convention, to make it a criminal offence to raise funds for terrorists. However the government is not serious about fighting crime or preventing terrorists from using bogus charitable status to raise taxpayer dollars to finance their schemes.

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Recently I met with representatives from the Canadian Association for a United Sri Lanka. We discussed the United Nations international convention for the suppression of the financing of terrorism. The individuals I met pointed out that while many countries are expected to support the convention, at least 22 countries must ratify it before it can come into effect. So far only two countries have ratified it and I hope more will do so.

In the bill the government is doing nothing to stop criminals or terrorists from raising funds in Canada for terrorist activities. About a year ago two cabinet ministers attended a fundraiser in support of the Tamil Tigers in contravention of warnings from the U.S. state department, the high commission in Sri Lanka, CSIS and the RCMP. This demonstrated the Canadian government's lack of seriousness about fighting terrorism. It is only interested in doing what is politically expedient.

Canadian taxpayers are assisting the funding of terrorist activities because the money raised by these bogus charitable status organizations is subsidized by the taxpayer. Even if the tax status were removed, however, would the government stop these organizations from raising funds in Canada? I do not think so. There is nothing about that in the bill. It is a violation of the UN convention.

Let us look at the activities of the finance minister and the international development minister. They attended a questionable fundraising event. Article 2, section 5 of the United Nations international convention for the suppression of the financing of terrorism says:

Any person also commits an offence if that person:

- (a) Participates in an offence. . .
- (b) Organizes or directs others to commit an offence. . .
- (c) Contributes to the commission of one or more offences. . .

The two cabinet ministers could be charged under this section of the UN convention.

The shameful case of Ahmed Ressam should set off alarm bells and signify to the government how weak and ineffective it is at fighting terrorism. This was a textbook case of a terrorist who was arrested crossing the border from Canada to the United States on December 14, 1999. Ressam had plans, the ability and the material to commit a bombing in the United States.

The details of this man's life for the previous five years have come out at his trial in the U.S. where he was convicted on all nine indictments against him. The case reads like an indictment of the Liberal government. Canada has no laws against terrorism thanks to a weak Liberal government which lacks vision, a backbone and the political will to combat terrorism.

Ressam, like other terrorists, took advantage of our lax refugee and immigration system. He arrived in Montreal in 1994 and

claimed refugee status at the airport, describing himself as a suspected Islamic terrorist. He was fingerprinted, and guess what? He was set free.

• (1620)

He collected welfare for most of the five years. He was not deported after he was arrested for theft. Later he was arrested for pickpocketing elderly women and set free again. He was arrested for stealing luggage and set free again.

He failed to show up at his refugee hearing in 1995 and the refugee board concluded that he had abandoned his claim. Rather than deporting him at that stage, the board allowed him to appeal that decision in 1996 and he was set free again.

He then changed his identity and got a Canadian passport. Let us imagine a terrorist getting a Canadian passport. Then he got a social insurance card and a Quebec driver's licence and began to travel the world, pursuing terrorist training outside Canada that included an association with Bin Laden.

In 1999 French government representatives tried to get into Canada to interview Ressam but was not allowed in until October. After October they immediately got the goods on the guy by searching his apartment in Montreal, although Ressam was nowhere to be found.

Finally he showed up. He showed up trying to get into the U.S. in December and was arrested. The world is disappointed in Canada. What would have happened if Ressam had been arrested in Canada? He would have received a maximum of ten years, of which only two would be spent in jail. Having been convicted in the U.S. he will now spend one hundred years in jail.

In conclusion, after years of the Reform Party and now the Canadian Alliance fighting for tougher laws to combat gangs, criminal activities and terrorist organizations, the Liberal government has finally introduced some of the legislation we have been calling for. However the weak Liberal government that lacks the political will to get tough on crime, particularly organized crime and terrorism, has only done so under pressure from the opposition, the United Nations, the public, the RCMP and CSIS.

Combating organized crime and terrorism was part of the Alliance justice platform. However the bill is a feeble attempt by the government to address the issue. It will be ineffective and lengthy and will lead nowhere. It is not enough. It is not the giant step that is needed. We will therefore be opposing the legislation.

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, Canada is proud to be a multicultural nation of peace and tolerance. Canadians value and respect diversity. Our charter of rights and freedoms is a model for the world which reflects Canada's commit-

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ment to human rights. The bill reflects core Canadian values and is fully consistent with our fundamental charter principle of fairness and due process under the law.

The bill focuses very narrowly on terrorism and on organizations that may improperly use charitable status in Canada to raise funds to support terrorism. The bill includes many safeguards, including provisions that allow organizations to regain charitable status by demonstrating that they no longer support terrorism and that their activities are fully consistent with charitable status.

The bill recognizes that Canadians have the right to engage in political activity. They have the right to make their views known in ways that are accepted in a free and democratic society, through advocacy, protest and dissent. They have a right to finance groups and support political causes.

Nothing in the bill interferes with those rights for any Canadian. What the bill does is set a clear standard for public policy. It draws a line between the exercise of rights and the abuse of charitable status to cover support for terrorism.

● (1625)

No civilized society can condone terrorism. By taking steps to prevent the abuse of charitable tax status Canada is supporting the international campaign to stop support for terrorism.

The bill would also help eliminate the suspicions and innuendo that produce tension based on racial, ethnic, religious or national differences. Allegations and suspicions would be dealt with based on facts. We want to be able to assure Canadians that an organization that has charitable status uses the funds it raises for charitable purposes.

Some have argued that legislation should focus on individuals rather than on organizations. They argue that organizations may be unaware of the true agenda of individuals who are using them to support terrorism. However it is organizations, not individuals, that are registered as charities. Charitable organizations have an obligation under the Income Tax Act to maintain direction and control over how their resources are used.

Others have suggested that the proposed process may be unfairly influenced by unreliable and politically motivated information from foreign governments that do not share Canada's commitment to human rights.

I have confidence in our system of parliamentary democracy and judicial independence. Canadians can be assured our laws would be administered fairly and, when required, interpreted in a fair and just manner by our courts. The process would be open and transparent so that all Canadians could judge for themselves.

In addition, every stage of the proposed process would be driven by hard facts. Risk factors used to identify suspicious cases would

be based on facts documented in security and intelligence reports. When a concern is identified, Canadian security agencies would be asked to determine if there is a strong and credible case. Only then would the facts be presented to the Solicitor General of Canada and the Minister of National Revenue for separate, independent reviews.

The case would not proceed further unless each minister agreed there were reasonable grounds to believe the organization was providing support for terrorism. The ministerial review requirement would impose a significant level of political accountability before any case was presented to the courts or any public comments were made.

The next step would be to subject the facts to an independent and rigorous judicial review. Before that took place however the organization would be allowed to seek an order from the court directing that its identity be protected during the proceedings to avoid undue harm to its reputation.

A federal court judge would prepare a summary of the facts contained in national security documents. The summary would protect sensitive information but would enable the organization to be reasonably informed of the circumstances causing the government to consider refusing or revoking charitable status.

An open hearing would then be held at which the organization would have the opportunity to call witnesses and introduce evidence in its defence. Only after all the information had been considered would the court determine whether the government was entitled to refuse or revoke charitable status.

We shall not lose sight of the fact that the whole process would take place against a backdrop of other independent checks and balances designed to protect the rights and freedoms of all Canadians.

● (1630)

Canadian security services are subject to stringent controls and accountability mechanisms. For example, the Security Intelligence Review Committee, SIRC, and the Inspector General of the Canadian Security Intelligence Service, CSIS, have complementary roles in overseeing CSIS operations. They ensure that Canada's security and intelligence service functions responsibly and that its actions are appropriate and in conformity with the law.

SIRC is a non-partisan committee of five privy councillors. It is independent of the government in its operations but reports to parliament. It has access to any information under the control of the service and is entitled to look at everything the service does. It has the power of independent inquiry and authority to investigate complaints about any act or thing done by CSIS even where the complainant is not personally affected by that action.

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The inspector general serves as the solicitor general's internal auditor for CSIS providing another independent means of assurance that CSIS is complying with the law, ministerial direction and operational policy. Together these underlying accountability mechanisms offer Canadians unparalleled protection against discriminatory practices and abuses of power.

The legislation targets violent activities no Canadian could condone. It would provide a fair and just mechanism for dealing with persons or groups who would abuse the trust of Canadians. It is legislation that meets the needs of all Canadians and is legislation that we can all be proud of.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, it is a privilege to rise in the House today to speak to Bill C-16, an act respecting the registration of charities and security information and the Income Tax Act.

The purpose of the bill is to provide a mechanism to strip organizations of their charitable status if they are caught fundraising for terrorist groups.

We believe that the bill would have minimal impact on stemming terrorism in Canada. Effectively, the legislation says that it is all right to sponsor terrorism, it is all right to financially raise support for terrorists, but a person cannot get a tax deduction for doing so.

Effective legislation, legislation Canadian Alliance could wholeheartedly support, would make it a criminal offence to raise and provide funds to support a terrorist organization. This type of legislation already exists in the United States and the United Kingdom.

If curbing the operation of terrorist front groups truly was the goal, we could emulate Great Britain's terrorism act 2000, which empowers cabinet to ban from its country any organization that it believes is involved in terrorist activities. The law proscribes any group if it commits or participates in acts of terrorism: if it prepares for terrorism; if it promotes or encourages terrorism; or if it is otherwise concerned in terrorism either in the United Kingdom or abroad.

The British government publicly identified 21 groups that were associated with terrorism. Among the groups were the likes of Babbar Khalsa, the Liberation Tigers of Tamil Eelam, Abu Nidal Organization and the Kurdistan Workers Party.

The United States tried to get at terrorist fundraising through the anti-terrorism and effective death penalty act of 1996. Section 302 of the act authorizes the secretary of state to designate as foreign terrorist organizations any group that meets specific criteria. The act makes it an offence to knowingly provide or conspire to provide material support or resources to a foreign terrorist organization. In 1999 there were 28 foreign terrorist organizations that were listed.

• (1635)

A 1998 CSIS report said that there were as many as 50 international terrorist organizations active in Canada, often using the country as a banking centre. The report said that liberal immigration laws, relatively open borders, freedom of movement, advanced communication systems and the proximity to the United States made Canada inviting for terrorists.

In January 1999 an influential Senate committee, headed by Senator William Kelly, spent months hearing closed door testimonies from almost 100 members of the security and intelligence community. The reports of the special Senate committee on security and intelligence stated very clearly that Canada remained a venue of opportunity for terrorist groups. It remained a place where they could raise funds, purchase arms and conduct other activities to support their organizations and their terrorist activities elsewhere. Most of the major international terrorist organizations already have a presence in Canada

The report made 33 recommendations which unfortunately the Liberal government failed to embrace. The most important recommendation was for a new criminal penalty to combat cyber attacks on vital computer systems by hackers and other electronic saboteurs. It also called for powers to battle terrorist fundraising, more money for intelligence agencies and measures to better track possible extremists who made their way or who came into Canada.

The senators determined that technological advances available to terrorists and spies, from cash debit cards to sophisticated satellites, posed the most serious challenge to Canadian authorities. The committee confirmed that several groups with terrorist affiliations raised money in Canada, often through philanthropic organizations registered as charities under the Federal Income Tax Act. The Senate committee said:

Such status enhances the credibility of such groups and, ironically, creates the situation where Canadian taxpayers end up subsidizing their activities.

The Senate committee also found that the operating funds for federal agencies with a security or intelligence role fell to \$333 million in 1997-98, down from \$467 million in 1989-90, a trend that it suggests and that it would argue must be reversed to keep Canada from falling behind.

The year 2000 budget for the United States security and intelligence sector was increased by approximately \$2 billion. The amount of the United States increase alone was more than four times the total amount budgeted for Canada's security and intelligence community.

One of the committee's recommendations pertained to a legal migration into Canada, primarily through our refugee determination system.

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First, it is a means by which terrorists may circumvent our vetting process abroad and enter Canada in search for a temporary or for a permanent haven. Once here they may conduct fundraising activities or other activities. In a very few cases they also organize acts of violence.

Second, large volumes of illegal migrants may ultimately provide the stream in which a few terrorists gain entry into the United States by circumventing Canadian and United States border controls, since Canada has no exit controls. No exit controls mean that it is impossible to calculate how many people remain in Canada illegally, how many slip into the United States, how many return to their country of origin or how many go elsewhere.

As of October 23, 1998 there were 6,110 warrants for removal issued against persons deemed to have abandoned or withdrawn their refugee claims. Of these, 640 warrants were executed and the persons removed from Canada; 240 warrants were cancelled; and there was no action on the remaining 5,272 warrants. It is quite obvious that this is a very serious problem.

• (1640)

On Friday last week a news article in the *National Post* reported that RCMP officers testified at an immigration hearing that as many as 8,000 Tamil guerrillas with military weapon training were now living in the Toronto area after fleeing a civil war in Sri Lanka.

In reference to the Tamil guerrillas, I would like to conclude today by quoting the April 27 *National Post* article which said:

Sergeant Fred Bowen said most were "in the retired category" but a few remain active and all had undergone some form of military training provided either by India's military intelligence agency or the Tamil Tigers rebel army.

Sergeant Bowen's estimate of the number of guerrillas who have slipped into Canada during this influx matches a Toronto police figure and may explain how the small rebel force manages to raise, according to the Canadian Security Intelligence Service, \$2 million a year in Canada to finance its war effort.

Sergeant Bowen testified that aside from the former guerrilla fighters there are 12 to 15 active members of the Tigers who are on call to commit crimes for the insurgent force in Toronto, as well as 1,000 Tamil gang members, about a third of them supporters of the rebels.

He said there had been 65 shootings in the Toronto Tamil community since September, 2000. . . "The vast majority of the community is not involved. They are being victimized, they are being extorted.

The gangs are doing anything for money: home invasions and passport theft; drug dealing; crimes of opportunity; frauds; counterfeiting; credit card frauds; attempted murder; kidnappings; extortions."

I cannot support this ineffective legislation in its present form, therefore I call upon the government to introduce and enact legislation that would make it hard for terrorists and their supporters to get here, stay here and that would make it impossible for them to raise money while they here. If they were caught in any

way, shape or form supporting terrorist activities here or abroad, criminal charges with a very severe penalty would be handed down.

The Acting Speaker (Mr. Bélair): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Bélair): Pursuant to order made on Thursday, April 26, the division stands deferred until Tuesday, May 1, at the ordinary hour of daily adjournment.

* * *

FARM CREDIT CORPORATION ACT

The House resumed consideration of the motion that Bill C-25, an act to amend the Farm Credit Corporation Act and to make consequential amendments to others acts, be read the second time and referred to a committee.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, once again I am honoured to rise in the House to debate issues that are specific to the agriculture sector.

As a farmer and member representing a predominantly rural riding where the agriculture industry is a major economic engine of our communities, anything related to farm and to finances is extremely important to me, as it is to my constituents.

Bill C-25 is an act to amend the Farm Credit Corporation Act. It proposes to modify the role of the Farm Credit Corporation. What does Bill C-25 do?

First, Bill C-25 will change the name from Farm Credit Corporation to Farm Credit Canada.

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• (1645)

Second, it expands the role of the Farm Credit Corporation to allow the corporation to lend to businesses that are not necessarily directly involved in primary agriculture production or do not have farmers as the majority shareholders.

Third, it expands the lending role to let Farm Credit Corporation provide equity financing by allowing it to hold non-fixed assets such as cattle as collateral.

Fourth, it formalizes Farm Credit Corporation's leasing ability which, although not specific, could include farmland.

Today is the last day of April. We are back on a Monday. After I spent the weekend in my constituency back in Crowfoot travelling throughout the constituency I can tell members that it is very apparent that farmers are in the field.

We were promised and guaranteed by the federal agriculture minister that Canadians would see financial help before the seed was put in the ground. That has not been the case. As we travelled throughout the constituencies people continuously asked where the money was that was promised by the federal Liberal government.

We were home this week. Springtime is usually the time where spirits are high as farmers look forward, with great expectation, to preparing the soil, seeding, planting, putting in their crops. Spirits are not high on the family farm and throughout western Canada and rural Canada. As we travel throughout the constituencies we see that it is a cloudy horizon, a troublesome horizon.

I do not know how I could explain to the House some of the things that we saw as we travelled throughout Crowfoot this past weekend. In the distance we saw on the horizon clouds that looked like they were fires. They were not fires. They were dust clouds. They were dust storms. The wind was blowing hard; it was hot and dry and the dust was blowing. Farmers were turning off the tractors and shutting them down because they realized that the more they cultivated the more the moisture disappeared. They were already laying the seed into a dry bed, so to speak.

Spirits are not high. As farmers go to the fields, they realize that this spring input costs have soared and are going through the roof. Fertilizer costs have nearly doubled from last year. Commodity prices are in the pit. Barley is around \$2, wheat is \$3 and canola is under \$6. Commodity prices farmers are getting have not kept up with the input costs. Hope is diminishing.

Through the winter our farmers were writing and calling and stopping at the office asking what we could do about the heating bills. Working in the shop was almost ruled out because they were

trying to save on their heating bills. The troubles just seem to go on.

However, have no fear, because the Liberal government has come forward with a proposal that will change the name of the Farm Credit Corporation, a proposal that will expand the lending abilities of the Farm Credit Corporation to allow it to now lend to businesses, not just farmers, not just the family farm, but remotely related agriculture businesses. That just does not sell down on the farm. That just does not sell where the rubber meets the road.

With regard to the name change, the federal government believes that this name change is absolutely necessary to affirm its federal identity to the program and to the corporation. I was born and raised on the family farm and have been farming actively for over 20 years. I think it is a very well known fact that the Farm Credit Corporation is an agency of the Government of Canada. I therefore do not necessarily agree that the name should be changed, particularly if it will result in the needless expenditures of scarce federal dollars for agriculture and agriculture related programs.

Currently 94% of the corporation's financial services are directed to farmers and businesses that are directly related to primary production. Recognizing that expanding the lending capability of FCC may strain the corporation's ability to service farmers' demands for credit, I must oppose this amendment to the FCC act.

• (1650)

The Canadian Alliance, as stated by my colleagues earlier today, does not agree with extending Farm Credit Corporation's involvement beyond family farm operations. The extension of that lending ability beyond primary production may bring Farm Credit Corporation into direct competition with private lending institutions and may overlap the government's institutions such as the federal Business Development Bank.

We should think of what the Liberal government is trying to accomplish. It says we need money. It says we need to provide financing for farmers and for agriculture related businesses, but now it would open up the floodgates to other businesses that are not necessarily primary producers or tied to producers.

I believe the government has perhaps changed the wrong name. Maybe it is not the word corporation that it should get rid of, but the word farm, because the legislation would take money off the farm tables and undoubtedly put it onto many business tables, and it may also effectively end up remaining on cabinet tables. The problem we are seeing in rural western Canada is that there are not enough funds being put onto the kitchen tables on the majority of farms.

Why not change the name to Canada Credit Corporation, CCC? It is easy to remember. Then the word farm will be taken right out

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of the equation. We could change it to CCCP, like the hockey team's sweaters that read CCCP, Canada Credit Corporation Policy. Maybe that is what the government should be looking at. It might be as effective.

With regard to formalizing the leasing ability of FCC, the government has stated that the intent is not to include land. Rather, it claims the leasing provisions are for equipment. However, this is not made clear in the legislation. This will definitely be one of the amendments which I hope will come forward through our very good agriculture critics in the Canadian Alliance, or all parties could bring that amendment forward.

The Canadian Alliance does not think it is appropriate for the government to be holders of farmland. We believe that if Farm Credit Corporation is allowed to permanently hold and lease land, it could result in the Canadian government's holdings influencing the market value of farmland. While we accept that it is impossible for Farm Credit Corporation to avoid holding land for short periods of time, the act should explicitly state that Farm Credit Corporation should divest itself of any holdings as quickly as possible.

A number of years ago I looked for packages of farmland on a map of Saskatchewan. As I looked at the central Saskatchewan area, close to Central Butte and Riverhurst and some of those areas, I was appalled to see how much farmland was actually held by Farm Credit Corporation. It held quarters and quarters of land.

That will happen. It is evident, especially with what farming and agriculture have gone through. However, the responsibility of the government and the responsibility of Farm Credit Corporation must be to hold that land for a very short period of time to allow the market to set the value, to disperse it and to give hope to young people who want, for some reason, to get into farming.

We support extending FCC's lending ability to include equity financing. We applaud it. It is a great idea, but as stated before, we want that given only to primary producers. That portion of the bill must be related only to those who are farming and involved in primary production, those who are making their living by putting the seed in the ground or raising cattle or any of the other things primary producers are doing. Allowing non-fixed assets such as livestock to be collateral for loans would greatly assist farmers who are currently not eligible for financial assistance.

• (1655)

The Canadian Alliance certainly encourages increased financial assistance for cash-strapped farmers toiling endless hours a day producing the high quality food products that Canadians have come to appreciate, enjoy and expect. Unfortunately the federal Liberal government's failure to provide farmers with a much needed cash

injection will result in more farmers depending on loans to get their crops in the ground this spring.

As raised in the House on many occasions in the brief three months of this session of parliament, farmers have continually come here, lobbied and asked the government for a minimum of \$900 million. I have heard some groups explain to the government why they needed a minimum of \$1.6 billion, others why they needed \$1.2 billion, but it was generally accepted that the lowest figure was the minimum of \$900 million. The government however saw fit to come forward and provide only \$500 million.

We therefore proposed on March 20 in a supply motion that the government authorize the expenditure of an additional \$400 million. En masse Liberal members of parliament voted against our motion and again the federal government denied farmers the much needed financial assistance. My colleagues have repeatedly stood in the House expressing our sentiments and those of our constituents regarding this financial holdout.

Today I would like to share with all members of the House the opinion of Mr. J. J. Huber of Midale, Saskatchewan, as written in a recent edition of the *Western Producer*. I ask members to listen carefully. He stated:

It makes me sick to my stomach to have to listen to the senseless dribble coming from our rural Liberal MPs. They talk the talk, but when their job is on the line, they cannot abandon the Canadian farmers quick enough. I tell you, if we lose 45 percent of our farmers in the near future, agriculture will become a non-issue in Canada. Maybe we should just seed all arable land to grass and we can import all of our ag products from the U.S. or U.K. because they are the only people left in this world who care about their agriculture industry.

And when our consumers in Canada give their urban MPs grief because the price of food has quadrupled, who will the MPs run to then? . . . The farm gate is just the starting point.

He continues:

To hear the MPs say that farmers or other common folk don't understand politics, what's not to understand? It's really simple: you lie to the people and tell them how you will speak for them, and once the waters get a little rough in Ottawa, you ditch the people who you represent because you might lose your job if you actually do what your constituents want you to do.

You then do a 180-degree turn and tell your constituents that they do not know much about politics and that your abandoning them is just part of the political game. I don't know of any other job in the world where you can continue to lie to the people who pay your wages, and turn your back on them when they want you to actually do your job, and still continue to get paid. Politics, it makes me sick to my stomach.

Agriculture, politics, I think it tends to make all of us a little sick to our stomachs.

However, I say to Mr. Huber that he should take great strength because the government has come up with a bill that would give a name change to Farm Credit Corporation. Does that make Mr. Huber feel better?

If that does not quite do it, he can understand this. The legislation will allow not just farmers to receive the help from a lending institution of this Canadian government, Farm Credit Corporation, but it will also allow help to other businesses so that the government can stand and say x amount of dollars is available to farmers and to agriculture when actually in effect it is going to businesses that are not even related as primary producers. Does that make Mr. Huber feel better?

What about expanding the lending role to let FCC provide financial equity by allowing it to hold non-fixed assets as collateral? There is a little grab-all in every legislation. Maybe that is the one little bit that we need to grab hold of and put our hope and our trust in for better help. What about the pill to formalize FCC's leasing ability, which could include farmland? How does that make Mr. Huber feel? Mr. Huber and young people across Canada would have the ability to lease back land.

• (1700)

There was a hope that we could own our farmland, make payments and pay off debts. Now we have the ability to lease it back from our federal government. Despite the financial hardships that our farmers must endure as a result of increased costs of production, the legislation needs to be changed. We can change it and make it truly effective. The legislation is a bitter pill to swallow, as I study it further and see it coming down the pike described as some type of agricultural help.

Hon. Andy Mitchell (Secretary of State (Rural Development)(Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, I listened with interest to the hon. member across the way. His passion and concern for his constituents in the agricultural community certainly came forward.

I have some concerns, though, because part of his approach is too limited in its scope. He is right. We do have to deal with the issues and the concerns of our primary producers. However there is more than one way to do that.

One of the things that is critical is that our primary producers have a greater opportunity to paint a long term vision for agriculture. The hon. member has spoken about a long term vision for agriculture. Part of that should be developing down the chain from producer to consumer. There is a fairly long chain between when we produce the goods until we eventually sell them. The more of that chain and that value adding of our agriculture production that can actually occur in rural Canada in our farming communities, the better off our rural communities would be and the better off would be their long term sustainability.

If we are to create a value added entity within a rural community, access to capital must be one of those issues. If the FCC's mandate is expanded, not so that it can fund just any old business because

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that is not what is being done but to fund businesses that are part of that chain, we would be working toward the sustainability of rural communities.

Could the member explain why he would not see that as a positive way of helping our primary producers and a way of sustaining our rural communities, which I know is critical to him and to all rural members who sit in the House?

Mr. Kevin Sorenson: Mr. Speaker, that is a very good question coming from an individual who has studied rural development a great deal and understands the things that need to happen in agriculture. I am thrilled that he mentioned value added and the important role that value added products give to Canadian agriculture.

One of my concerns is that we do not see the Farm Credit Corporation as the agriculture credit corporation. We need to have a body such as the FCC that can provide capital to young farmers, farmers who want to buy more land, enlarge their facility and to do some of the things that the FCC is very good at doing.

We have a number of FCC branches in our constituency. Very close friends of mine have used the FCC and have gained financing from it. However, I do not wish to see the FCC becoming only an agriculture credit corporation. It is imperative to have directives toward the farm that will encourage farming.

To give the government some credit, we have the Federal Business Development Bank. Would it now get out of anything that may be deemed agriculture? Would it abandon anything that might be remotely close to being agriculture? I think not. Good sound business such as value added products, fertilizer, equipment and any of those things would still be covered by the Federal Business Development Bank.

• (1705)

Everything should not be thrown into the Farm Credit Corporation. It should be pointed singularly toward farming, farmers, the family farm and the people who are trying to get started. Right now 94% of the moneys available through the FCC are given directly to family farm operations. It can deteriorate. It can be chipped away at. Pretty soon a very small percentage could be dedicated to the family farm.

As far as value added, let me also say that many other things would encourage value added products or businesses being promoted in the west.

One of the hindrances toward that could be the Canadian Wheat Board. The Canadian Wheat Board says that if we were to begin to make a value added product in the west we would not be able to buy our wheat locally. We would have to pay the transportation of that wheat to a port, pay the transportation of it back, even if it were

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next door to where the wheat was produced. We would have to buy it off the Canadian Wheat Board, pay the elevation charges and all those things.

We could do a number of things to help promote value added. The member has hit the nail on the head. We should start with the Canadian Wheat Board.

Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, I rise today to speak to Bill C-25, an act to amend the Farm Credit Corporation Act. As a mother living on a family farm and who has lost two sons from that farm, I speak passionately about the Farm Credit Corporation and the institution that it is in western Canada and for farmers.

It provides services that are not available through other more traditional financial institutions. Farmers have come to rely upon the Farm Credit Corporation. The bill would expand the focus of the Farm Credit Corporation past its original purpose of providing financial services only to family farms and the businesses that are directly related to primary production.

The lending role of the Farm Credit Corporation would be expanded to allow the corporation to lend to other businesses that are not necessarily directed or involved in primary agriculture production and do not necessarily have farmers as major shareholders. It raises some serious issues with respect to government getting involved in areas where the private sector already operates.

By extending the lending abilities of the Farm Credit Corporation beyond primary production, the bill would bring the Farm Credit Corporation into direct competition with private lending institutions and would overlap with other government institutions such as the Business Development Bank of Canada.

The problem with the proposal is that it lacks clear definition. It is not stated clearly. It raises more questions than it answers. For example, if the Saskatchewan Wheat Pool needed an infusion of cash, would the provision allow the Farm Credit Corporation to become a major lender to the Saskatchewan Wheat Pool? That is of great concern to a lot of people. The Canadian Alliance has always opposed government expansion into areas already competently served by the private sector.

Bill C-25 would formalize the ability of the Farm Credit Corporation to own and lease land. The Farm Credit Corporation has stated that it is not the intent of the amendment. It claims the leasing provisions would be for equipment. However it is not made clear in the legislation.

It is not appropriate for the federal government to be the owner of farmland. Canadian farmers are supposed to own farmland. Allowing the Farm Credit Corporation to permanently hold and lease land could result in the government holding and influencing the market value of farmland. We have seen that lately in our own district.

Allowing the Farm Credit Corporation to permanently hold and lease land may also provide the corporation with an incentive not to pursue every possible means to allow farmers to stay on the land if they are experiencing financial difficulty. In short, the bill could provide Farm Credit Corporation with an incentive to prematurely foreclose on farmers.

• (1710)

Even under the current legislation the Farm Credit Corporation has become a significant landowner. In 2000 the Farm Credit Corporation owned over 360,000 acres in Canada. Ninety-five per cent of that land is held in Saskatchewan, the province that has been the hardest hit by the farm income crisis. That is scary. The last thing Saskatchewan needs is for the federal government, through the Farm Credit Corporation, to start distorting the market value of farmland.

While it is impossible for the Farm Credit Corporation to avoid holding land for short periods of time, the act should explicitly state that the Farm Credit Corporation should divest itself of any holdings as quickly as possible. My party hopes to convince the government to bring forward amendments to the bill to clarify this situation.

Bill C-25 would extend the lending ability of the Farm Credit Corporation into the area of equity financing. It would be done by allowing the Farm Credit Corporation to hold non-fixed assets such as cattle as collateral for loans. This change would allow the Farm Credit Corporation to provide farm financing to primary producers who are not eligible under the current legislation. In many cases it would provide financing that would not be available from private lenders. It is a positive change to legislation of which my colleagues and I are supportive, provided financing is limited to operations involving primary producers.

A point not directly addressed by the legislation is the issue of fairness. In many cases the Farm Credit Corporation treats supply managed sectors differently than it does sectors not governed by supply management. This is something that my party is opposed to. It would be far better for the Farm Credit Corporation to treat equally all producers, regardless of which sector they may be a part.

Once again we have a situation where the Liberals have introduced provisions that we object to for sound reasons coupled with reasons we support. Extending the equity financing capability of the Farm Credit Corporation to non-fixed assets like livestock is certainly a positive move and one which we support. However, if we put that up against extending the ability of the Farm Credit Corporation to lease and hold land and to lend beyond primary producers we have a stalemate.

As a result, the Canadian Alliance has decided to oppose the legislation unless significant amendments are made to clarify the problems I have identified.

Mr. Larry McCormick (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I have a short question for my colleague who is a very valued member of the Standing Committee on Agriculture and Agri-Food. The member is from Saskatchewan and I respect her knowledge of the situation in her province.

The member talked about her party not being in favour of extending the Farm Credit Corporation moneys beyond the producer. I encourage her to ask her neighbours and colleagues if they feel the same way. When we offer money to the agri-food companies and expand markets, we are able to move the grain beyond the farm gate. They have done a great job of diversifying, but there are many crops grown today in Saskatchewan which we could market better.

I would ask the member to support the legislation. I look forward to her amendments if she is making any. Would she ask some of her neighbours at home how they feel? I have heard from people in Saskatchewan who are in favour of the legislation.

• (1715)

Ms. Carol Skelton: Mr. Speaker, as a producer of lentils, chick peas, hay, wheat, oats, barley, elk and bison, I know a lot about marketing in Saskatchewan. I also know a certain segment of our economy looks to the Farm Credit Corporation. My problem is that the Farm Credit Corporation is not clearly defined in these changes. A large multinational corporation can come in and get a huge amount of money from the government.

I do not think the government sees the agriculture producers in Saskatchewan as being able to market their own grain. I would like to tell the hon. member that we have tremendous marketing people in our industries.

A previous member spoke about the Canadian Wheat Board. I want to mention to the hon. member that the Canadian Wheat Board is not a Canadian wheat board. It is a western Canadian wheat board because it is not the same in Ontario or in Nova Scotia. When the Canadian government expands the wheat board and makes it equal across Canada for everyone, not just the western provinces, then maybe we will have fairness in the system. Maybe then producers in western Canada would look at this more favourably. The neighbours I have spoken to are not in favour of this.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I value the privilege of speaking to the bill because it addresses the wider issue of agriculture, a very important aspect of what happens here.

I was not originally scheduled to speak on this but after listening to the debate throughout the day, and especially to my hon. colleague from Crowfoot, it got me fired up. I felt I had to get to the House and deliver some words that would castigate the Liberal government for its total mismanagement of the agricultural sector.

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We are here talking about the Farm Credit Corporation, a corporation that should have been designed to help farmers but which, too often, has been just the opposite. What the country needs is a government policy that would permit farmers to actually produce and market their product at a price they can afford to pay for production and provide themselves and their families with a reasonable living. That is what is really needed and that is the part that is missing.

Therefore in the few minutes I have I will talk a little bit about not only the Farm Credit Corporation and financing for farmers and agricultural producers, but I also want to address briefly and tie it in with the whole idea of marketing by the wheat board and the way it applies and misapplies.

The reason I became fired up is that I remembered not long ago speaking with a farmer from Saskatchewan. I have said a number of times in the House that I was born in Saskatchewan. I used to say that I was actually born at home because it was a long time ago when a lot of people were born at home. I used to say that as soon as my mother saw me they had to rush her to the hospital. That was not really true. It was just a little bit of humour.

However I was born and raised on a farm in Saskatchewan in the last year of the thirties. Out west we know the term dirty thirties. I do not think that term is as well known in Ontario and points east. In those years we had a tremendous drought. We had jokes about how poor we were and all sorts of different things. However I do not want to get into that. What I want to say is that when my mom and dad got married and started farming it was a difficult uphill climb. It meant long hours of work, being subjected to extreme variables and, once in a while, getting a good crop.

• (1720)

In those years a really good crop meant maybe 20 to 25 bushels to the acre. Ten to fifteen bushels was considered average and anything less than that was mediocre or a crop failure.

The incredible thing is that right now farmers are producing crops that average 40 to 50 bushels per acre on the same land. Production has gone up because of the advanced use of modern technology. Efficiency has also gone up.

My dad and his two boys farmed 10 quarters, which was considered a pretty big farm back in the forties when I was a young boy. A typical farm today that can make its own way is at least 10 times as large. We are talking about 40 quarters to make a good viable farming operation.

Instead of summer fallowing every other year and having only half the land in production, with the use of chemicals and modern farming methods they are able to do much better than that, in many instances not engaging in summer fallow for the rest of the land at all.

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It is really true that my brother and his boys today can produce four times as much crop per acre as my dad did some 40 years ago. What is so absolutely distressing is that in this modern day, when production has never been as good, farmers are suffering more than ever. We need to ask ourselves why that is.

My dad, who is in his 90th year and has seen many crops come off the land, cannot be kept off the land at harvest time. There is something magnetic about the grain coming out of the combine or, back in the old days, out of the threshing machine. We are producing food to feed people who would otherwise starve to death. That is a very noble profession.

My dad told me last year how sad it was that when we have one of the best crops ever farmers are not making it. That is really sad because farmers still work hard and long hours, as we do. Nothing has changed. For farmers to be successful they must work long hours, especially during seeding and harvest. It involves a great deal of hard work, massive investment and a lot of risk taking, studying and reading to be competent in all the different aspects of farming. What do we have? We have a government that stands in the way.

I want to talk about a farmer to whom I spoke. When I go to Saskatchewan to visit my relatives, I go with my brother to the elevator to look at the prices, to deliver a load of grain or to do different things and I end up talking with different people. When they find out that their neighbour's little brother is an MP they like to talk to me. I talked with a farmer who was very frustrated. This is very relevant to today's discussion. He told me that he was frustrated because he was going to be out of business with the way things were going. He said that his payments were due and that the Farm Credit Corporation was telling him to pay up or it would foreclose on his farm.

The same farmer told me that he could pay the bill. He said that he had a market for his bins full of grain if only he could be permitted to get a trucker to haul it. He said that he could sell his Durham wheat for approximately 50% more than he would get from the wheat board. He said that he could get the cash right away, make his payment and then everyone would be happy. However the wheat board said no. It said that he had to sell it to the wheat board at a loss. The government agency, the wheat board, which presumably is there to help farmers, in this instance specifically prevented the farmer from even surviving.

Do members of the House see why I am fired up and had to rush down here to say this? This is so wrong. Liberals ought to wake up and realize that if they cannot give a proper price to farmers for their product so they can pay their bills, make a living and not go deeper into debt until they face bankruptcy and lose farms that have been in the family for 100 years, then maybe they should

consider that their policies might be wrong. Maybe they should think about that.

• (1725)

The Farm Credit Corporation was supposed to be designed to help farmers. The only way one can help people by lending them money is if those people have the ability to repay, otherwise it becomes a massive, socialistic way of confiscating farmers' land.

Under the bill, the Farm Credit Corporation, under its new name, which will cost thousands of dollars to change all the stationery and everything, would have the right to own property and lease it out. In other words, this is a very thinly disguised plan to simply take over all the farmland on behalf of the government. I am not one to say that this is the government's overt plan, but I predict it will be the result of it.

The Farm Credit Corporation has the ability to lend money to farmers when those farmers at the same time do not have the capacity to pay that loan back as well as pay for their other operating costs because of the restrictions of the wheat board and other government policies, such as high taxes and a whole bunch of other things. In the end farmers will face foreclosure and the Farm Credit Corporation will end up owning the land, which by the way, in the short term I think it is inevitable that some farmers will not make it.

However in this particular bill the Farm Credit Corporation would now be given the freedom to continue to keep that land, farm it or rent it out to other people. It is a straight form of confiscating the very essence of what farming is all about, and that is the private family farm.

I am very concerned that the government, in tinkering with stuff like changing the name of the Farm Credit Corporation, is missing entirely the whole impact that agriculture has and the impact that this lazy, Liberal federal government has on the farm scene in Saskatchewan, Alberta and in Manitoba particularly.

I do not know what members think about this, but I believe in the equality of people. It does not seem right to me that a farmer in one of the prairie provinces can be coerced, under the threat of going to jail, to sell his grain to the wheat board, whereas farmers in other parts of the country are not so required. Other farmers can get an export permit if they want and can export to the United States if they find a market for their product.

I am at a loss for proper vocabulary here. I know I must be respectful in the House, but why, in the name of everything going, can the government justify that? If there are farmers in Saskatchewan who want to build a co-operative pasta plant together, what is it in the government's motivation that says that they cannot do it, that they must first sell all their wheat to the wheat board at a loss and then the wheat board will sell it to the pasta plant? Farmers

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look at the bottom line and say that if they need the wheat board as the middle agent here, they cannot make it and therefore the deal is off.

What is it in the government's interest and in the people of Canada's interest to say to farmers that they might have an idea that will help them but that they had better not do it because it is against government policy? It is self-evident that the policy is totally wrong. If a person actually comes up with a solution to the problem, why would the government not allow them to expedite that solution?

Other businesses have no such restriction. A good friend of mine is a car dealer who has a lot of inventory. I asked him one day how he managed to keep so much inventory. He said that it was a good business decision. He said that when his lot is full of new cars, people come by and say that he is really successful because of all the new cars he expected to sell. They pop in and buy a new car. His volume goes up simply because of his business decision. There is no government rule that says he cannot do that.

• (1730)

There is another car dealer nearby who has a very small inventory. He claims he has lower costs because he does not maintain a big inventory. Therefore people can go to him and get a lower price.

It is competitive. Both of them are doing fine. They do not need a government agency to tell them how to run their businesses.

It is high time that the federal government butts out of most of its very restrictive rules and regulations and gives farmers the freedom to market the products they produce in the way they choose. After all, one could properly ask who owns the product? Who is making the payments on the land? Who is paying for the fuel and paying all the taxes on it? Who is buying and repairing the machinery? Who is getting up at 4 o'clock in the morning to work on the land? Who works all day until sundown? Who is taking all the financial risks? It is the farmer.

What does the government do? It says the last thing it wants is a successful farmer in Canada. That is really the message it is giving. I cannot understand it.

In essence what I am saying is that the bill is totally misdirected. The government should be focusing much more on getting its act together with respect to marketing and international agreements. It should do what it should have been doing for the last seven years, and frankly it was the same for the Conservatives before. The government should have been working on making sure the world market had a level playing field, something the government totally failed to do. That is what it should be concentrating on. That is what we should be discussing.

Instead what we are discussing is changing the name of the Farm Credit Corporation so that it can in the name of government confiscate all the property in the country that belongs to farmers, meanwhile making it impossible for farmers to make a living because they cannot sell their product for what it costs to produce it. How shameful. I think the government is totally misdirected.

In conclusion, I would like to ask a question. I think members of the House should ask this question, as should anyone who happens to be watching on television.

By the way, I doubt there are very many farmers watching CPAC right now. This is not the time of year to be sitting in the house. In Saskatchewan and Alberta right now it is 3.30 in the afternoon. Farmers are out there working. They are not watching television, but I hope the word gets to them.

The questions that they should be asking are: Why should they be supporting a government which uses the very agencies that should be helping them and why should they be supporting a government which makes it virtually impossible for them to succeed? The government's policies do that.

Another example just came to mind. I talked to a farmer in Saskatchewan. My roots are there and I know a lot of people, although I represent a riding in Alberta. I speak to a lot of farmers there as well. This farmer in Saskatchewan said that what he did best was raise durum wheat, that his soil was best suited for that. He said he could not make a living with that and had to diversify. He has. He now does other things. He has entered into contracts with international companies.

This individual is a successful farmer. I think it is totally ironic that to be successful he had to divest himself totally of wheat board crops so that he has the freedom to make a living. Is that not ironic? The government should smarten up. That is my final answer.

The Acting Speaker (Mr. Bélair): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

• (1735)

And the bells having rung:

The Acting Speaker (Mr. Bélair): The division on the motion is deferred.

* * *

INTERNATIONAL BOUNDARY WATERS TREATY ACT

The House resumed from April 26 consideration of the motion that Bill C-6, an act to amend the International Boundary Waters Treaty Act, be read the second time and referred to a committee.

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, in spite of the comments from some of my colleagues in the Conservative Party, I intend to speak to this issue as long as I am entitled to.

The Acting Speaker (Mr. Bélair): The hon. member is allowed 20 minutes with 10 minutes for questions and answers.

Mr. Joe Comartin: Mr. Speaker, it seems that information needs to be shared with other members of the House. When I watched some of the early debate on this bill, I was taken a bit by surprise in that the debate by the government was led off by the Minister of Foreign Affairs, followed by the Minister of the Environment. I was taken aback because in my review of the proposed bill the debate should have been led off by the Minister for International Trade, because the bill is not about the preservation of our water system in Canada and the protection of the export of our freshwater resources but just the opposite.

It is supposed to be about protecting the ecosystem that our freshwater feeds into. It should be about protecting our freshwater from the travails we will have with it as climate warming moves ahead. It certainly should be about having available to all Canadians a safe freshwater system. That is not what it is about.

I would like to go back in history for a minute or two and draw to the attention of the House the resolution that was passed on February 9, 1999. That was a resolution introduced to the House by the NDP member for Winnipeg—Transcona. It was a motion that received support from all members of the House, including members of the Liberal government, and ultimately it passed unanimously. I will read the motion to the House. It read as follows:

That, in the opinion of this House, the government should, in co-operation with the provinces, place an immediate moratorium on the export of bulk freshwater shipments

and interbasin transfers and should introduce legislation to prohibit bulk freshwater exports and interbasin transfers and should not be a party to any international agreement that compels us to export freshwater against our will in order to assert Canada's sovereign right to protect, preserve and conserve our freshwater resources for future generations.

That resolution passed unanimously. I would like to make an additional note about that motion because an important part of it was an amendment which included the phrase I have already read:

—and should not be a party to any international agreement that compels us to export freshwater against our will—

• (1740)

That motion recognized, first of all, the need to pass legislation that would ensure bulk water could not be exported from any source in Canada. Second, it specifically and explicitly recognized that water needed to be exempted from any future trade deals because there is of course a serious issue under the existing trade deals as to whether we have that protection.

It is interesting to note that no one spoke against the motion. No one voted against it, as I already indicated. It passed unanimously. No one stood up and said he or she believed we were wrong and that we should export water. No one said that. No one said our freshwater supply should be included in the next trade deal. None of that was said at that time. Everyone was unanimously of the opinion that we needed to take action on the issue. I think it was obvious to every member of the House at that time that action would be forthcoming from the government and that our freshwater would be protected.

Here we are a little over two years later. What is the situation we are confronted with today? We are debating a bill that any objective observer would say does not realistically address the issue of exporting bulk water. It just does not do it. In fact, it opens the door to the export of water by providing for the licensing in certain circumstances, the licensing that would eventually lead to the export of bulk water.

We are also faced two years down the road, under the FTAA, with another trade deal. Of course we still have not seen the text of the deal. We do not really know what it contains and the government has been less than clear as to what its position is on the trade deal. We do know that the government has refused to make an absolute or unequivocal commitment that the FTAA will prohibit the export of bulk water. It has been adamant about refusing to make that commitment.

I found it interesting last week when the Minister of Foreign Affairs was speaking on the bill. I would like to quote him. He said:

All Canadians recognize that water is a natural resource unlike any other.

We have heard that from other members of the government. It makes sense and we all agree with that. I think all Canadians agree

with that. The problem I have when I look at the bill is that the government is in fact not committed to that principle. It in fact does not recognize that water is a natural resource unto itself, unlike any other.

In his remarks, the Minister of Foreign Affairs went on to say this:

Canadians look to all levels of government to take action now to protect Canada's water. We must ensure that our children and grandchildren inherit a Canada in which our freshwater resources are secure.

Again I ask: does he really understand what he is saying? Why will the government not give us that commitment, which was certainly contained in the motion passed over two years ago that was brought forward by my colleague from the NDP? It did not at that time place an immediate moratorium on the export of bulk freshwater and the legislation that has now been introduced in the form of Bill C-6 does not in fact prohibit bulk freshwater exports.

● (1745)

Let me draw the House's attention to proposed section 11 of the bill on licensing. To be fair, there is a separate provision which talks about prohibiting the export of water, never using the term of course. The government knows that if it uses that term it may invoke the trade deals. Again that is something it will not admit in public.

The first part of proposed section 11 states "except in accordance with a licence". A licence in fact would permit this. The proposed section continues, and this is the important part "no person shall use obstruct or divert boundary waters".

In reverse that says, and I guess I am wearing my lawyer's hat for a minute, that the Minister of Foreign Affairs who is responsible for this, and that it is interesting too that it is not the Minister of the Environment, could issue a licence that would allow "for the use, either temporarily or permanently" of boundary waters. It is permitted.

The history up to this point of this legislation and the treaty it flows into with the United States, is that nobody has done this. Canada and the United States have not done it. What we hear is the implicit understanding that we will not do it.

Given the more recent history in the last decade with the free trade agreement, NAFTA and now the proposed FTAA, it is obvious that we are very concerned that the water would be treated as a commodity and would be exposed under chapter 11 of the NAFTA.

The Minister of Foreign Affairs said that if we pass the bill, it becomes law and is incorporated into the treaty then all problems would be solved. Anybody reading the proposed section 11 would say that that is not what the bill does. It does just the opposite. It allows some subsequent minister of foreign affairs to licence the export of bulk water.

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The other point about the bill is that it is primarily designed to deal with the water in the Great Lakes Basin and the St. Lawrence. It deals with boundary waters across the whole of the country. What it clearly does not do though is prohibit the export of water. It does not deal with the proposal we heard floated from the province of Newfoundland and the export of bulk freshwater from Gisborne Lake. That proposal has not been dealt with at all.

We fall back as we so often do and say that that is the provincial responsibility. That is not good enough for Canadians. If we have what is called a Monroe government, which is prepared to expose the rest of Canada to chapter 11 under NAFTA by going along with the bulk export water scheme, we as a Canadian government have to tell it that it cannot do that, that water is a natural resource which is also a national resource. We have a responsibility to protect all Canadians.

If Gisborne Lake or some other type of hare-brained scheme like that was to go ahead, there would be no protection for the export of bulk water any place in Canada, none whatsoever.

We have a number of legal opinions in the country that accept the proposition I just made as the reality under the NAFTA. If Gisborne Lake or some other scheme like that goes ahead, water becomes a commodity in the whole of the country. We then lose our ability to protect that freshwater resource.

● (1750)

The Minister of Foreign Affairs in his address to the House last week made this comment:

To pretend that one government can solve the issue with a wave of a legislative wand, or that the issue may be simply reduced to one aspect, such as 'water export', in the words of some critics, is unrealistic, ineffective and undermines the goal we have.

That is the government's attitude. Obviously what it is trying to do is pass the buck and say that it is not its fault, that it is what the provinces did or did not do and that it did nothing about it.

Reality is that two years ago the government should have implemented a moratorium on the export of bulk water. It should have introduced meaningful legislation to the House that would have prohibited absolutely and unequivocally the bulk export of freshwater right across the country. It would have made a clear and unequivocal commitment that the FTAA would not include any provision that would expose our water to a claim under that treaty, if we ever did do it.

The government could have taken a leadership role but it did not. It needed to follow both the wording and the spirit of the motion that was passed two years ago in the House. What did we hear from the Minister of Foreign Affairs? He said that kind of export ban

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would undermine the goals we had. One has to question what the government goals are with regard to freshwater and the bulk export of it?

It was interesting to note in the minister's closing comments last week on Bill C-6 when he said that the bill was "consistent with Canada's international trade obligations". That is so meaningful. Like just about everything else the government does, it is driven by those obligations, not driven by what is in the best interests of the country or its citizens but by these trade deals that the government has entered into.

Would it not have made more sense to have had the Minister for International Trade front this bill because that is really what it is about?

The Minister of the Environment when he spoke to the bill made this comment "the safest and most effective way of protecting Canada's water resources is through an environmental approach, through an approach based on trade". I agree with that statement. That is the way the government should be conducting its business but it is not in fact the reality.

We still do not have the commitment that the FTAA will not compel us to bulk export. If water is not on the table under the FTAA, then we should be given a commitment. The government is not prepared to give a commitment.

The Minister of the Environment went on to quote from the international joint commission's final report on the issue of water in the Great Lakes Basin, specifically and more generally in transboundary water, which said "that international trade law does not prevent Canada and the United States from taking measures to protect their water resources".

The Minister of the Environment is conceding that we in fact cannot pass legislation that protects our water resources. Again the question is obvious. Why do we not do that? Simple legislation is required to ban the export of bulk fresh water.

I would like to finish off by talking about the legal position we are in vis-à-vis the trade deals. I will quote from a legal opinion that was commissioned by the Council of Canadians in 1999 referring to the trade conflicts involving export controls on water.

• (1755)

The opinion stated:

—the potential for such conflicts should not delay action by the federal government to ban water exports. Indeed for the reasons noted, delay in doing so is likely to further limit Canada's options.

That was two years ago and we still do not have it.

I was going to quote again from the concern expressed in that legal opinion about the things that have happened under NAFTA and some of the WTO cases, but I see I am almost out of time.

We had promises from the government in the cultural area and in research and development programs that were not covered under NAFTA. In fact we found to our chagrin just the opposite. That is the position we are in today.

The bill is not going to resolve that problem. It does not go far enough. It does not deal with it adequately. It allows for licensing and does not deal with the export of water elsewhere in Canada.

Our position on this legislation will be to oppose it and to continue to press the government for more realistic and adequate legislation that will protect the interests of Canada.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, while I appreciate very much the intent and objectives expressed by the member for Windsor—St. Clair, I do not share his view as to the sinister motivation of the Government of Canada with respect to the legislation.

Is the member aware of the council of environmental ministers agreement in November 1999 when they agreed to honour the need to prohibit bulk water removal? If he is aware of that agreement, how would he propose that we build on that particular agreement to make absolutely certain that bulk water removal will never take place?

Mr. Joe Comartin: Mr. Speaker, I am aware of that conference and the agreement. Before I fully answer the question, let me make this point.

The real problem with that agreement is that it is an understanding between three sovereign governments, but it does not control the conduct of some company that might come in say that since we have treated it as a commodity they will challenge that sovereign government. It does not prohibit that company from taking that action.

The answer to the question and the resolution of the issue is for a ban to be passed in Canada and in the United States, and I suppose in Mexico as well, so we have national legislation. We need an amendment to the NAFTA agreement, and in the FTAA if we ever go ahead with it, that specifically exempts water from those types of challenges. It would recognize that it is not a commodity, that it is a fundamental right of those individual countries and cannot be challenged in any way by any private corporation.

Hon. Charles Caccia: Mr. Speaker, perhaps I was not sufficiently clear in posing my question and I will rephrase it.

In November 1999 the council of environmental ministers of Canada met, concluded and agreed, that is my understanding at least, on the need to prohibit bulk water removal.

• (1800)

If the member concurs with the decision of the Canadian Council of Ministers of the Environment, how would he propose that we

build on the agreement to ensure bulk water is not removed from Canada? That is the question.

Mr. Joe Comartin: Mr. Speaker, I understood the hon. member for Davenport. My answer remains the same. We need legislation. We need specific provisions in the treaties to prohibit the export of water and prevent challenges under chapter 11. I do not know if I can be more explicit than that. That is the manner that I see for dealing with it and it is consistent with legal opinions we have heard on the topic.

[*Translation*]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, I fully endorse the comments of the NDP member. However in 1993 we thought that NAFTA was one of the greenest agreements that could be negotiated and one on which we could agree regarding trade. Now, the fact is that there have been many legal challenges under chapter 11 on relations between companies and the government.

I am thinking in particular of the legal challenges issued by companies, which I will not name, when they wanted to get a permit from a province such as British Columbia. This is a fact.

Therefore would it not be fair and appropriate to include in the future agreement on the free trade area of the Americas which, if I am not mistaken, is scheduled to be signed in April 2005, provisions that cannot be legally challenged, to ensure that water is not defined as a good but rather as a resource and an investment?

As parliamentarians should we not immediately show leadership in the negotiations to ensure that water is not a good, but a resource to be protected?

[*English*]

Mr. Joe Comartin: Mr. Speaker, I do not disagree in any way with my friend from the Bloc. The point he has made is well taken. We must not only prohibit companies from doing that. We must define what water is. It is not a commodity; it is a natural resource. We should move it to a higher level where it is a basic human right, and we should define it that way in the treaties. In all respects, no matter how broadly we looked at it, that would prevent water from ever being treated as a commodity.

It brings to mind the Sun Belt challenge we are facing in British Columbia. If water is classed as a basic human right no corporation in the world would even think of mounting such a challenge. My friend from the Bloc is correct. The wording must be strong and clear so that we never again face such a challenge.

Ms. Sarmite Bulte (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I was interested in the member's comment about stopping corporations from suing. I am

quite surprised. I know the hon. member across the floor was a barrister in his previous career. I also practised law for 18 years before entering the public sector.

It perplexes me that the member is now proposing that we bring in legislation to forever prevent corporations or governments from suing. As the member knows, legislation and lawsuits are based on interpretations of legislation every day. How do we prevent a corporation from issuing a \$75 or a \$125 statement of claim and suing? We can never prevent that. There are frivolous and vexatious lawsuits. As the hon. member knows, lawsuits are undertaken for many reasons and not necessarily because they are right.

• (1805)

In light of the hon. member's expertise as a barrister in this area, can he tell the House how we or any government can prevent a corporation, individual or country from pursuing a claim against a government or individual? I would be happy to hear how he addresses the issue.

Mr. Joe Comartin: Mr. Speaker, the list is fairly long and the answer must be short. The easiest answer, as I said in my response to the member from the Bloc, is that we make the wording of the legislation and the treaty so clear that they would not even think of starting a lawsuit. That is the first answer.

There are a number of other ways. The introduction of a cost disincentive is one method we have used traditionally in the court system.

The most important is who gets to make the decisions. The decisions must not be made by faceless, non-elected, non-responsible panel members. The composition of the panel would make a big difference as to whether such litigation attempts are made.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is a pleasure to rise on this very important subject. The aspect of the debate that peaks my interest is how fast the water issue has changed. For hundreds of years we have taken our water supply for granted. We have always just turned on the tap and had good, clean, clear water, although lately we are finding some of our water to be contaminated.

We have heard of Walkerton and the issues there. In my own riding there are two or three areas where, for the first time, water is contaminated and no longer drinkable. We are becoming greatly inconvenienced and facing real problems because of contaminated water.

A little community called Nappan in my area has water that is totally contaminated, perhaps by certain practices in the farming community. This will happen more and more.

The water issue is important and deserves far more attention than the government is giving it. As my colleague from St. John's West

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said in the last few minutes, we need to stop pussyfooting around and enact legislation with teeth. He is absolutely right.

This legislation is kind of interesting. It broaches the subject and starts to deal with it but does not go nearly far enough. In a very few years water will become the most priceless asset and important resource a country can have. We should be addressing the issue now that we know what is happening. We need legislation far stronger than the bill before us today.

The legislation is somewhat similar to Bill C-156 that the Conservative government tabled in 1988. However that was a different time and the bill was a prelude to other legislation. This legislation is final and we have an opportunity to do much more than we are doing with it.

I hope the government takes our comments seriously. We want better legislation that is more comprehensive and has teeth. We want the government to take a stand on all freshwater in Canada and not just border water supplies.

The hon. member for St. John's West recently raised the issue of the proposed exportation of Newfoundland water. He was told in the House of Commons by the minister that there was nothing to worry about because the government would deal with it in Bill C-6. Here is Bill C-6, and it does not even come close to addressing that important issue.

The last speaker mentioned rogue governments, which was rather interesting. I think he was referring to the Liberal government of Newfoundland which is proposing to export water. We have no protection against that. The government has no way to stop it, control it or deal with it. This could be the bill to do so but it is not. It deals only with boundary water systems and allows for the export of even those waters. It is not at all appropriate or what we need.

• (1810)

The government is sending mixed messages about its position on water exports, which is confusing. It says one thing in question period, another thing in the media and another thing provincially. Now it has this bill which dances around the issue but does not really address it.

The government is talking about setting up a committee next fall to study issues, such as the selling and exporting of freshwater. Why is that not part of the bill? Why are we not dealing with it now? Why are we passing a half-baked bill with no teeth, as the hon. member for St. John's West has said, that pussyfoots around the issue but does not really deal with it?

The bill will not even come close to dealing with the Newfoundland issue. After the Prime Minister's negotiations with the

American president he suddenly changed his position. At one point he was adamant about water exports and then he shifted ground. He is now sending a message that we will change our position, and that is scary.

The government is sending another mixed message regarding the NDP's call for a moratorium on water exports. Everyone supported the motion, including all the Liberals. Where is the motion now in the bill? It is not there. It is completely invisible.

Then again, maybe we should be used to that because the government seems to always say one thing and do another. Need I mention the promises to cancel the GST, change the free trade deal and bring in an ethics commissioner answerable to parliament? Those things have never happened and no commitment on freshwater is being honoured here.

The PC Party has been very clear on this. We support the total prohibition of the selling of bulk freshwater. That is very clearly the way to go for the future, to guarantee protection for our water supply which we see changing very quickly.

I listened to a program on CBC Prince Edward Island the other day about how the province must revamp its agricultural processes. It must cut back on agricultural production and completely change the way it does business because of the poisoning of rivers and lakes. Obviously the agriculture industry does not want to be part of that.

Prince Edward Island has a serious problem. We also have problems in Ontario and Nova Scotia. Newfoundland is talking about selling water. This is going on and on. There is no excuse for not dealing with the issue now but we still do not know the real position of the federal government.

Apart from the prohibition we would like to see, the amendments in the bill allow for a licensing regime for boundary projects such as dams and obstructions. Here we are talking about a licensing regime for exceptions. We are talking about passing a bill but are already including exceptions that would contravene the rules, go around the system and ruin whatever strength and teeth the bill has.

Of all the countries in the world we are the most vulnerable, although we have the biggest supply of freshwater. We have 300 lakes and rivers that share boundaries with the United States. Dividing them up in the future will be extremely controversial, yet the bill does not deal with the issue.

As I mentioned earlier, Canada has 40% of the freshwater in the world and we should be protecting it. Eventually it will be the most priceless commodity and valuable asset any country can have. At present, one billion people do not have access to safe water. We have it now and should do everything we can to protect it.

As far back as 1984 the Progressive Conservative Party was concerned about the issue of exporting water. We formed a committee to study the issue and ensure the right steps were taken.

• (1815)

Unfortunately when the Liberal government came to power it dropped all interest in preserving freshwater. It made deals, such as the free trade agreement which, prior to being in power, it opposed vehemently. It was entirely against the free trade agreement and then all of a sudden switched positions, became in favour of it and supported the enhancement of the delivery of water, which is what we are talking about here today.

In the late eighties and early nineties, the Progressive Conservative Party repeated that Canada's water was not for sale and that it would not be affected under the free trade agreement. Now we hear talk about loosening it up, being a little more flexible, bringing it to committee and finding out what is appropriate and what is not.

We are saying that there should be no sale of bulk water. We do not need to bring it to committee to discuss it. The sale of bulk water is prohibited and it should stay that way.

Again I bring up the changing environment with which we are all dealing. We have all taken freshwater for granted for years and years and all of a sudden it is no longer applicable. We cannot take our water for granted anymore. We have to take steps to protect it or we will no longer have it.

Our world population is expected to grow to eight billion people by the year 2025. By then it is estimated that half of the world's population will not have access to clean water. I hope that the changes we make in parliament will not mean that Canada will be part of the population that does not have access to clean water.

One statistic recently estimated that water consumption would increase by 40% and that 17% more water would be needed to grow food for our growing population. Water could become our most valuable asset.

Section 21 of the bill details areas that the governor in council, basically cabinet, could regulate. This is scary because cabinet, this cabinet or the next one, could change regulations without bringing them to parliament or to the public for discussion or debate. Regulations affecting our water could be changed with no consultation with parliament. No regulations referring to exports of water should be made without full consultation with parliament, and the opportunity to debate it and hear from the public.

I hope the legislation opens up the freshwater debate in a way that would allow everyone in Canada to speak. If Canadians are given that opportunity, the vast majority would say that we should not export our water. A few people who want to make big profits and take advantage of an opportunity would say that we should

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export water but I believe the vast majority of Canadians would oppose any move to make our water available to others.

I hope the government eventually states its position on the sale of Canada's freshwater and that it clarifies it in all respects. I hope the Liberal position supports the Progressive Conservative position that Canada's freshwater is simply not for sale.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I congratulate the member for Cumberland—Colchester for his intervention. I want to make sure that I understood him correctly. Could we take it as a firm commitment on the part of the member and his party that they are opposed to any form of bulk water exports, including a proposed export by the province of Newfoundland that may occur one day?

Mr. Bill Casey: Mr. Speaker, the hon. member is as concerned and interested in this subject as are we. We are totally and absolutely against the export of bulk water from Newfoundland. Our Newfoundland members support that position, as does our entire party. We are against the export of bulk water from Canada.

[*Translation*]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, although this bill is relatively clear but rather broad in scope, we are once again going to look at the issue of exporting water while the Minister for International Trade is here in the House. He has of course played a very active role at the summit of the Americas.

• (1820)

I would like to know whether the hon. member thinks that the Minister for International Trade should do everything in his power to ensure that water is not considered a commodity, something that is negotiable and can, to a certain degree, be exported, thus depleting our natural resources.

With the Minister for International Trade here in the House, I ask the Progressive Conservative member to tell us his position with respect to the upcoming negotiations which, in December 2005, will result in an FTAA agreement which, to a certain degree is very desirable.

[*English*]

Mr. Bill Casey: Mr. Speaker, I do not wish to be unclear at all. I am very clear that we are against bulk exports.

I have seen the whole subject of freshwater change dramatically. In Atlantic Canada we are considered a pristine part of the world. We have a lot of freshwater resources, but even there we have places where our freshwater is now at risk and our water is contaminated. Over the last 12 months, for the first time in history, I have had three areas of my riding which have reported back with contaminated water.

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We have to take steps now to address the issue because it will get worse. I mentioned earlier that I listened to a long program on CBC Prince Edward Island the other day. Agriculture in Prince Edward Island would have to change its practices and cut food production dramatically because the result of the increased food production would be contaminated water and less water.

It is a very serious issue. We cannot take any chances. In many of these trade agreements, if we start to deliver a resource and it becomes a commodity we are locked into that delivery. If in the future our resources decline we cannot cut back on those exports and we cannot cut back on supplying foreign countries this product.

Once we establish a pattern we have to maintain it. We cannot get into this subject at all, especially on P.E.I., where the water has been contaminated and the farmers there are cutting back. They are required to do so. I wanted to point that out to the member from Prince Edward Island who is making interventions and trying to help me make my point.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I could make the same argument that we would make in the province of Newfoundland when we talk about bulk exports. We have many requirements for the funding of health and education. Where do our new dollars come from? They would come from the development of our resources including the proper development of our water supply.

The government seemed to be on our side when it responded to questions I asked earlier. The Prime Minister then came back after his chat with the president of the United States and was very wishy-washy about it.

We cannot afford to export bulk anything unless we maximize every job possible in that resource. Does the member not believe that it is time that we salt down a deal to stop the export of freshwater in the legislation?

Mr. Bill Casey: Mr. Speaker, my riding has the highest tides in the world and the Prime Minister's position was similar to the tides. It came in and then it went out. The tide came in when he was establishing his own position. He was totally against the export of water. Then when he had a little visit with the president of the United States, the tide went out. He changed his position and said maybe we could negotiate this, maybe we could bring it to committee and talk about it.

I believe that we should have legislation with teeth in it. We should not pussyfoot around, to use the hon. member's own terms. We should be very clear on our position and not have an ambiguous proposal for legislation such as we have here.

• (1825)

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I have another question of the member for Cumberland—Colchester. In November 1999 the Canadian council of environmental ministers agreed on the need to introduce a ban on the export of bulk water.

Given that commitment, does the hon. member think that a voluntary commitment by the provinces on banning bulk water exports would work?

Mr. Bill Casey: Mr. Speaker, in answer to the member's question, I do not think it is enough because governments change too fast. We are about to see some provincial governments change and hopefully the federal government as well. However I think in the very near future we will see provincial governments change. There is no guarantee or assurance that a commitment by a government today will be honoured by the next government.

Mr. Loyola Hearn: Or even by the same one.

Mr. Bill Casey: Or even by the same one because we have seen local governments change position on subjects right away. No, that is not enough. It has to be embedded in ironclad legislation by the federal Government of Canada.

Ms. Sarmite Bulte (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I am glad to rise to speak on the act to amend the International Boundary Waters Treaty Act, Bill C-6. I welcome this opportunity because it gives me a chance to also address some of the concerns that have been raised and also perhaps address some myths that have been raised in the debate.

There is a very strong consensus in Canada that governments should act to ensure Canada's waters are protected from bulk water removal. Therefore, the issue before us then is not whether to protect the water but how best to accomplish that common goal.

In February of 1999 Canada announced a three part approach to prohibit the bulk removal of water out of all major Canadian drainage basins. The environmental approach would protect and regulate water in its natural state in the water basins and was comprehensive, environmentally sound, respectful of constitutional responsibilities and consistent with Canada's international trade obligations. Bill C-6 embodies all aspects of this approach.

Some people and groups advocated that the federal government should take unilateral action by bringing in an export ban on water. I would respectfully submit that such a trade based approach is wrong. It is unrealistic especially in a federal-provincial context. It would be ineffective, but worse it would actually undermine the goal we all share.

I will outline why Canada has pursued an environmental approach and why that approach is better than an export ban.

The International Joint Commission also known as IJC delivered a landmark report in February 2000 entitled "The Protection of the Waters of the Great Lakes". I will reflect briefly on the IJC's conclusions and recommendations. They are consistent with and

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supportive of the broad environmental approach adopted by Canada on the issue of bulk water removal.

The IJC concluded that water was a non-renewable resource. The vast volume of the Great Lakes was deceiving. Less than 1% of the water was renewed every year through the hydrological cycle. The other 99% was a gift of the glacial age. Furthermore, unlike a forest that could be replanted, taking water out of the water basin was like mining. When it was gone, it would never return.

The IJC report stated "If all the interest in the Great Lakes Basin were considered, there was never a surplus of water. Every drop of water had several potential uses".

Forty million Canadians and Americans depend on the waters of the Great Lakes for every aspect of their lives: day to day living, industry, recreation, transportation and trade. On top of this, the

ecosystem of the Great Lakes has its own equally important demands on the water. As we are dependent on the future health of the Great Lakes, the future health of the ecosystem is dependent on our action.

I see, Mr. Speaker, you are telling me that time is up. Perhaps when we continue the debate, I will be allowed to continue at that time?

The Acting Speaker (Mr. Bélair): Absolutely, and I am sorry to interrupt the hon. member. She will have 17 minutes left in her speech when debate resumes on Bill C-6.

[*Translation*]

It being 6.30 p.m., the House stands adjourned until tomorrow at 10.00 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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